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DECLARATION OF CONDOMINIUM
FOR
PERDIDO SUN, A CONDOMINIUM

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PROSPECTUS
PERDIDO SUN
A CONDOMINIUM

1. THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.
2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIAL.
3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.

SUMMARY

1. THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.
2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIAL.
3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.
4. THE CONDOMINIUM IS CREATED AND BEING SOLD AS FEE SIMPLE INTERESTS.
5. UNITS IN THIS CONDOMINIUM ARE NOT SUBJECT TO TIMESHARE ESTATES.
6. THE SALE, LEASE, OR TRANSFER OF UNITS IS RESTRICTED OR CONTROLLED.
7. THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.

PERDIDO SUN, A CONDOMINIUM

INDEX OF CONTENTS AND EXHIBITS

<u>PROSPECTUS</u>		Page No.
Cover Page		i
Summary		ii
Index of Contents and Exhibits		P-1
<u>TEXT</u>		
1. General - Phase Condominium		P-3
2. Fee Simple Ownership		P-4
3. Common Elements; Recreational Facilities		P-4
4. No Recreational Facilities to be Shared with other Condominiums		P-6
5. No Recreational Leases - Club Membership		P-6
6. No Additions to Recreational Facilities		P-6
7. Leasing of Units		P-6
8. Management, Maintenance, and Operation of the Condominium		P-7
9. Developer's Right to Retain Control of the Condominium Association		P-8
10. Restrictions on Sale, Transfer, Conveyance or Lease of Condominium Units		P-8
11. Summary of Restrictions on Use of Units		P-9
12. Land not Owned or Leased to be Used by the Association		P-10
13. Utility Services		P-11
14. Apportionment of Common Expenses		P-11
15. Estimated Operating Budget		P-12
16. Estimated Closing Expenses		P-12
17. Developer Identity		P-13
18. Exhibits		P-14
<u>DECLARATION OF CONDOMINIUM</u>		
Article I - Submission Statement		D-1
Article II - Name		D-1
Article III - Land		D-1
Article IV - Definitions		D-1
Article V - Description of Improvements		D-3
Article VI - Share in Common Elements and Common Surplus and Common Expenses		D-6
Article VII - Utilities		D-6
Article VIII - Common Expenses		D-7
Article IX - Easements		D-11

Page No.

Article X	- Use and Occupancy Covenants and Restrictions	D-13
Article XI	- Association	D-15
Article XIII	- Membership and Voting Rights of Owners	D-16
Article XIII	- Conveyances, Leases, Mortgages	D-17
Article XIV	- Maintenance, Repairs and Alterations	D-20
Article XV	- Insurance	D-22
Article XVI	- Destruction of Improvements	D-25
Article XVII	- Eminent Domain	D-27
Article XVIII	- Rights of Developer	D-30
Article XIX	- General Provisions	D-31
MORTGAGEE CONSENT		D-36

EXHIBITS TO DECLARATION

Exhibit 1	- Legal Description	D-37
Exhibit 2	- Survey Graphic Description Plot Plan	D-40
Exhibit 3	- Articles of Incorporation	D-52
Exhibit 4	- Bylaws	D-59
Exhibit 5	- Percentage of Ownership in Common Elements, Common Surplus and Share of Common Expenses	D-75
Exhibit 6	- Estimated Operating Budget	D-77
Exhibit 7	- License Agreement	D-81
Exhibit 8	- Form of Agreement for Sale and Purchase	D-86
Exhibit 9	- Escrow Agreement	D-94
Exhibit 10	- Form of Deed	D-99
Exhibit 11	- Receipt for Condominium Documents	D-101

PROSPECTUS

1. GENERAL-PHASE CONDOMINIUM

The name of the condominium is Perdido Sun, A Condominium, and it is located southwest of the City of Pensacola, in Escambia County, Florida.

This Condominium shall be developed as a Phase condominium pursuant to Section 718.403, Florida Statutes.

A maximum of 2 phases, designated Phase I and Phase II, shall be developed, but the Developer is not obligated to develop Phase II.

The legal description of both phases of the property is set forth in Exhibit 1 to the Declaration of Condominium. Phase II may not include certain areas reserved to the Developer, as disclosed herein.

Phase I and Phase II will each be comprised of an eleven (11) story building containing sixty three (63) one bedroom/one and one half bath units, twenty two (22) two bedroom/two bath units and eight (8) three bedroom/three bath units as identified in Exhibit 2 to the Declaration of Condominium. Phase I will also contain Common Elements and recreational facilities set forth in Section 3 of this Prospectus.

Exhibit 2 to the Declaration of Condominium (Pages D-40 through D-51) shows the Plot Plan, size of units, Survey and Graphic representation of Phase I of this condominium project.

Each Unit in Phase I will have appurtenant thereto an undivided percent of the Common Elements and the Owner(s) of such unit will own a like percentage of the Common Surplus and will be liable for the same percentage of Common Expenses as set forth in Exhibit 5 (page D-76) to the Declaration of

Condominium. If Phase II is developed each unit in Phases I and II will have appurtenant thereto an undivided percentage of the Common Elements, Common Surplus and be responsible for such percentage of the Common Expenses as set forth in Exhibit 5 (page D-76) to the Declaration of Condominium.

Each unit is entitled to one vote in the Perdido Sun Condominium Association.

The date of completion of construction, finishing, and equipping of Phase I is September 30, 1985 and of Phase II is July 31, 1992.

The maximum number of dwelling units that will use the common facilities of this condominium will be one hundred eighty-six (186). This maximum number of units will not vary. The Developer has no plan to enlarge or increase the recreational facilities in any manner which would cause unit owner's maintenance expense to increase to cover such enlargement.

2. FEE SIMPLE OWNERSHIP - DECLARATION.

THE CONDOMINIUM IS CREATED AND BEING SOLD AS FEE SIMPLE OWNERSHIP. The condominium is not being erected on any leasehold property.

3. COMMON ELEMENTS OF THE CONDOMINIUM:

A. Common Elements. The owners of each unit in Perdido Sun, A Condominium, shall own an undivided share of all of the common elements of the condominium as set forth in Exhibit 5 (page D-76) to the Declaration of Condominium. All land and improvements not included within the definition of a unit shall become, upon submission of the land described in the Declaration to the condominium form of ownership a part of the common elements of the Condominium.

B. Recreational Facilities. The recreational and commonly used facilities which are common elements are as follows:

	<u>Location</u>	<u>Aprox. sq. ft.</u>	<u>Capacity</u>
*Indoor Pool	1st Floor	700	14
Outdoor Pool	Behind Phase I Building	1500	30
Pool Deck	"	3500	70
Spa	"	120.	8
Mens Shower Room includes toilets	1st Floor	240	5
Womens Shower Room includes toilets	"	250	5
Exercise Room & Sauna	"	225	15
Meeting Room 1	"	675	45
Lobby	"	1000	30
Front Desk	"	360	4
Mens Rest Rooms	"	120	4
Womens Rest Rooms	"	120	4

*The pools will be 3 feet to a minimum of 6 feet deep, and it is anticipated that all of the listed facilities will be available for use by unit owners at the same time Phase I is completed.

C. Parking Spaces. Phase I shall contain 82 parking spaces and the Association shall have a license to use additional off-site parking spaces as set forth in Exhibit 6 to the Declaration of Condominium. Each unit shall have available at least one (1) parking space but no specific parking space will be assigned to any Unit Owner.

D. Personal Property. Developer shall provide the furniture and furnishings suitable in its sole discretion for the lobby and pool area. The Developer shall expend a minimum of \$5,000.00 for such personal property.

4. NO RECREATIONAL FACILITIES TO BE SHARED WITH OTHER CONDOMINIUMS.

None of the recreational or other facilities described in the Declaration of Condominium or in this Prospectus will be used in common with any other condominium. Consequently, there will be no maintenance or expenses for shared recreational facilities by the Unit Owners.

5. NO RECREATIONAL LEASES - CLUB MEMBERSHIP.

None of the recreational facilities or other facilities described herein offered by the Developer and used by the unit owners are to be leased or to have club memberships associated with the facilities.

6. NO ADDITIONS TO RECREATIONAL FACILITIES - DEVELOPER'S RIGHT TO INCREASE.

Neither the Developer nor any other person has the right to increase or add to the recreational facilities at any time after the establishment of the condominium.

7. LEASING OF UNITS.

The development planned for this condominium does not include a program of leasing units rather than selling them, or leasing units and selling them subject to such leases. In the event that conditions change, the Developer reserves the right to include a plan for leasing.

8. MANAGEMENT, MAINTENANCE, AND OPERATION OF THE CONDOMINIUM.

A. The Perdido Sun Condominium Association, Inc., a non-profit Florida corporation (hereinafter called the "Association"), shall be established by the Developer and will manage and/or contract for management of the condominium and for maintenance and operation of the condominium property. A copy of the proposed Articles of Incorporation is included as Exhibit 3 to the Declaration of Condominium, and a copy of the proposed By-Laws of the Association is included as Exhibit 4 to the Declaration of Condominium. Each Unit Owner will be a member of this Association and

shall remain as such as long as he owns a unit. One vote is allowed per unit. Each member will have one vote for each apartment unit owned by him. If a unit is owned by more than one person, those persons shall determine how the single vote is to be exercised according to the By-Laws.

B. The affairs of the Association including the management and maintenance of the condominium property, shall be the responsibility of the Board of Directors. The initial Board of Directors shall be comprised of three (3) members. All members of the Board of Directors shall be members of the Association after such time as the Developer no longer is entitled to representation on the Board as Developer.

C. The powers and duties of the Association granted to a corporation not-for-profit under the Florida Statutes, the Florida Condominium Act, the Declaration of Condominium, the Articles of Incorporation, and By-Laws of the Association are to be exercised or delegated by the Board of Directors subject only to the approval of the members, or initially the Developer, where such approval is required. The initial members of the Board of Directors of the Association are as follows:

- (1) Charles D. Lacour
One Doug Ford Drive
Pensacola, FL 32507
- (2) John Shelley, III
Oliver Building 12th Floor
Pittsburgh, PA 15222
- (3) William J. Weaver
One North Shore Center
Suite 400
Pittsburgh, PA 15212

The initial officers of the Association are as follows:

President	- Charles D. Lacour
Vice-President	- John Shelley, III
Secretary/Treasurer	- William J. Weaver

D. The Association has the power to enter into contracts for the maintenance and management of the Condominium Property. At a future time, the Association (or the Developer, on behalf of the Association), will enter into a number of contracts for the maintenance and operation of

the Condominium Property, however, none of the aforementioned contracts will exceed one year in duration, and all of said contracts shall be subject to termination at the election of the Association. It is the Developer's plan that the Association will have the option to hire a manager for the condominium property, to serve at the pleasure of the Board of Directors of the Association. Such manager will be responsible for hiring a staff of employees, if needed. At the time this Prospectus is being filed with the Division of Florida Land Sales and Condominiums, no contracts have been entered into for the maintenance or management of the condominium property.

9. DEVELOPER'S RIGHT TO RETAIN CONTROL OF THE CONDOMINIUM ASSOCIATION: THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.

Disclosure of the Developer's right to retain control of the Association is found in Article 4.15 of the By-Laws.

10. THE SALE, LEASE OR TRANSFER OF UNITS IS RESTRICTED OR CONTROLLED.

The sale, lease, or transfer of units is restricted or controlled pursuant to Article XIII, of the Declaration of Condominium. The share of a member or Unit Owner in the funds and assets of the Association cannot and shall not be assigned, hypothecated, or transferred in any manner except as an appurtenance to his condominium unit.

Article XIII of the Declaration of Condominium, entitled "Conveyances, Leases, Mortgages" and found at Page D-17 of the Declaration of Condominium, outlines the limitations and restrictions on the sale and lease of units. This Article outlines the procedure which a Unit Owner must follow in order to affect a sale or lease, of a unit, and the procedure required to secure the approval of the Association, as well as the procedure which the Association must follow if it disapproves such sale or lease. The Article also describes the limitations on the mortgage lenders who may hold mortgages on the condominium units.

11. SUMMARY OF RESTRICTIONS ON USE OF UNITS.

Article X of the Declaration of Condominium (Page D-13) outlines the restrictions on the use of the condominium units and of the condominium property. The Association has the power to make reasonable regulations concerning the use of the condominium property. The Developer shall have the right, prior to the sale of all units, to use the unsold units, the common elements, and common areas, in such a way as to facilitate the completion of the sale of units, and shall have the right to maintain a sales office, model units, and signs on the premises.

Each owner grants to the Manager or to the Board of Directors of the Association, the right of entry in the event of emergency or for the purpose of performing routine repairs or installations to the mechanical or electrical services.

No unit may be divided or subdivided into component units for sale. The Common Elements shall be used for the purpose for which they are intended. No nuisances shall be allowed. All parts of the Condominium Property shall be kept clean, and no Unit Owner shall use his unit in such a way that the cost of insurance upon the condominium property shall be increased. No immoral, improper, offensive, or unlawful use shall be made of the condominium property. No "For Sale" or "For Rent" signs shall be maintained on any part of the Common Elements or Limited Common Elements, if any, except as provided by Paragraph 10.4 of the Declaration of Condominium. No trucks, commercial vehicles, boats, house trailers, boat trailer, mobile homes, campers, or trailers of any description shall be parked on the Condominium Property without the prior written consent of the Board of Directors, except for temporary parking of trucks and delivery vehicles. Outdoor drying of clothes by line, rack, or otherwise prohibited. No television or radio antennae may be erected on the condominium property. Owners or guests may have no pets without written permission from the Association. No cooking of any nature whatsoever shall take place or be

permitted in any of the corridors. Children and plants are allowed in the Condominium. The above restrictions are contained in Article X of the Declaration of Condominium on pages D-13-15.

The Developer and its assignees or designees shall have the right of the ingress and egress for management and rental activities, if any, and the right to conduct such activities, in the common or Developer-retained areas.

12. LAND NOT OWNED OR LEASED TO BE USED BY THE ASSOCIATION.

Developer is not offering nor does the Developer intend to offer for sale in the future, any land for use by the Unit Owners or leased to them or the Association or any entity controlled by the Unit Owners. The land described in Exhibit 1 of the Declaration of Condominium is the only land that shall be used by the Developer in the condominium project. A license for parking purposes on property located across State Road 292 owned by the Developer exists for Unit Owners and their guests, however, to accommodate overflow parking needs and zoning requirements.

13. UTILITY SERVICES.

A. Water supply and sewage disposal shall be provided to the condominium project by Florida Community Services, Inc., a franchisee of the Escambia County Utility Authority. There will be no septic tanks used in the condominium project, but instead an underground sewage system. A private well on the property may be used for servicing the swimming pool and for irrigation purposes.

B. Garbage, trash, and waste disposal shall be provided by a private contractor, and all waste, garbage, or trash shall be picked up from receptacles. Garbage receptacles will be made available by a private contractor.

C. Electricity will be provided by the Gulf Power Company.

D. Telephone connections will be available in the units with the telephone service being available from Southern Bell or as a Unit Owner privately arranges.

E. Storm drainage shall be accomplished primarily through on site water retention, with the balance designed for runoff through adjacent public roadways and onto the beach areas into the Gulf of Mexico.

F. The Association shall contract with an independent company to provide landscaping maintenance, or landscaping maintenance will be performed by Association employees, or a combination of the above will be provided, all at the discretion of the Association.

G. Each unit will be wired for television reception hook-up, and the Association will either contract with the cable television company supplying television cable services to the area, or shall contract for installation of a central television antenna, said decision being within the sole discretion of the Association.

14. APPORTIONMENT OF COMMON EXPENSES AND OWNERSHIP.

The apportionment of common expenses and ownership is as set forth in Exhibit 5 to the Declaration of Condominium (Page D-76).

15. ESTIMATED OPERATING BUDGET - SCHEDULE OF UNIT OWNER'S EXPENSES.

An estimated operating budget for the Condominium Association and the schedule of the Unit Owner's expenses are attached as Exhibit "6" to the Declaration of Condominium (Page D-78). The Developer guarantees that the assessments for common expenses imposed upon Unit Owners during the first year shall not be in excess of \$152,460.00, and is obligated to pay any common expenses in excess of that amount which may be incurred.

16. ESTIMATED CLOSING EXPENSES.

An ALTA Owner's Title Insurance Policy will be made available by the Developer to each purchaser at the purchasers request and expense. The Purchaser will pay for the documentary stamps on the Warranty Deed and the cost of

recording said deed in the Public Records of Escambia County Florida. Ad valorem taxes for the year of closing will be prorated between the Developer and the purchaser as of the date of closing. All other costs must be paid by the purchaser. The extent of these costs will vary depending upon whether the purchaser is paying cash or is obtaining mortgage financing. If the purchaser pays cash for his unit, the closing costs usually are limited to the following items:

A. Any insurance premium payable on the contents of the unit or for the Unit Owner's personal liability or for other risks not covered by the insurance carried by the Condominium Association.

B. A contribution to the working capital of the Condominium Association in a sum equal to twice the monthly assessment for that unit.

C. Attorney's fee, if the owner retains one.

If the purchaser utilizes financing arranged by the Developer, or if the purchaser assumes a mortgage previously obtained by the Developer, or if the purchaser obtains his own financing, he will probably be required to pay loan closing costs, or to reimburse the Developer for loan closing costs incurred in the event the purchaser is assuming an existing loan. The following information may be helpful in ascertaining these costs:

- (1) Documentary stamps on promissory notes are assessed at the rate of 15 cents per \$100.00 of the loan amount.
- (2) Intangible tax on the mortgage is presently levied at 20 cents per \$100.00 of the loan amount.

These rates are subject to change by the Florida Legislature. In addition, the purchaser may be required by the lender to pay loan service fee or points, mortgagee title insurance, the cost of recording the mortgage, and other expenses which vary among the lending institutions. This is not intended to be a complete list of costs. A prospective purchase should make inquiry with the lender with respect to the cost involved at the time he makes application for the loan, or

for an assumption. Following the date of closing, certain assessments for maintenance and operation of the condominium are payable monthly in advance to the Condominium Association. In addition, the purchaser may elect to retain an attorney and will be obligated to pay that attorney's fees.

17. DEVELOPER IDENTITY.

The Developer is Perdido Sun, Ltd., a Florida Limited Partnership; Perdido Sun, A Condominium is its first project. The Perdido Bay General Partnership is the general partner of the Developer that shall serve as the operative general partner directing the creation and sale of the condominium units. This entity has been the operating managing general partner of The Perdido Bay Resort in Escambia County for more than one year prior to the filing of the Declaration of Condominium.

18. EXHIBITS.

The Declaration of Condominium, Articles of Incorporation, By-Laws, Estimated Operating Budget and Schedule of Unit Owner's Expenses, the Agreement for Sale (Purchase Agreement), the Plot Plan and Floor Plan of the Units, Survey, License Agreement, and the Escrow Agreement are attached hereto and set forth as Exhibits and the identity of these Exhibits and their location are described in the Index of Contents and Exhibits.

DEVELOPER:

PERDIDO SUN, LTD.
a Florida Limited Partnership

By: Perdido Bay General Partnership
Operating General Partner

By: 
Charles Dick Lacour
Managing general partner

DECLARATION OF CONDOMINIUM
FOR
PERDIDO SUN, A CONDOMINIUM

Perdido Sun, Ltd., a Florida Limited Partnership, as the owner in fee simple of the "Land", as hereinafter defined, and all improvements thereon, hereby makes this Declaration of Condominium for Perdido Sun, A Condominium.

ARTICLE I
SUBMISSION STATEMENT

It is anticipated that this Condominium will be developed in two (2) phases, designated Phase I and Phase II. Perdido Sun, Ltd., a Florida Limited Partnership, hereby submits the Phase I "Condominium Property", as hereinafter defined, to condominium ownership under and pursuant to Chapter 718, Florida Statutes (the "Condominium Act"), excepting from this submission that area retained by the Developer as identified in Exhibit 2 hereto. The Developer retains the right, however, to convey all or part of that area to the Association at a later date.

Phase II may not be developed or submitted to the condominium form of ownership and the Developer is not obligated in any way to develop Phase II. Notice of the decision to add Phase II or not add Phase II will be given pursuant to Section 718.403, Florida Statutes.

The ownership of units shall be by fee simple interests and no time sharing shall be permitted. The date of completion for Phase I shall be September 30, 1985 and July 31, 1992 for Phase II.

ARTICLE II
NAME

The name by which the Condominium Property is to be identified is:

PERDIDO SUN, A CONDOMINIUM

ARTICLE III
LAND

The legal description of the Land is set forth and particularly described in Exhibit 1 to this Declaration.

ARTICLE IV
DEFINITIONS

The terms contained in this Declaration which are contained

in the Condominium Act shall have the meaning of such terms set forth in such Act, and the following terms shall have the following meanings:

(a) Perdido Sun, A Condominium, or the "Condominium", is the name by which the Condominium Property, as hereinafter defined, may be identified herein.

(b) "Condominium Property" means the Land, as hereinafter defined, all improvements thereon, all personal property subjected to condominium ownership hereunder, and all easements and rights appurtenant thereto.

(c) "Land" means the land particularly described in Exhibit 1 to this Declaration.

(d) "Building" means a building located on the Land containing "Units", as hereinafter defined.

(e) "Unit" means a "unit", as defined in the Condominium Act, which is part of the Condominium Property, and all Units are particularly described in Article V and Exhibit 2 of this Declaration.

(f) "Common Elements" means the portions of the Condominium Property not included in the Units, and all property, installations and easements described in Section 718.108 of the Condominium Act. When the term "Common Elements" is used in this Declaration, such term shall include the Limited Common Elements as hereinafter defined, unless specifically stated otherwise.

(g) "Limited Common Elements" means those Common Elements, if any, which are reserved for the use of a certain Unit or Units to the exclusion of the other Units.

(h) "Condominium Parcel" means a Unit together with the undivided share in the Common Elements which is appurtenant to such Unit.

(i) "Owner" means the owner of a Unit, including Developer, as hereinafter defined, so long as Developer owns one or more Units.

(j) "Developer" means Perdido Sun, Ltd., and the successors to and assigns to and assigns of the rights thereof under this Declaration; provided, however, an Owner shall not solely by the purchase of a Condominium Parcel be deemed a successor to or assignee of the rights of Developer under this Declaration unless such Owner is specifically so designated as such successor to or assignee of such rights in the respective instrument of conveyance or any other instrument executed by Developer.

(k) "Association" means the Perdido Sun Condominium Association, Inc., a Florida corporation not for profit.

(l) "Board" means the Board of Directors of the Association.

(m) "Articles" means the Articles of Incorporation of the Association.

(n) "Bylaws" means the Bylaws of the Association.

(o) "Rules" means any rules and regulations duly promulgated by the Board pursuant to its powers under any of the "Condominium Documents", as hereinafter defined.

(p) "Declaration" means this Declaration of Condominium for Perdido Sun, A Condominium.

(q) "Condominium Documents" means this Declaration, the Articles, the Bylaws, the Rules, and any document or instrument referred to or contemplated by the foregoing documents.

(r) "Common Expenses" means all expenses incurred by the Association.

(s) "Common Surplus" means the excess of all receipts of the Association over the Common Expenses.

(t) "Budget" means the annual budget prepared and adopted by the Board for Common Expenses anticipated for the respective forthcoming year.

(u) "Annual Assessment" means the annual assessment assessed upon the Owners in order for the Association to pay expenses contemplated by the Budget.

(v) "Special Assessment" means any assessment other than an Annual Assessment by the Board upon an Owner.

(w) "Institutional First Mortgagee" means any commercial bank; savings bank; savings and loan association; life insurance company; federal agency, corporation or association; mortgage lending corporation, association, or trust; real estate investment trust; any affiliate or subsidiary of the foregoing; or developer; and any successors or assigns of any of the foregoing; if and as long as the respective entity or person holds a first mortgage on a Unit.

ARTICLE V

DESCRIPTION OF IMPROVEMENTS

5.1 Building and Units. The improvements in Phase I of the Condominium include one eleven (11) story building. The Building contains, in addition to the Common Elements therein, an aggregate of eight (8) three (3) bedroom/three (3) bathroom apartment units (approx. 1980 sq. ft.), twenty two (22) two (2) bedroom/ two (2) bathroom apartment units (approx. 1100 sq. ft.) and sixty three (63) one bedroom/one and one half bathroom apartment units (approx. 820 sq. ft.). Phase II, if developed, will consist of a second building and it will have the same number and size of one bedroom, two bedroom and three bedroom

units as does phase I.

The units in Phase I will be identified by even numbers and those in Phase II will be odd numbered. See Exhibit 2 for the specific identification of Phase I Units. No Unit will bear the same designation as any other Unit in the Condominium. The Units consist of improvements and air-space only and no part of the Land is included in any Unit. Subject to Paragraph 18.3, no Unit may be subdivided for sale and no action for partition of a Unit shall lie. The boundaries and relative location for each Unit are described in the "Survey", as hereinafter defined in Exhibit 2 hereto.

The recreation facilities and personal property to be owned as common elements are as set forth and described in Paragraphs 3B and 3D (pages 4 and 5) of the Prospectus.

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

(a) Horizontal Boundaries. The horizontal boundaries of each Unit shall be the unfinished surface of the top of the concrete floor and the unfinished surface of the bottom of the ceiling.

(b) Vertical Boundaries. The vertical boundaries of a Unit shall be determined as follows:

(i) Where a Unit vertical boundary at any place, as indicated in the Survey, is solely air space, the vertical boundary of the Unit at such place shall be the vertical plane lying on said boundary indicated on the Survey.

(ii) Where a Unit vertical boundary at any place, as indicated on the Survey, is bounded by a Common Element wall, then the vertical boundary of the Unit at such place shall be the vertical plane of the unfinished surface of such wall which faces the interior of the unit. The Unit shall include any paint, wallpaper, enamel, stain or other such finishings on such wall.

(iii) Where there is an aperture in any vertical boundary, including but not limited to windows or doors, the Unit shall include the framework of the aperture, if any, as well as any glass windows, screens, entrance or exit doors, and any frames and casings thereto, within said aperture; where a Unit has a balcony, the balcony shall be deemed part of the Unit.

(iv) A Unit shall not be deemed to include the foundations, girders, beams, concrete joists, supports, interior load bearing walls, concrete ceilings and floors surrounding the Unit, nor shall a Unit be deemed to include support columns located within the Unit or pipes, wires, conduits, ducts, or other utility lines running through the Unit which serve any Common Elements

or a Unit other than the Unit in which such lines are located. A Unit shall be deemed to include interior walls and partitions which are contained within the Unit.

5.3 Divider Walls. A wall, other than a Common Element Wall, separating the Unit(s) of one Owner from the Unit(s) of an adjoining Owner shall be referred to as a "Divider Wall" and the location of the vertical plane of its center line shall be coincident with the vertical boundaries of the Units on which the Divider Wall rests, which vertical plane shall also serve as the common boundary between the Units of Owners whose Units adjoin one another. A Divider Wall shall not be removed by an Owner, except that in the event a Divider Wall is no longer necessary to serve to separate the Units(s) of one Owner from the Unit(s) of another Owner, the Divider Wall may be removed provided that such removal shall be at the sole cost and expense of the Owner performing same and that prior written approval of the Board has first been obtained. In no event may a Divider Wall be removed if the structural soundness of the Building may in any way be affected thereby. All Divider Walls shall be the property of the Association; provided, however, the expense of maintenance, repair and replacement thereof shall be shared equally by the Owners whose Units are separated by the Divider Wall, and any painting or decorating of the surface of a Divider Wall shall be at the expense of the Owner performing the same; provided, however, that an Owner shall be responsible for any damage caused to a divider wall by his negligent or intentional acts or those of his employees or agents, and the cost of said repair shall be specially assessed to that Owner, and said sum, together with interest thereon and all costs of collection, shall be immediately due and payable and shall be secured in the same manner as the Association's lien for payment of Common Expenses, as hereinafter described.

5.4 Air Conditioning. All Units have individual air conditioning systems and each Unit Owner shall bear the full cost and responsibility involved in maintaining, repairing and replacing when necessary, the air conditioning system, including the compressor, exchanger, conduits, fans and ducts, serving the Unit(s) owned by such Owner(s). Such air conditioning systems shall be deemed building fixtures and may not be removed by an Owner unless replaced in a manner satisfactory to the Association.

5.5 Parking Spaces. Parking spaces for Phase I of the condominium are as shown on Exhibit 2 hereto. All parking spaces on the Condominium Property are Common Elements and no

specified parking space will be assigned to any Unit Owner. There are additional parking spaces directly across State Road 297 made available to the Condominium by the Developer subject to a license agreement attached hereto as Exhibit "6" as specified therein.

5.6 Survey. Annexed to this Declaration as Exhibit 2 is a survey, graphic description, and plot plan of the Land and all improvements thereof (collectively, the "Survey"). The Survey describes the boundaries of the Land and the relative location of the improvements thereon and identifies the Common Elements, each Unit, and their relative locations and approximate dimensions.

ARTICLE VI
SHARE IN COMMON ELEMENTS AND COMMON SURPLUS
AND COMMON EXPENSES

If only Phase I is developed, each Unit shall have appurtenant thereto an undivided percentage in the Common Elements, the Common Surplus, and be responsible for an equal percentage of Common Expenses set forth in Exhibit 5 (page D-76) to The Declaration of Condominium subject to the terms and conditions of the Condominium Act and the Condominium Documents.

If Phase II is developed each Unit in Phase I and Phase II shall then have appurtenant thereto an undivided share in the Common Elements, the Common Surplus, and be responsible for a like percentage of Common Expenses subject to the terms and conditions of the Condominium Act and the Condominium Documents as set forth in Exhibit 5 to The Declaration of Condominium (page D-76).

ARTICLE VII
UTILITIES

Each Unit shall be provided with water, sewage, and sanitation collection, the cost of which shall be borne as part of the Common Expenses assessed against each Unit. Water will be provided by Florida Community Services, Inc., a franchisee of the Escambia County Utility Authority, electric service will be furnished by the Gulf Power Company (each unit to be billed directly), an underground sewage system will be installed, and a contract will be entered into for the collection of garbage.

ARTICLE VIII
COMMON EXPENSES

8.1 General. Common Expenses shall include all expenses of the Association contemplated by the Condominium Act, including, without limitation, expenses incurred by the Association in causing the covenants contained in this Declaration to be fulfilled; in carrying out the powers and duties of the Association in operating the Condominium; in preserving the Condominium Property in the manner contemplated by this Declaration; in paying any taxes or assessments upon the Condominium Property, in whole or in part, and not levied by the taxing or assessing authority upon individual Units; in maintaining or sharing the maintenance costs of any equipment or facilities used by the Association or Owners which are not part of the Condominium Property; and in maintaining, repairing and replacing the Common Elements. There is hereby imposed upon each Owner the affirmative covenant and obligation to pay his respective share of Common Expenses, which covenant shall run with the Land.

8.2 Annual Assessments and Special Assessments. The Association shall assess each Owner for his respective share of the Common Expenses by Annual Assessments determined and payable in the manner provided in this Article VIII of this Declaration and by Special Assessments, if any, assessed by the Association for expenses incurred or to be incurred by the Association as a result of extraordinary items of expense, costs of construction or reconstruction of any part of the Condominium Property in excess of insurance proceeds therefor, the failure of other Owners to pay an Annual or Special Assessment, or such other reason or basis determined by the Board which is not inconsistent with this Declaration and which expenses were not included in the determination of an Annual Assessment.

8.3 Annual Assessment. The Board shall adopt the calendar year as the budget year for the Association (the "Budget Year"), except that the first year shall begin on the date upon which this Declaration is filed among the Public Records and end on

the thirty-first day of December of said year. Notwithstanding the foregoing, the Board may at any time change to a different fiscal year in accordance with the provisions of and regulations from time to time as prescribed by the Internal Revenue Code. The total anticipated Common Expenses for a Budget Year shall be set forth by the Board at least thirty days preceding the commencement of the Budget Year for which the budget is adopted. The total anticipated Common Expenses set forth in such Budget shall be the Annual Assessment for Common Expenses for all of the Units for such year ("Annual Assessment"). The share of Annual Assessment allocated to each Unit shall be determined by multiplying the Annual Assessment by the proportion of Common Expenses to be shared by the Unit in accordance with Article VI hereof. The resulting product plus each respective Unit's share, if any, of anticipated maintenance expenses for Limited Common Elements appurtenant to said Unit shall be due and payable by the Owner or, if more than one Owner, the Owners, jointly and severally, of each Unit in monthly installments, in advance commencing on the first day of the month of each year.

8.4 Estoppel Statement. Whenever a Unit is to be leased, sold or mortgaged by its Unit Owner, the Association, upon written request of such Unit Owner, shall furnish to the proposed lessee, purchaser or mortgagee, a statement signed by an officer of the Association or its managing agent, verifying the status of assessments due and payable to the Association with respect to such Unit. The Association shall not give its certificate of approval of a sale, conveyance or transfer of any kind until all assessments with respect to such Unit(s) have been first paid to date.

8.5 Initial Capital Contribution. In addition to the assessments provided for in this Article VIII, each Owner shall pay upon purchase from Developer of his Unit(s) an initial contribution to the working capital of the Association of an amount equal to twice the monthly installment of the Annual Assessment.

8.6 Notice and Late Charge. There shall be no notice to Owners as and when an installment for an Annual Assessment becomes due and payable, and the Association shall have the right and power to levy a late charge upon an Owner, if, as and when such Owner fails to pay any Annual Assessment or monthly installment thereof or any Special Assessment or installment thereof as and when any such assessment or installment is due and payable, which late charge shall be in addition to and not in lieu of any other penalties, fees, charges or interest for

failure to make timely payment of an assessment provided by law, this Declaration or any rule or regulation adopted by the Board of Directors of the Association. Any such late charge, penalty, fee, charge or interest imposed by the Association shall be deemed an assessment subject to the lien rights of the Association and all other rights and remedies of the Association, as hereinafter described.

8.7 Lien. Upon the assessment on a Unit of an Annual Assessment or a Special Assessment for Common Expenses determined in the manner set forth in this Declaration, such Annual Assessment or Special Assessment shall be the personal obligation of the Owner or Owners thereof. The Association has and shall have under this Declaration and the Condominium Act a continuing charge and lien on each Unit for any unpaid assessments, together with interest thereon at the highest rate permitted by law, from the due date thereof until paid, and costs of collection including reasonable attorney's fees, and including court costs and reasonable attorney's fees at trial and appellate levels. The lien is effective only from and after recording a claim of lien in the Public Records of Escambia County, Florida. Upon full payment of all amounts secured by such lien, the party making such payment shall be entitled to receive from the Association a statement of satisfaction of lien in form for recording.

8.8 Institutional First Mortgagees. Notwithstanding any provision in this Declaration to the contrary, in the event an Institutional First Mortgagee or other purchaser obtains title to a Unit as a result of foreclosure or deed given in lieu of foreclosure, such acquirer of title and its successors and assigns shall not be liable for the share of any Common Expenses or assessments pertaining to such Unit or chargeable to the former Owner thereof which became due prior to the acquisition of title of such Unit as a result of such foreclosure or deed in lieu thereof unless such share is secured by a claim of lien for assessments that is recorded amongst the Public Records of Escambia County, Florida, prior to the recording of the mortgage, and such assessments shall be cancelled upon acquisition of such title by such mortgagee or purchaser. Any such unpaid and cancelled assessments shall be a Common Expense to be spread equally among all Owners, including the mortgagee or purchaser who acquires the Unit.

8.9 Guaranteed Interim Assessment. Notwithstanding the foregoing provisions, commencing with the date of the recording of this Declaration and ending the earlier of (i) twelve (12)

full calendar months from said date, or (ii) the Turnover Date, each Unit shall be subject only to a monthly assessment in the respective amount for said Unit set forth in Exhibit 6 to this Declaration (the "Guaranteed Interim Assessment"), payable monthly in advance commencing on the date of the closing of the purchase of such Unit. Developer covenants and guarantees that during such period the monthly installments of the Annual Assessment for Common Expenses upon each Unit shall not exceed such amount, and that it will pay during such period the deficit, if any, between the Common Expenses incurred during such year and the sum of the total amount of Guaranteed Interim Assessments for such year paid by initial Owners other than Developer. Notwithstanding any provisions in this Declaration to the contrary, during such period, Developer will not be liable for the payment of any Common Expense or assessment except for the amount of such deficits, and no assessment of any kind will be assessed upon any Unit owned by Developer.

8.10 Remedies. In the event any Owner fails to pay any Annual Assessment or installment thereof, or any Special Assessment or installment thereof, within ten (10) days after the same became due and payable, then the Board shall have the right to elect on behalf of the Association to exercise any of the rights or powers of the Association provided by law, in equity or under the Condominium Act, including either, some or all of the following remedies, which remedies shall not be mutually exclusive, and the election of any one of such remedies shall not be deemed to be a waiver of any other such remedies:

(a) Acceleration. To accelerate the entire amount of any Annual Assessment or Special Assessment allocable to the Owner for the remainder of the calendar year notwithstanding provisions for the payment thereof in installments;

(b) Advance of Funds. To advance on behalf of the Owner in default all or part of such funds which are due and payable from such Owner, and the amount or amounts of funds so advanced, plus interest thereon at the highest rate permitted by law, and costs of collection, including court costs and reasonable attorneys' fees at trial and appellate levels, may thereupon be collected by the Association, and such advance by the Association shall not be deemed a waiver by the Association of any rights of the Association to collect such due and payable assessment;

(c) Foreclosure. To file a claim of lien in the Public Records of Escambia County, Florida, under the Condominium Act and to foreclose the Association's lien in the manner a mortgage of real property is foreclosed;

(d) Action at Law. Without waiving any lien rights and rights of foreclosure, to file an action at law to collect such unpaid assessment, plus interest thereon at the highest rate permitted by law, and costs of collection, including court costs and reasonable attorneys' fees at trial and appellate levels.

ARTICLE IX
EASEMENTS

9.1 Easement to Public Ways. Developer hereby reserves and grants to and for the benefit of the Association and agents there of and to Owners, their family members, guests, invitees and licensees an irrevocable perpetual nonexclusive easement running with the Land for ingress and egress over and across streets, walks, drives, and other rights- of-way which are part of the Common Elements serving Units, to provide necessary and reasonable access to the public ways or to roads and streets reserved under the Declaration of Covenants for the nonexclusive use of Owners which provide access to the public ways.

9.2 Use of Common Elements. Developer hereby reserves and grants to Owners, their family members, guests, invitees, and licensees, an irrevocable perpetual nonexclusive easement running with the Land the right to use the Common Elements subject to the terms and conditions of the Condominium Act, this Declaration and any and all Rules promulgated by the Board of Directors of the Association.

9.3 Encroachments. Developer hereby reserves for the benefit of each and every Unit Owner an easement running with the Land upon and over all of the Condominium Property for encroachments which now or hereafter exist caused by settlement or movement of any improvement, or in the construction, repair or alteration of such improvements, and such easements shall continue until such encroachments no longer exist.

9.4 Utilities. The Common Elements shall be and hereby are reserved and declared to be subject to an irrevocable perpetual nonexclusive easement running with the Land for the benefit of Units and Owners for the construction, installation, relocation, maintenance and repair of utilities and facilities providing services to any part of the Condominium Property including the Land, the Building, any part of the Common Elements, or any Unit, including, without limitation, the providing of electricity, light, telephone, air conditioning, radio or television transmission, gas, water, sewer, drainage, irrigation, power, security, trash or waste removal, or any

other utility or service, and Developer hereby reserves unto and for the benefit of itself and of the Association the right acting singly, to further grant any such easements over, across, under or through the Common Elements from time to time as Developer or the Association deems to be necessary or appropriate in the best interests of the Condominium, which reservation Developer or the Association may assign or convey in whole or in part to any county or state government or agency thereof, or any duly licensed or franchised public utility.

9.5 Association. Developer hereby reserves and grants to the Association, its directors, officers, employees, agents and contractors an irrevocable and perpetual nonexclusive easement running with the Land to enter upon and use the Common Elements in any manner consistent with the rights and obligations of the Association to administer and operate the Condominium and to manage, maintain and repair the Condominium Property.

9.6 Floor Slabs, Wall Spaces and Ceiling Spaces. Developer hereby reserves unto and for the benefit of itself, and the Association, and their respective directors, officers, employees, agents and contractors an irrevocable and perpetual non-exclusive easement running with the Land and right of use on, over, in and through all floor slabs, wall spaces and ceiling spaces for the construction, installation, relocation, maintenance and repair of utilities and facilities providing services to Units adjacent to such floor slabs, wall spaces and ceiling spaces. Developer or the Association may assign or convey in whole or in part the easement rights hereunder to any Owner, or any directors, officers, employees or agents of, or contractors with an Owner.

9.7 Construction and Marketing by Developer. Developer hereby reserves unto and for the benefit of itself, its directors, officers, employees and agents for as long as Developer owns a Unit an irrevocable easement and right of use of, over and across the Common Elements in order to develop the Condominium Property and carry on a sales and marketing program of Units, including the right to carry on and complete construction of improvements thereon, place signs, store construction equipment, park vehicles, and show the Common Elements and Units to any prospective purchaser of a Unit.

9.8 Restaurant Easement. Developer hereby reserves unto itself and for the benefit of itself, its officers, directors, and its assigns, licensees, employees, agents and guests as well as for unit owners, guests and invitees an irrevocable easement and right of use over and across the Common Elements in order to

conduct and carry on the business of the restaurant retained by the Developer or his assigns, if such restaurant is developed as contemplated in Phase II.

ARTICLE X
USE AND OCCUPANCY COVENANTS AND RESTRICTIONS

10.1 Units Generally. The Units are restricted to single family residential use and may be occupied only by the Unit Owner his family, guests, invitees and lessees.

10.2 Antennas and Aerials. Except upon approval by the Board, no antenna or aerial shall be placed by an Owner upon the Common Elements or affixed to the exteriors of a Unit, and no antenna or aerial placed or affixed within a Unit shall extend to protrude beyond the exterior of a Unit or the planes of such exteriors.

10.3 Awnings and Shutters. No awning, canopy, or shutter, including a hurricane or storm shutter, shall be attached or affixed to the exterior of a Unit unless such awning, canopy or shutter has been approved by the Board. Hurricane shutters approved by the Board may only be installed and remain in place during a hurricane or hurricane watch or alert, and such shutters must be removed by the respective Owner thereof, within forty-eight (48) hours thereafter, and if not so removed by an Owner, such shutters may be removed by the Board at the expense of such Owner.

10.4 Signs. No sign, advertisement, notice, lettering or descriptive design of any kind shall be displayed or placed upon any part of the Condominium Property except in a place, style and manner approved by the Board.

10.5 Exterior Changes. No Owner shall paint, refurbish, alter, decorate or change any outside or exterior surface of the Condominium Property, including any walls, doors, or windows serving his Unit(s), without first obtaining specific written approval thereof by the Board, which approval may be withheld by the Board in its sole and absolute discretion, and which approval the Board shall not grant if, in its option, the affect of any of the foregoing will be detrimental to the aesthetic appearance of the Condominium Property.

10.6 Pets. No Owner or guest shall keep a pet anywhere on the Condominium Property including in any Unit unless having received prior written permission from the Board.

10.7 Nuisance. No Owner shall cause or permit to come from his Unit(s) any unreasonable noises or odors or commit or permit to be carried on any nuisance or any immoral or illegal activities on the Condominium Property.

10.8 Litter. No article of personal property shall be hung or shaken from the doors or windows of any Unit. No Owner shall sweep or throw from his Unit any dirt or any other materials. No garbage, trash, refuse or rubbish shall be deposited, dumped, or kept on any part of the Common Elements except in closed containers deposited in receptacles or placed for pick-up in accordance with rules and regulations promulgated by the Board.

10.9 Utility Addition. No additional utility fixture or improvement, including without limitation, any water, sewage, electrical, cable television, air conditioning or heating system, line, duct, conduit, pipe, or wire shall be added to service any Unit if it involves the use of or access to the Common Elements without the prior written consent thereto by the Board. If the proposed installation does not involve access to or use of Common Elements no prior approval by the Board is required provided the proposed installation complies with and has all required governmental approvals and does not affect the structural soundness of the Condominium. The Board shall have the right to promulgate such reasonable rules and regulations as they deem necessary permitting installation of partitions, fixtures, electrical wiring, cable television lines or plumbing installations.

10.10 Increase in Insurance Rates. No Owner shall take any action, without the prior written approval of the Board, which will result in an increase in the rate of any insurance policy or policies covering any part of the Condominium Property.

10.11 Enforcement. Any conveyance of Units or use of Units for use other than the above permitted use shall be deemed invalid, void and unenforceable, and Developer, the Association, or any Owner shall have the right to seek and obtain any remedy available at law or in equity to prevent, prohibit and enjoin the use of any Unit in a manner not permitted under this Article X; provided, however, any failure or election for whatever reason not to seek such enforcement of any such foregoing use restriction shall not be deemed in any way to be a waiver of such restriction or acceptance of the nonpermitted use. The foregoing use restrictions are hereby declared, reserved and imposed by Developer as equitable servitudes and restrictive covenants running with the Land and each Unit, and same are

binding upon Developer and all persons claiming by, through or under Developer, and any other holders of an interest or estate in a Unit, for the benefit of and as a limitation and burden upon the Land, each Unit, Developer, and all future Owners. All instruments of conveyance and lease shall incorporate by reference hereto, the restrictions contained herein this Article X and elsewhere in the Declaration and Articles of Incorporation and Bylaws of the Association.

10.12 Leasing. There shall be no restrictions on leasing and no minimum term for any lease shall be required.

10.13 Additional Rules and Regulations. The Board may promulgate such other rules and regulations as it determines to be in the best interests of the Owners, and such additional rules and regulations shall, as long as they remain in force, be deemed additional covenants and restrictions as to the ownership, use, and occupation of the Condominium Property.

ARTICLE XI
ASSOCIATION

11.1 General. The corporate entity responsible for the operation of the Condominium is the Perdido Sun Condominium Association, Inc., a Florida corporation not for profit ("Association"). The document creating the Association is the Articles of Incorporation of the Association, a copy of which is attached as Exhibit 3 to this Declaration. A copy of the Bylaws of the Association is attached as Exhibit 4 to this Declaration. The Association shall operate the Condominium in accordance with this Declaration, the Articles, the Bylaws and any Rules and Regulations duly adopted by the Board of the Association.

11.2 The Board. All of the powers and duties of the Association shall be exercised by the Board or any duly authorized committee, representative or agent of the Board unless otherwise specifically delegated to the members of the Association under law or any of the Condominium Documents. Developer reserves the right to designate a majority of the members and successor members of the Board until the "Turnover Date", as defined in the Bylaws. Upon and after the Turnover Date, the Board shall be elected by the members of the Association in accordance with the terms and provisions of the Articles of Incorporation and Bylaws.

11.3 Association Management. The Board shall have the power from time to time to enter into agreements with manager(s)

or managing company(ies), and to the maximum extent permitted by law, to delegate maintenance, management, and operational duties and obligations to such manager(s) or management company(ies).

11.4 Powers and Duties. The Association shall have all of the powers and duties of the Association provided under law, in this Declaration, in the Articles, in the Bylaws, and under the Condominium Act.

ARTICLE XII

MEMBERSHIP AND VOTING RIGHTS OF OWNERS

12.1 Membership. Each and every Owner, including Developer as to Units owned by Developer, shall be a member of the Association having all of the rights and obligations of members under the Declaration, Articles and Bylaws.

12.2 Voting Rights. The Owner or the Owners collectively of a Unit shall be entitled to one (1) vote as members of the Association for each and every Unit owned by the Owner or Owners collectively. If there is more than one member with respect to a Unit as a result of the fee interest in such Unit being held by more than one person, such members collectively shall be entitled to only one (1) vote. The vote of the Owners of a Unit owned by more than one natural person or by a corporation or other legal entity shall be cast by the person named in a certificate signed by all of the Owners of the Unit, or, if appropriate, by properly designated and authorized officers, partners or principals of the respective legal entity, and filed with the Association, and such certificate shall be valid until revoked by a subsequent such certificate. If such a certificate is not filed with the Secretary of the Association, the vote of such Unit shall not be considered for any purpose. No such certificate shall be required of a husband and wife owning a Unit jointly. At the completion of Phase I the voting membership shall total ninety-three (93); at the completion of Phase II if developed the membership shall have one hundred eighty-six (186) voting members. Each unit shall have one vote whether in Phase I or Phase II.

12.3 Proxies. In all matters, a written proxy filed with the Secretary of the Association shall empower another to vote for the Unit Owner executing such proxy. Such written proxy or authorization, shall be effective only for the meeting for which originally given and any lawfully adjourned meeting thereof. In no event shall any proxy be voted for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Unit Owner executing it.

ARTICLE XIII
CONVEYANCES, LEASES, MORTGAGES

13.1 General. In order to assure a community of compatible Owners and to protect the value of the Units, no Owner may convey, transfer, dispose of, or encumber his Unit(s), any part thereof, or any interest therein by sale, lease, mortgage or otherwise (except to the extent permitted under Section 13.10 hereof) without approval of the Board, which approval shall be obtained in the manner set forth in this Article XIII.

13.2 Notice to Association. Each and every time an Owner intends to sell his Unit(s) he shall give the Developer, so long as it owns one unit, or its successor or assigns, or the Association if the Developer no longer owns any units, written notice of such intention by presenting a copy of the proposed contract for sale (offer). The giving of such notice shall constitute a representation and warranty by the Owner to the Developer (or Association) that the Offer is a bona fide offer in all respects. The notice shall be given by certified mail, return receipt requested, or delivered by hand to the Developer (or Association if appropriate), who shall give a receipt therefor. The Developer, its successors or assigns, (or the Association if applicable) shall have the right of first refusal to purchase the unit under the same terms and conditions as presented. Such right shall cease if not exercised within ten (10) days of receipt of written notice as above described.

13.3 Association's Approval. If the above right of first refusal is not exercised then within thirty (30) days after receipt of a notice of an Offer, the Board shall either approve the Offer ("Approval") or reject the Offer ("Rejection"). Any Approval granted or deemed to have been granted by the Board under this Declaration shall apply only to the intended purchaser or lessee named in the offer. The Association shall have broad discretion in approving or rejecting the Offer, and its decision shall be final and binding upon the parties. The Association shall not be obligated to purchase any Unit or Units in the event the original proposed purchaser is not approved. A fee shall be paid to the Association in an amount required under the Rules of the Association for consideration by the Association of any such transfer.

13.4 Form of Approval. An Approval shall be in writing in recordable form signed by any officer of the Association (the "Certificate of Approval") and it shall be delivered to the Owner. Failure of the Board to grant Approval or issue a rejection within thirty (30) days after the notice is given

shall constitute and be deemed approval of the Offer, and the Board shall be required to prepare and deliver a Certificate of Approval to the Owner.

13.5 Gift, Devise, Inheritance, Judicial Sale, or Assignment for Benefit of Creditors.

13.5.1 Notice to Association. Any person who has obtained ownership or possession of a Unit by gift, devise, inheritance, judicial sale, assignment for benefit of creditors or by any other method other than a sale or lease pursuant to Section 13.3 hereof or pursuant to Section 13.11 hereof shall give to the Association notice thereof together with such information concerning the person(s) obtaining such Unit(s) as may be reasonably required by the Board and a certified copy of the instrument by which such Unit(s) was/were obtained.

13.5.2 Approval. Within thirty (30) days after receipt of the aforementioned notice or knowledge, the Board shall have the right either to approve or disapprove of such transfer of title or possession. Approval shall not be unreasonably withheld and shall be by a Certificate of Approval delivered to the person who has obtained such title. In the event the Board fails to take any action pursuant to this paragraph within such thirty (30) day period, such failure to act shall be deemed to constitute such approval and the Board shall deliver the Certificate of Approval to the person who has obtained such title or possession.

13.6 Recording of Certificate of Approval. Every Certificate of Approval delivered by the Board in connection with a change of ownership as referred to in this Article XIII shall be recorded in the Public Records of Escambia County, Florida.

13.7 Form of Leases. There shall be no restrictions on leasing. Any lease shall be deemed to provide that the lease shall be subject in all respects to all of the terms and provisions of this Declaration, and that any failure by the lessee thereunder to comply with such terms and provisions shall be a default under his lease, and that the Association shall have the right, power and authority on behalf of the Owner to commence legal proceedings to cause the lessee to be evicted upon any breach of the lease. Regardless of whether the lease is written or not, all lessees shall be required to register upon arrival at the front desk.

13.8 Mortgages. An Owner shall not mortgage any of his Units or any interest therein without the written approval of the Board except to Developer, an Institutional First Mortgagee, or a prior Owner as a purchase money mortgage accepted by such Owner as part of the sale of the Units. The approval or disapproval of any other mortgagee shall be within the sole and absolute discretion of the Board.

13.9 Registry of Owners and Mortgages. The Association shall at all times maintain a Register of the names of the Owners and mortgagees of all Units. Upon the transfer of title to any Unit, the transferee shall notify the Association in writing of his interest in such Unit together with recording information identifying the instrument by which such transferee acquired his interest in the Unit. The Owner of each Unit encumbered by a mortgage shall notify the Association of the name and address of the mortgagee, the amount of such mortgage, or mortgages, and the recording information identifying the same. The holder of any mortgage encumbering a Unit may notify the Association of any such mortgage(s), and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

13.10 Transactions Not Subject to This Article XIII. Notwithstanding any of the foregoing provisions of this Article XIII or any other provision in this Declaration to the contrary, the following transactions shall not be subject to this Article XIII and the obtaining of title or occupancy to a Unit by any of the following means shall not give rise to a right on the part of the Association to approve the transaction:

(a) Family Transaction. A sale, by an Owner to any member of his immediate family, such as his spouse, parents, mother, sisters, children, or any one of them.

(b) Admission of Additional Owners. A conveyance of an interest in a Unit arising from the addition of co-owners.

(c) Transaction Between Related Parties. A sale of a Unit between related parties, such as but not limited to a sale or lease between (i) individuals and a partnership in which the individuals are partners, (ii) individuals and a corporation in which the individuals are shareholders, (iii) a partnership and a corporation whose shareholders are the partners of the partnership, (iv) a trust and a partnership, corporation or individuals who are the beneficiaries of the trust.

(d) Institutional First Mortgagee. The obtaining by an Institutional First Mortgagee of title to a Unit as a result of foreclosure or by deed in lieu thereto, upon which event such mortgagee shall have the absolute and unqualified right to sell,

lease, mortgage or otherwise transfer or encumber such Unit in any way or manner determined by such mortgagee in its sole and absolute discretion without limitation.

ARTICLE XIV
MAINTENANCE, REPAIRS AND ALTERATIONS

14.1 Owners.

14.1.1 Units. Each Owner shall be solely responsible for the maintenance, repair and replacement of all portions of his Unit(s), including all fixtures located within or deemed part of the Unit(s); all air conditioning equipment, exhaust fans and hot water heaters exclusively serving his Unit(s); all interior surfaces surrounding his Unit(s), such as the interior surfaces of walls, ceilings, and floors. Each Owner shall also maintain the interior and exterior surfaces of any glass, windows, glass sliding doors and entrance and exit doors contiguous to and serving the Unit(s). Each Owner shall timely and properly perform all such maintenance and repairs which if not so performed would affect a Unit belonging to another Owner of the Common Elements, and each Owner shall be liable for any damages that arise due to his failure to perform the above maintenance, repairs and replacements. If the Owner of any Unit shall fail to maintain the window surfaces in a clean and attractive condition, the Association may enter the Unit if necessary during any reasonable hour, perform the necessary cleaning or maintenance of window surfaces, and assess the cost of such cleaning or maintenance to the Unit Owner.

14.1.2 Exteriors of Units. No Owner shall paint, refurbish, stain, alter, decorate, or change any outside or exterior portion or surface of the Condominium Property, including any walls, doors, windows, screens, or awnings, or repair or replace any such item in any manner except in the manner which existed prior to the need for such repair or replacement; or install on any portion of the Condominium Property any exterior lighting fixture, mailbox, screen door, awning, shutter or other similar item without first obtaining specific written approval thereof by the Board, which approval may be withheld by the Board in its sole and absolute discretion, and which approval the Board shall not grant if in its opinion the effect of any of the foregoing will be unsightly and detrimental to the aesthetic appearance of the Condominium Property.

14.1.3 Utilities. Each Owner shall maintain, repair and replace as necessary at his sole expense all ducts,

conduits, piping, wiring, appliances, fixtures and other facilities located within his Unit(s) which furnish utility services to any part of his Unit(s) or located without his Unit(s) which furnish utility services solely to a part of his Unit(s); provided, however, that all such maintenance, repairs and replacements shall be done by contractors approved by the Association.

14.1.4 Access by Association. Each Owner acknowledges and recognizes that any officer or agent of the Association shall have the irrevocable right to have access to each Unit from time to time during reasonable hours as may be necessary for inspection, maintenance, repair or replacement of any part of the Common Elements therein or accessible therefrom or at any time as may be necessary for emergency repair thereof to prevent damage to another Unit or to the Common Elements.

14.1.5 Common Elements. No Owner shall make any alteration in, of, on or to the Common Elements, remove any portion thereof, or make any additions thereto. No Owner shall do anything which shall or may jeopardize or impair the safety or soundness of the Condominium Property or which, in the opinion of the Board, may detrimentally affect the aesthetic appearance or architectural design of the Condominium Property. Any alteration or addition to the Common Elements by an Owner shall be deemed to affect detrimentally the aesthetic appearance and architectural design of the Condominium Property unless the Board consents specifically thereto in writing.

14.1.6 Reports to the Association. Each Owner shall promptly report to the Association any defect in need of repair on the Condominium Property of which the Owner has knowledge and for which the Association is responsible to maintain and repair.

14.1.7 Liability for Damage. Each Owner shall be liable to the Association for any damage caused by such Owner or any family member, guest, licensee, invitee, or contractor of such Owner to the Common Elements or any part hereof (normal wear, tear and use excepted), and each Owner shall be liable for all costs and expenses incurred by the Association in repairing or replacing Common Elements so damaged by such Owner or by any such person mentioned above for whose actions the Owner is responsible.

14.2 The Association.

14.2.1 Common Elements. The Association shall maintain, repair and replace as necessary all of the Common Elements; all exterior wall surfaces of the Condominium Property; and all ducts, conduits, piping, wiring, appliances, fixtures and other facilities not located within a Unit or located within a Unit but which furnish utility services to more than one Unit owned by different Unit Owners.

14.2.2 Additions and Alterations. The Association shall have the right to make or cause to be made changes, additions, alterations and improvements to and of the Common Elements which are approved by the Board and which do not impair the rights of any Owner or any Institutional First Mortgagee; provided, however, if the cost of any such change, addition, alteration or improvement shall exceed 10% of the annual budget, no such change, addition, alteration or improvement shall be made without the approval of two-thirds (2/3) of the Unit Owners. The cost of any such change, addition, alteration, or improvement shall be a Common Expense of the Association assessed upon Owners in the manner provided in this Declaration.

14.3 Alterations by Developer. Notwithstanding any provisions in this Declaration to the contrary, Developer reserves and shall have the absolute right to alter the interior design, configuration, size and construction of Units owned by Developer and to alter, rearrange, and change the boundaries and Common Elements between Units owned by Developer so long as any such alteration, arrangement or change referred to in this paragraph shall not alter the shares of Common Elements, Common Expenses and Common Surplus appurtenant to any Unit not owned by Developer. In the event any alteration, arrangement or change made by Developer pursuant to this Article XIV shall require an amendment of this Declaration, such amendment shall require only the consent of Developer and need not be approved by the Association, other Unit Owners, or any lienors or mortgagors of other Units, except however if any amendment would impact on matters governed by Section 718.403, Florida Statutes, such amendment shall be made pursuant to the Condominium Act (Chapter 718, Florida Statutes).

ARTICLE XV
INSURANCE

15.1 Insurance Coverage.

15.1.1 Owners. Each Owner shall have the right to purchase liability insurance for accidents occurring in his Unit, liability insurance for the Owner's personal liability for acts or omissions of the Association, and casualty insurance for fixtures and personal property located in his Unit.

15.1.2 Association. The Association shall use its best efforts to obtain and maintain policies of insurance for the purpose of providing the following insurance coverage and, without limiting the foregoing, such other coverage as the Board determines to be necessary or appropriate, and premiums for all insurance policies and other expenses in connection with such insurance shall be paid by the Association and be charged to Owners as part of the Common Expenses:

(a) A "master" or "blanket" policy of property insurance in an amount equal to the then full replacement cost (exclusive of land, foundation, excavation and other items normally excluded from such coverage) of the Common Elements with coverage or an endorsement covering partitions, walls, fixtures, installations and additions, as initially installed or replacements thereof, comprising that part of insured buildings within the unfinished interior surfaces of the perimeter walls, floors and ceilings of individual units, an inflation guard endorsement, and such other endorsements as are deemed necessary or appropriate by the Board, including, without limitation, coverage to afford protection against the following:

(i) Loss or damage as covered by an all risk form policy; and

(ii) Such other risks as shall customarily be covered with respect to property similar to such improvements in construction, location and use.

(b) A comprehensive policy of public liability insurance covering all of the Common Elements, with limits not less than \$1,000,000. covering all claims for personal injury and/or property damage arising out of a single occurrence, coverage for protection against water damage liability, liability for non-owned and hired automobile, liability for property of others, and such other risks as shall customarily be covered with respect to areas similar in construction, location and use.

(c) Flood insurance covering the Common Elements available under the National Flood Insurance Program, which flood insurance shall be in the form of a standard policy issued by a member of the National Flood Insurers Association, and the amount of the coverage of such insurance shall be the maximum amount of flood insurance available under such program.

(d) Adequate fidelity coverage to protect against dishonest acts on the part of officers, directors and employees of the Association and all others who handle or are responsible for handling funds of the Association, such coverage to be in the form of fidelity bonds issued in conformance with Florida law which shall name the Association as an obligee and which shall contain waivers of any defense based upon the exclusion of

persons who serve without compensation from any definition of "employee" or similar expression.

15.2 Insurance Policies. The policies of insurance obtained pursuant to Section 15.1 immediately preceding shall be subject to the following provisions:

(a) The Board shall determine in its sole discretion the insurers, the policy limits, and the coverage and substantive provisions of such policies. All property hazard insurance policies obtained by the Association will name the Association as the party insured under such policy or policies for the benefit of the Owners and the Mortgagees of the Units, as their respective interests may appear, and the original or a true copy of each of such policies shall be held in the office of the Association.

(b) To the extent practicable and obtainable at reasonable cost, all of such policies shall provide that they shall not be brought into contribution with insurance purchased by Owners or their mortgagees; that coverage shall not be prejudiced by any act or neglect of Owners or of the Association or by failure of Owners or the Association to comply with any warranty or condition of which they have no notice or with regard to any portion of the Condominium Property over which they do not have control; that coverage may not be cancelled (including cancellation for nonpayment of premium) or substantially modified without at least thirty (30) days prior written notice to any and all insureds named thereunder; and all such policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Association, the Owners, and their respective agents, employees or tenants.

15.3 Approval by Institutional First Mortgagee. Notwithstanding any provision in this Article XV to the contrary, the Institutional First Mortgagee holding the highest dollar indebtedness secured by a first mortgage or first mortgages encumbering a Unit or Units shall have the right to approve the form of such insurance policies, the nature and extent of the coverage of all policies and endorsements, the amounts thereof, the company or companies which shall be the insurers under such policies, the insurance agent or agents placing such insurance, and the designation of an Insurance Trustee, if applicable, which approvals will not be unreasonably delayed or withheld.

15.4 Mortgages. In the event of any damage to the Condominium Property, no mortgagee of a Unit shall have any right to participate in the determination of whether the damaged

property shall be rebuilt, and no mortgagee shall have the right to require that any insurance proceeds be applied to the repayment of the loan made by such mortgagee.

ARTICLE XVI
DESTRUCTION OF IMPROVEMENTS

16.1 General. The Association shall receive any and all proceeds from the insurance policies held by it and shall hold such proceeds for further disposition in accordance with the provisions of this Article XVI.

16.2 Damage Solely to Units. In the event the Association receives insurance proceeds for damage solely to a Unit or Units without any loss to any of the Common Elements, the Association shall immediately apportion and pay all proceeds received as a result of such damages directly to the Owners and, if any, mortgagees of the Unit(s) so damaged as their interests may appear, in accordance with the relative proportion of damage sustained by each of the Units.

16.3 Obligation of Owners. It shall be the duty and obligation of Owners of damaged Units, whether or not such Owners receive adequate insurance proceeds to repair or restore their Units, as soon as practicable, solely at their expense according to the original plans and specifications and to the standard and condition required to be maintained under this Declaration. Owners are subject to a Special Assessment, if necessary, in order to provide funds for repair or restoration of a Unit upon the failure of an Owner to make a required repair or restoration.

16.4 Determination by Board. The Board shall determine whether a Unit or Common Elements or both have suffered damage insured against under any policies held by the Association, the relative damage suffered by Common Elements and Units, and the relative damage sustained among Units. Notwithstanding any provision in this Declaration to the contrary, in the event this Declaration provides that the Association is to turn over any insurance proceeds to Owners and/or mortgagees of Units, the Board may elect and direct in lieu thereof to retain and utilize such insurance proceeds to make any required repair and restoration of damaged Units.

16.5 Damage to Common Elements or Common Elements and Units.

16.5.1 Allocation of Proceeds. In the event that the Association receives insurance proceeds for damage to Common

Elements and Units, then such proceeds shall first be applied to repair and restore damaged Common Elements and the remaining proceeds, if any, shall then be apportioned and paid in accordance with the provisions of Section 16.2 hereof. Any deficiency in proceeds to repair damaged Common Elements shall be treated in accordance with Section 16.5.3 hereof. In the event there is any deficiency in proceeds to repair damaged Units, then proceeds available to repair damaged Units shall be apportioned and paid directly to the Owners and, if any, mortgagees thereof, as their respective interests may appear, in accordance with the relative proportion of damage sustained by each of the Units.

16.5.2 Insurance Proceeds Greater than \$10,000.00.
 In the event the Association receives insurance proceeds for damage to Common Elements or to Common Elements and Units in excess of Ten Thousand (\$10,000.00) Dollars, then the Association shall hold in trust all such insurance proceeds with respect to such damages and, subject to Section 16.5.4 hereof, shall distribute such proceeds in the following manner:

(a) The Board shall obtain detailed estimates or bids for the cost of rebuilding and reconstructing the damaged Common Elements so that such estimates or bids are sufficient to rebuild and reconstruct all of such damaged property.

(b) The Association shall then enter into a construction contract with a general contractor to do the work on a fixed price basis or on any other reasonable terms acceptable to the Association. The Association shall disburse insurance proceeds and any other funds held by it pursuant to Section 16.5.3 hereof to such contractors or subcontractors in accordance with the provisions for payment contained in such construction contract; provided, however, prior to any payment of such funds, the payees of such funds shall deliver to the Association any paid bills, architect's or engineer's certificates, waivers of liens, or affidavits as may be required under the construction contract, by law, or reasonably requested by the Board or any Institutional First Mortgagee.

16.5.3 Special Assessment. In the event that the insurance proceeds which are received by the Association under Section 16.5.2 hereof are insufficient for the repair of all of the damages to the Common Elements which gave rise to such proceeds, the Board shall hold a special meeting to determine a Special Assessment upon the Units to obtain the necessary funds to repair and to restore the damaged Common Elements. Such Assessment need not be uniform as to each of the Units or in the proportion the Units share Common Expenses but may be in

accordance with such factors as the Board shall consider to be fair and equitable under the circumstances, such as the relative location and use of the damaged Common Elements. Upon the determination by the Board of the amount of such Special Assessment, the Board shall immediately levy such Assessment upon the respective Units setting forth the date or dates of payment of the same, and any and all funds received from Owners pursuant to such Assessment shall be delivered to the Association, and the Association shall disburse such funds in accordance with this Declaration.

16.5.4 Excess Insurance Proceeds. In the event that after completing the repair and reconstruction of any damaged Common Elements, any insurance proceeds allocable to the repair of Common Elements remaining in the hands of the Association shall be divided and disbursed in the manner set forth in this Article XVI. In the event any repair of the Common Elements has been paid for by any Special Assessment as well as insurance proceeds, then it shall be presumed that the monies disbursed in payment of any such repairs had been first disbursed from insurance proceeds and then disbursed from funds received upon Special Assessment, and any remaining funds held by the Association up to an amount equal to funds received upon Special Assessment shall be distributed to the Owners in proportion with the relative contributions made by Owners by way of Special Assessment.

16.6 Plans and Specifications. Any repair, rebuilding or reconstruction of damaged Condominium Property shall be substantially in accordance with the architectural plans and specifications for such damaged property as originally constructed, previously reconstructed or in accordance with new plans and specifications approved by the Board; provided, however, any material or substantive change in new plans and specifications approved by the Board from the plans and specifications of previously constructed property shall require approval by the Institutional First Mortgagee holding the highest dollar indebtedness secured by a mortgage or mortgages on the damaged property.

ARTICLE XVII
EMINENT DOMAIN

17.1 Award for Common Elements. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board. In the event the repair and restoration of the

Common Elements shall, in the opinion of the Board, be essential to the operation of the Condominium, or in the event a majority of the Unit Owners duly and promptly approve such repair and restoration, the Board shall arrange for same, and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments; in the event that a majority of the Unit Owners do not approve the repair and restoration of the Common Elements, the Board shall disburse the net proceeds of such award in the same manner as insurance proceeds where there is no repair or restoration of the damage.

17.2 Award for Units. Where part of a Unit or Units have been taken by eminent domain and a majority of the Unit Owners duly approve the repair and restoration of Units and, if affected, Common Elements, the Board shall adjust such loss with the effected Unit Owners. In no event shall the Board be required to make any payments in excess of that portion of the overall condemnation award that is reasonably attributable to such Unit Owner's loss. In no event shall the Board be required to make any payments prior to receipt of sufficient funds for such purpose from the condemning authority. However, nothing contained herein shall prohibit the Board from making in advance a partial payment to such Unit Owner when the Board, in its discretion, deems such advance or partial payment to be reasonable and proper. Nor shall anything contained herein be deemed to relieve such Unit Owner of the obligation to contribute to the repair or restoration of the building and Common Elements, although the Board may, in a proper case, reduce the amount of such obligation or eliminate same.

17.3 Special Assessment. In the event that there is any partial taking of the Condominium Property by action in eminent domain, then the Board shall hold a special meeting to determine a Special Assessment upon the Units to obtain the necessary funds to repair and to restore the remaining Condominium Property. Such Assessment need not be uniform as each of the Units or in the proportion of the Unit's share in Common Expenses, but may be in accordance with such factors as the Board shall consider to be fair and equitable under the circumstances, such as the relative location and use of the remaining Common Elements. Upon the determination by the Board of the amount of such Special Assessment, the Board shall immediately levy such Assessment upon the respective Units remaining after the taking in eminent domain setting forth the date or dates of payment of the same. Notwithstanding the foregoing, in the event that the total amount of any such

Special Assessment is in excess of \$10,000.00 for any one Unit, and Owners who are subject to three-fourths (3/4) of the aggregate of such Special Assessment advise the Association in writing on or before the date for the first payment thereof that they are opposed to such Special Assessment, then the Board shall call a special meeting of the entire membership of the Association to determine the nature and extent of the repairs and restoration to be made to the remaining Condominium Property and the total Special Assessment to be made therefor, which Assessment, upon approval by Owners of a majority of the Units remaining after the taking, shall then be made upon each of the remaining Units in the proportion the Units share the Common Elements after such taking.

17.4 Easement for Construction of Exteriors to Units. In the event of any partial taking of the Condominium Property by action in eminent domain and the reconstruction and repair of remaining Common Elements of the Condominium Property by the Board, such reconstruction and repair shall include, to the extent determined necessary by the Board (or as approved by the Owners if and as required in accordance with the terms of the foregoing Paragraph 17.3), the construction and installation of exteriors to Units whose exteriors were taken in such eminent domain action, upon which construction and installation, such exteriors shall then be Common Elements and not part of Units under the Amendment of this Declaration required by Paragraph 17.5 immediately following. All Units shall be and hereby are reserved and declared to be subject to an irrevocable, perpetual, nonexclusive easement running with the Land for the benefit and on behalf of the Association for the construction and installation of any such exteriors to a Unit necessary or appropriate as a result of any such taking by eminent domain.

17.5 Amendment of Declaration. In the event of any partial taking of the Condominium Property by action in eminent domain, then the total number of Units under this Declaration shall be automatically, by such taking, changed to the total number of Units remaining after such taking, and the share in Common Elements, Common Expenses and Common Surplus of each such remaining Unit under this Declaration shall automatically, by such taking, be changed accordingly. The Board shall have the right to determine for any purpose under this Paragraph 17.5 whether any partial Unit remaining after any taking in eminent domain should be an entire Unit or part of an adjacent Unit. The change in total number of Units under this Declaration and the change in the share of Common Elements, Common Expenses and Common Surplus of the remaining Units under this Declaration

after a taking in eminent domain may be evidenced by an amendment to this Declaration approved and executed solely by a majority of the members of the Board. Requirements under Article XIX as to the number, percentage or fraction of Owners or Units which must approve any amendment, modification or termination of this Declaration shall require such number, percentage or fraction only of the total number of Owners or Units remaining in the Condominium pursuant to this Paragraph 17.5 after such taking.

ARTICLE XVIII
RIGHTS OF DEVELOPER

18.1 Marketing of Units. Notwithstanding any provision in this Declaration to the contrary, Developer reserves and shall have the absolute right to enter on, carry on and transact on the Common Elements and in Units owned by Developer any activities necessary or appropriate in connection with the development and construction of the Condominium Property and the sale, leasing or marketing of Units, including, without limitation by specification, the right to carry on construction and development activities; place equipment, machinery, supplies, and signs; construct or maintain models of Units; park vehicles of prospective purchasers of Units or employees and personnel of Developer; and carry on a general sales and marketing program of Units.

18.2 Transfer of Units. Notwithstanding any other provision in this Declaration to the contrary, Developer reserves and shall have the absolute and unqualified right for as long as Developer owns any Unit, now or by reacquisition, to sell, lease at any time and from time to time, mortgage, or otherwise transfer or encumber any such Unit in any way or manner determined by the Developer in its sole and absolute discretion without limitation and without approval of the Association.

18.3 Alterations of Units. Notwithstanding any provision in this Declaration to the contrary, Developer reserves and shall have the absolute right to alter the interior design, configuration, size and construction of Units owned by Developer and to alter, rearrange, and change the boundaries and Common Elements between Units owned by Developer or adjacent to Units owned by Developer so long as any such alteration, arrangement or change referred to in this paragraph shall not alter the shares of Common Elements, Common Expenses and Common Surplus appurtenant to any Unit not owned by Developer. In the event

any alteration, arrangement or change made by Developer pursuant to this Section shall require an amendment of this Declaration, then notwithstanding the provisions of Section 19.11.2 and 19.11.3 of this Declaration, such amendment shall require only the consent of Developer and need not be approved by the Association, other Owners, or any lienors or mortgagors of other Units, except however if any amendment would impact on matters governed by Section 718.403, Florida Statutes, such amendment shall be made pursuant to the Condominium Act (Chapter 718, Florida Statutes).

ARTICLE XIX

GENERAL PROVISIONS

19.1 Incorporation of the Condominium Documents. Any and all deeds conveying a Unit shall be conclusively presumed to have incorporated therein all of the terms and conditions of the Condominium Documents, including this Declaration, whether or not the incorporation of the terms and conditions of the Condominium Documents is specifically set forth by reference in such deeds, and acceptance by an Owner of such a deed shall be deemed acceptance by such Owner of all of the terms and conditions of the Condominium Documents.

19.2 Disputes. In the event there is any dispute as to whether the use of the Condominium Property complies with the terms and conditions contained in this Declaration, such dispute shall be referred to the Board, and the determination rendered by the Board with respect to such dispute shall be final and binding on all parties thereto.

19.3 Enforcement. The terms and conditions contained in this Declaration may be enforced by Developer, the Association, any Owner or Owners, and any Institutional First Mortgagee in any judicial proceeding seeking any remedy recognizable at law or in equity, including an action or suit seeking damages, injunction, specific performance, or any other form of relief, against any person, firm or entity violating or attempting to violate any term or condition herein. The failure by any party to enforce any provision contained herein shall in no event be deemed a waiver of such provision or of the right of such party to thereafter enforce such provision. The prevailing party in any such litigation shall be entitled to court costs and reasonable attorneys' fees at trial and appellate levels.

19.4 Indemnification. The Association shall indemnify and hold harmless Developer from and against any and all claims, suits, actions, causes of action and/or damages arising from any person injury, loss of life, and/or damage to property sustained on or about the Condominium Property and from and against all

costs, expenses, counsel fees, expenses and liabilities incurred by Developer arising from any such claim, the investigation thereof, or the defense of any action or proceeding brought thereon, and from and against any orders, judgments and/or decrees which may be entered thereon. The Association shall also indemnify Developer for any expense Developer may incur in bringing any suit or action for the purpose of enforcing the rights of Developer under this Declaration or of compelling the specific enforcement of the terms and conditions contained herein to be kept or performed by the Association or the Owners. The costs and expenses of fulfilling the covenant of indemnification set forth in this Section 19.4 shall be a Common Expense.

19.5 Notices to Owners. Any notice or other communication required or permitted to be given or delivered under any Condominium Documents to any Owner shall be deemed properly given or delivered upon the mailing thereof by United States mail, postage prepaid, to the last known address of the person whose name appears as the Owner on the records of the Association at the time of such mailing.

19.6 Notices to Institutional First Mortgagees. Upon receipt by the Association from any Institutional First Mortgagee of a copy of the mortgage held by such mortgagee on a Unit and a written request that the mortgagee receive any of the following items specified by the mortgagee, then the Association shall timely deliver to such mortgagee, specifically, if and as required, a copy of any notice of a meeting of the Association or of the Board which is delivered to Owners, a copy of any financial statement of the Association which is delivered to Owners, written notice of any termination by the Association of any professional management of the Condominium Property and the assumption by the Association of the self-management thereof, thirty (30) days prior written notice of the cancellation or termination by the Association of any policy of insurance held by the Association, written notice of any damage to the Common Elements the cost of repair of which is estimated by the Association to be in excess of Ten Thousand (\$10,000.00) Dollars, written notice of any damage or destruction of the Common Elements or of Units which gives rise to net insurance proceeds being available for distribution to Owners, written notice of any condemnation or eminent domain proceeding or proposed acquisition arising therefrom with respect to the Condominium Property, and written notice of any material amendment to this Declaration or the abandonment or termination of this Declaration and the Condominium.

19.7 Institutional Mortgagee Holding Highest Dollar Indebtedness. Notwithstanding any provision in this Declaration to the contrary, or the Public Records of Escambia County, Florida, no mortgagee shall be considered as the Institutional First Mortgagee holding the highest dollar indebtedness secured by a first mortgagee or first mortgages encumbering a Unit or Units (the "Lead Mortgagee") unless the mortgagee advises the Association in writing that the mortgagee elects to be considered as the Lead Mortgagee under the Declaration and delivers to the Association such information as the Association may require in order for the Association to determine whether such mortgagee does in fact qualify as the Lead Mortgagee.

19.8 Captions. Article and Section captions inserted throughout this Declaration are intended only as a matter of convenience and for reference only and in no way shall such captions or headings define, limit, or in any way affect any of the terms and provisions of this Declaration.

19.9 Gender and Number. Whenever the context so requires, and pronoun used herein may be deemed to mean the corresponding masculine, feminine, or neuter form thereof and the singular form of any noun or pronoun used herein may be deemed to mean the corresponding plural form thereof and vice versa.

19.10 Severability. In the event any one of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect. Further, the invalidation of any covenant, restriction, or term, or condition of this Declaration or a reduction in the terms of the same by reason of the legal rule against perpetuities shall in no way affect any other provision which shall remain in full force and effect for such period of time as may be permitted by law.

19.11 Amendment and Modification.

19.11.1 Corrections of Scrivener's Error. An amendment or modification to correct a scrivener's error and any other immaterial defect, omission or error in this Declaration may be made by Developer or the Board without the consent of any of the Owners'; provided, however, no such amendment or change shall be inconsistent with the intent and purposes of this Declaration nor materially impair, prejudice or adversely affect the rights, priorities or property rights of Developer, the Association, any Owner, or any Institutional First Mortgagee without the specific written approval of the party affected

thereby. An amendment to correct a scrivener's error described in Section 718.110(5) of the Condominium Act may be approved in the manner provided in said Section.

19.11.2 General. In addition to any other manner provided herein to amend the Declaration, this Declaration may be amended upon the approval of such amendment by a majority of the members of the Board and by the Owners of two-thirds (2/3) of the Units, or by any manner provided in the Condominium Act, including approval as to matters stated therein by a lesser number of members of the Board or of the Owners, as provided therein. Any amendment that would impact on matters governed by Section 718.403, Florida Statutes, shall be made pursuant to the Condominium Act (Chapter 718, Florida Statutes).

19.11.3 Limitation Upon Power of Amendment. Notwithstanding any provision in this Declaration to the contrary, this Declaration may not be amended in any way or manner which adversely affects, limits, impairs or prejudices any right of Developer hereunder without the prior written consent of Developer or any rights or priorities of Institutional First Mortgagees without the prior written consent of all of such mortgagees. Except as provided in Section 18.3 hereof, no amendment may change the configuration or size of any Unit in any material fashion, materially alter or modify the appurtenances to a Unit, or change the proportion or percentage by which an Owner shares in the Common Expenses and owns the Common Surplus unless the Owner and all record holders of liens on the Unit join in the execution of the Amendment.

19.11.4 Recording of Amendment. Any amendment, modification or change in this Declaration in accordance with the terms and provisions of this Declaration shall be reflected in an instrument placed of record amongst the Public Records of Escambia County, Florida.

IN WITNESS WHEREOF, the Developer has caused this Declaration of Condominium to be executed this 2nd day of October, 1985.

WITNESSETH:

PERDIDO SUN, LTD.
By: Perdido Bay
General Partnership,
Operating General Partner

Debbie Sullivan
E. Annette Smith

By: *Charles Dick Lacour*
Charles Dick Lacour,
Managing Partner

STATE OF FLORIDA)
COUNTY OF Franklin) ss:

The foregoing instrument was acknowledged before me this
day of October, 1985, by Charles Dick Lacour, the
Managing Partner of Perdido Bay, General Partnership, Operator
General Partner of Perdido Sun, Ltd., a Florida Limited
Partnership.



Commission Expires:
18, 1987

James H. [Signature]
Notary Public



MORTGAGE CONSENT

Dollar Savings Bank is the holder of a certain mortgage deed dated June 14, 1984 and recorded June 18, 1984, in Official Records Book 1926 at Page 152, of the Public Records of Escambia County, Florida, which mortgage constitutes a lien upon the real property of Phase I described in Exhibit "1" (page D-37) to The Declaration of Condominium for Perdido Sun, A Condominium, which is being submitted to the condominium form of ownership by this Declaration of Condominium. Dollar Savings Bank does hereby consent to the submission of said real property to the provisions of the Condominium Act by the aforesaid Declaration of Condominium pursuant to all the provisions, terms and conditions therein contained.

Read, heard and delivered in the presence of:
[Signature]
Secretary
STATE OF PENNSYLVANIA)
COUNTY OF ALLEGHENY) ss.

Dollar Savings Bank

By: [Signature]
John F. Shelley, III
Vice President

BEFORE ME, the undersigned authority, personally appeared John F. Shelley, III, to me well known to be the Vice President of Dollar Savings Bank who on behalf of the Bank and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that it was affixed to said instrument by due and regular corporate authority, and that said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal at the State and County aforesaid this 18th day of July, 1985.



Tamra A. Smail
Notary Public
My Commission:
TAMRA ANN SMAIL, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES JAN. 16, 1989
Member, Pennsylvania Association of Notaries

HW2125: 776

EXHIBIT 1
LEGAL DESCRIPTION

LEGAL DESCRIPTION
PHASE I

COMMENCE AT THE NORTHWEST CORNER OF FRACTIONAL SECTION 35, TOWNSHIP 3 SOUTH, RANGE 32 WEST, ESCAMBIA COUNTY, FLORIDA;
 THENCE GO SOUTH 88 DEGREES 30 MINUTES 59 SECONDS EAST ALONG THE NORTH LINE OF THE AFORESAID FRACTIONAL SECTION 35 A DISTANCE OF 1320.40 FEET TO THE NORTHWEST CORNER OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE AFORESAID SECTION 35;
 THENCE GO SOUTH 01 DEGREES 32 MINUTES 12 SECONDS WEST ALONG THE WEST LINE OF THE AFORESAID EAST HALF OF THE NORTHWEST QUARTER OF SECTION 35 A DISTANCE OF 2203.41 FEET TO A POINT OF INTERSECTION WITH THE CURVED SOUTHEASTERLY RIGHT-OF-WAY LINE OF NEW GULF BEACH HIGHWAY (S.R. #292, 100' R/W) BEING CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 2914.93 FEET AND THE POINT OF BEGINNING;
 THENCE GO NORTHEASTERLY ALONG THE AFORESAID CURVED RIGHT-OF-WAY LINE, AN ARC DISTANCE OF 171.75 FEET (CH = 171.73', CH BRG = N 67°35'04" E) TO THE POINT OF TANGENCY;
 THENCE GO NORTH 65 DEGREES 53 MINUTES 48 SECONDS EAST ALONG THE AFORESAID RIGHT-OF-WAY LINE A DISTANCE OF 169.78 FEET;
 THENCE GO SOUTH 01 DEGREES 32 MINUTES 12 SECONDS WEST A DISTANCE OF 367.26 FEET TO A POINT ON THE STATE OF FLORIDA DEPARTMENT OF NATURAL RESOURCES COASTAL CONSTRUCTION SETBACK LINE AS RECORDED IN PLAT BOOK 9 AT PAGE 72 OF THE PUBLIC RECORDS OF ESCAMBIA COUNTY, FLORIDA, SAID POINT HEREINAFTER REFERRED TO AS POINT "A";
 THENCE CONTINUE SOUTH 01 DEGREES 32 MINUTES 12 SECONDS WEST A DISTANCE OF 160 FEET, MORE OR LESS, TO THE MEAN-HIGH-WATER LINE OF THE GULF OF MEXICO;
 THENCE MEANDER WESTERLY ALONG THE AFORESAID MEAN-HIGH-WATER LINE TO A POINT OF INTERSECTION WITH A LINE PASSED THROUGH THE POINT OF BEGINNING AND HAVING A BEARING OF SOUTH 01 DEGREES 32 MINUTES 12 SECONDS WEST, SAID LINE ALSO BEING WEST LINE OF GOVERNMENT LOT 2 OF THE AFORESAID SECTION 35;
 THENCE GO NORTH 01 DEGREES 32 MINUTES 12 SECONDS EAST ALONG THE AFORESAID WEST LINE OF GOVERNMENT LOT 2 A DISTANCE OF 167 FEET, MORE OR LESS, TO A POINT ON THE AFORESAID COASTAL CONSTRUCTION SETBACK LINE, SAID POINT LYING SOUTH 82 DEGREES 38 MINUTES 49 SECONDS WEST A DISTANCE OF 313.77 FEET FROM THE AFORESAID POINT "A";
 THENCE CONTINUE NORTH 01 DEGREES 32 MINUTES 12 SECONDS EAST ALONG THE AFORESAID WEST LINE OF GOVERNMENT LOT 2 A DISTANCE OF 272.57 FEET TO THE POINT OF BEGINNING.
 THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 2.264 ACRES NORTH OF THE AFORESAID COASTAL CONSTRUCTION SETBACK LINE AND 1.16 ACRES, MORE OR LESS, SOUTH OF THE AFORESAID COASTAL CONSTRUCTION SETBACK LINE. BOTH OF THE ABOVE DESCRIBED PARCELS ARE SITUATED IN FRACTIONAL SECTION 35, TOWNSHIP 3 SOUTH, RANGE 32 WEST, ESCAMBIA COUNTY, FLORIDA.

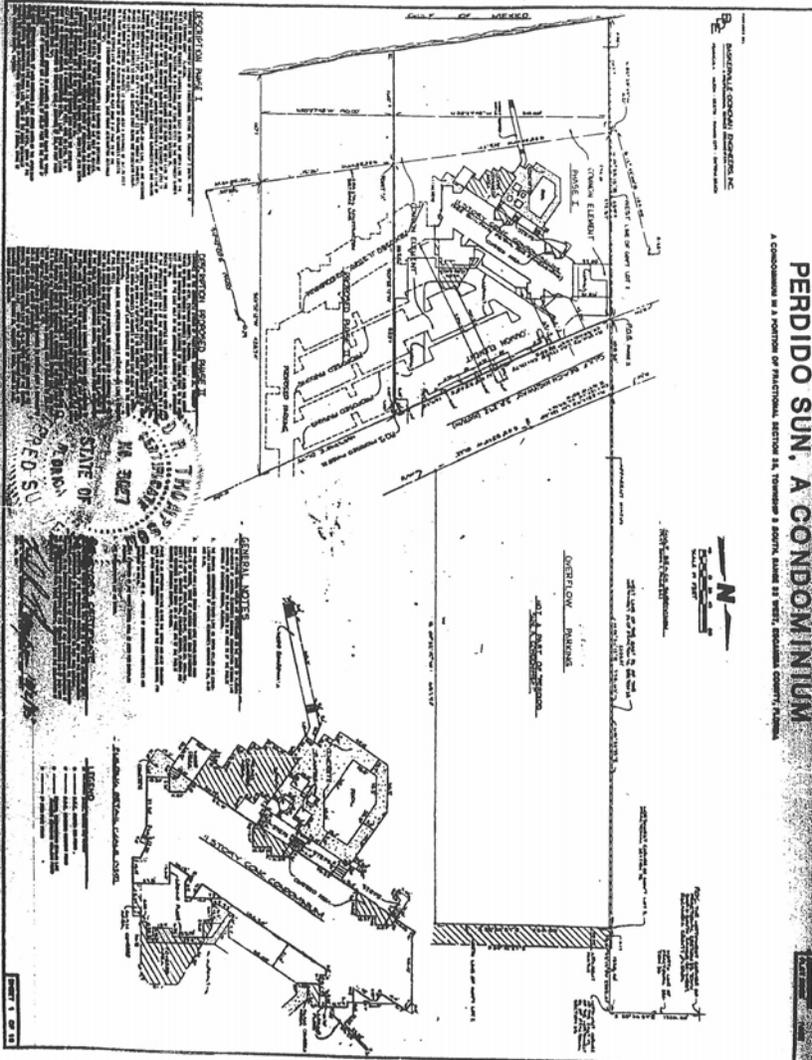
2125K 778

LEGAL DESCRIPTION
PHASE II

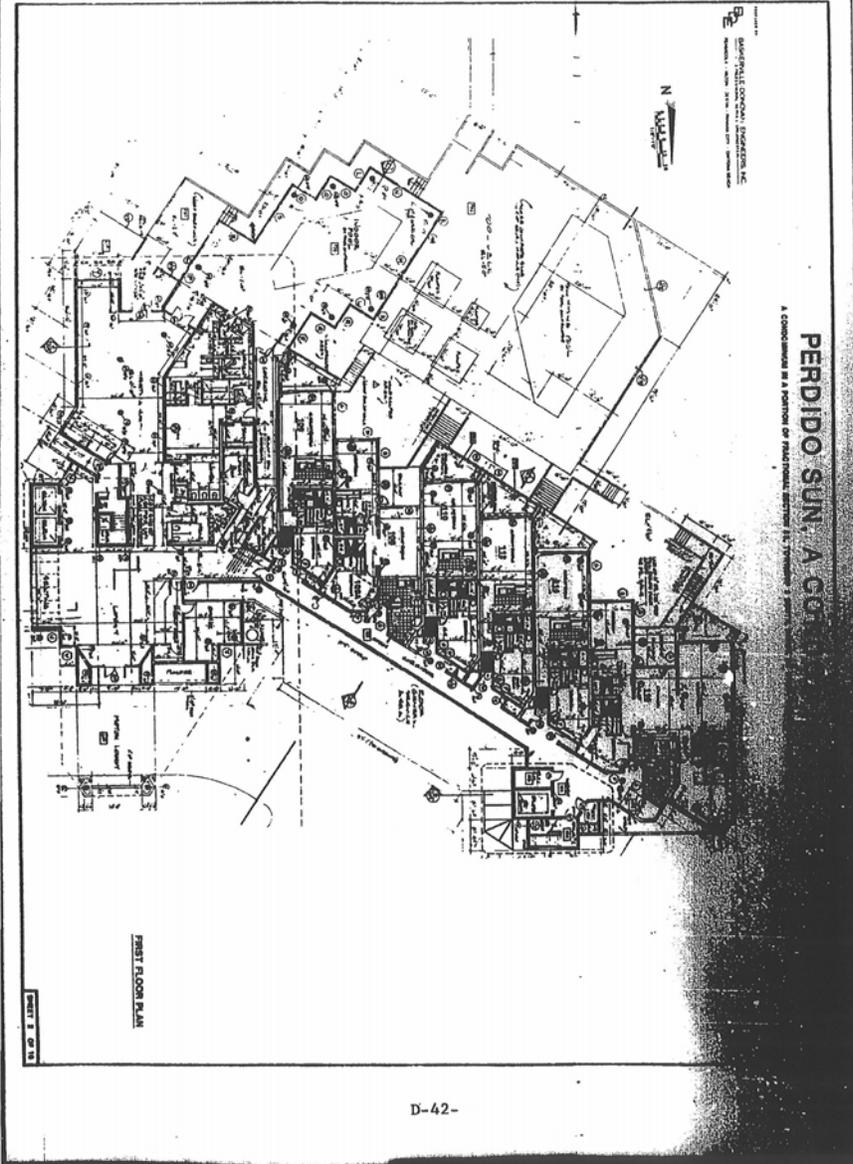
COMMENCE AT THE NORTHWEST CORNER OF FRACTIONAL SECTION 35, TOWNSHIP 1 SOUTH, RANGE 32 WEST, ESCAMBIA COUNTY, FLORIDA;
THENCE GO SOUTH 88 DEGREES 30 MINUTES 59 SECONDS EAST ALONG THE NORTH LINE OF THE AFORESAID SECTION 35 A DISTANCE OF 1320.40 FEET TO THE NORTHWEST CORNER OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE AFORESAID SECTION 35;
THENCE GO SOUTH 01 DEGREES 32 MINUTES 12 SECONDS WEST ALONG THE WEST LINE OF THE AFORESAID EAST HALF OF THE NORTHWEST QUARTER OF SECTION 35 A DISTANCE OF 2203.41 FEET TO A POINT OF INTERSECTION WITH THE CURVED SOUTHERLY RIGHT-OF-WAY LINE OF NEW GULF BEACH HIGHWAY (S.R. #292, 100' R/W);
THENCE GO NORTHEASTERLY ALONG THE AFORESAID CURVED SOUTHERLY RIGHT-OF-WAY LINE HAVING A RADIUS OF 2914.93 FEET, AN ARC DISTANCE OF 171.75 FEET (CH = 171.73'; CH BRG = N 67°35'04" E) TO THE POINT OF TANGENCY;
THENCE GO NORTH 65 DEGREES 53 MINUTES 48 SECONDS EAST ALONG THE AFORESAID SOUTHERLY RIGHT-OF-WAY LINE A DISTANCE OF 169.78 FEET TO THE POINT OF BEGINNING;
THENCE CONTINUE ALONG THE AFORESAID SOUTHERLY RIGHT-OF-WAY LINE A DISTANCE OF 210.75 FEET;
THENCE GO SOUTH 01 DEGREES 32 MINUTES 12 SECONDS WEST A DISTANCE OF 428.74 FEET TO A POINT ON THE STATE OF FLORIDA DEPARTMENT OF NATURAL RESOURCES COASTAL CONSTRUCTION SETBACK LINE AS RECORDED IN PLAT BOOK 9 AT PAGE 72 OF THE PUBLIC RECORDS OF ESCAMBIA COUNTY, FLORIDA, SAID POINT HEREINAFTER REFERRED TO AS POINT "X";
THENCE CONTINUE SOUTH 01 DEGREES 32 MINUTES 12 SECONDS WEST A DISTANCE OF 160 FEET, MORE OR LESS, TO THE MEAN-HIGH-WATER LINE OF THE GULF OF MEXICO;
THENCE MEANDER WESTERLY ALONG THE AFORESAID MEAN-HIGH-WATER LINE TO A POINT OF INTERSECTION WITH A LINE PASSED THROUGH THE POINT OF BEGINNING AND HAVING A BEARING OF SOUTH 01 DEGREES 32 MINUTES 12 SECONDS WEST;
THENCE GO NORTH 01 DEGREES 32 MINUTES 12 SECONDS EAST ALONG SAID LINE PASSED THROUGH THE POINT OF BEGINNING A DISTANCE OF 160 FEET, MORE OR LESS, TO A POINT ON THE AFORESAID COASTAL CONSTRUCTION SETBACK LINE, SAID POINT LYING SOUTH 82 DEGREES 38 MINUTES 49 SECONDS WEST A DISTANCE OF 192.31 FEET FROM THE AFORESAID POINT "X";
THENCE CONTINUE NORTH 01 DEGREES 32 MINUTES 12 SECONDS EAST A DISTANCE OF 367.26 FEET TO THE POINT OF BEGINNING.
THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 1.736 ACRES NORTH OF THE COASTAL CONSTRUCTION SETBACK LINE AND 0.71 ACRES SOUTH OF THE COASTAL CONSTRUCTION SETBACK LINE. BOTH OF THE ABOVE DESCRIBED PARCELS ARE SITUATED IN FRACTIONAL SECTION 35, TOWNSHIP 3 SOUTH, RANGE 32 WEST, ESCAMBIA COUNTY, FLORIDA.

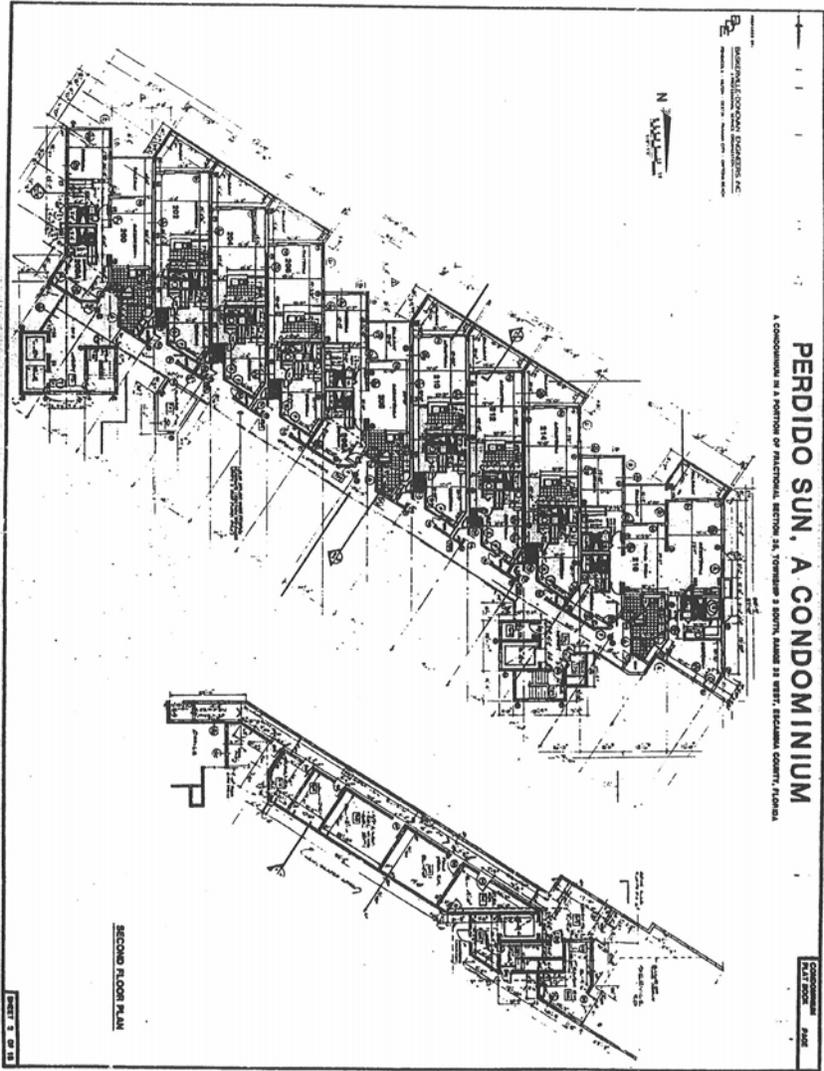
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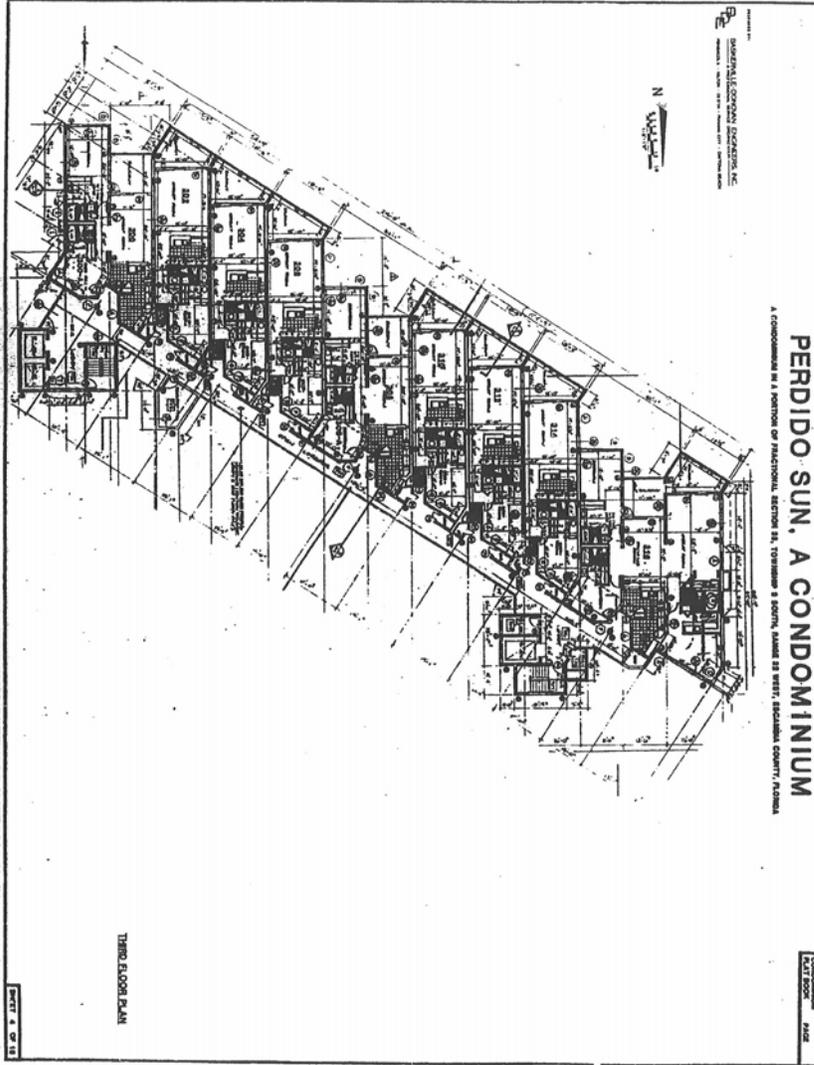
EXHIBIT 2
SURVEY GRAPHIC DESCRIPTION
PLOT PLAN



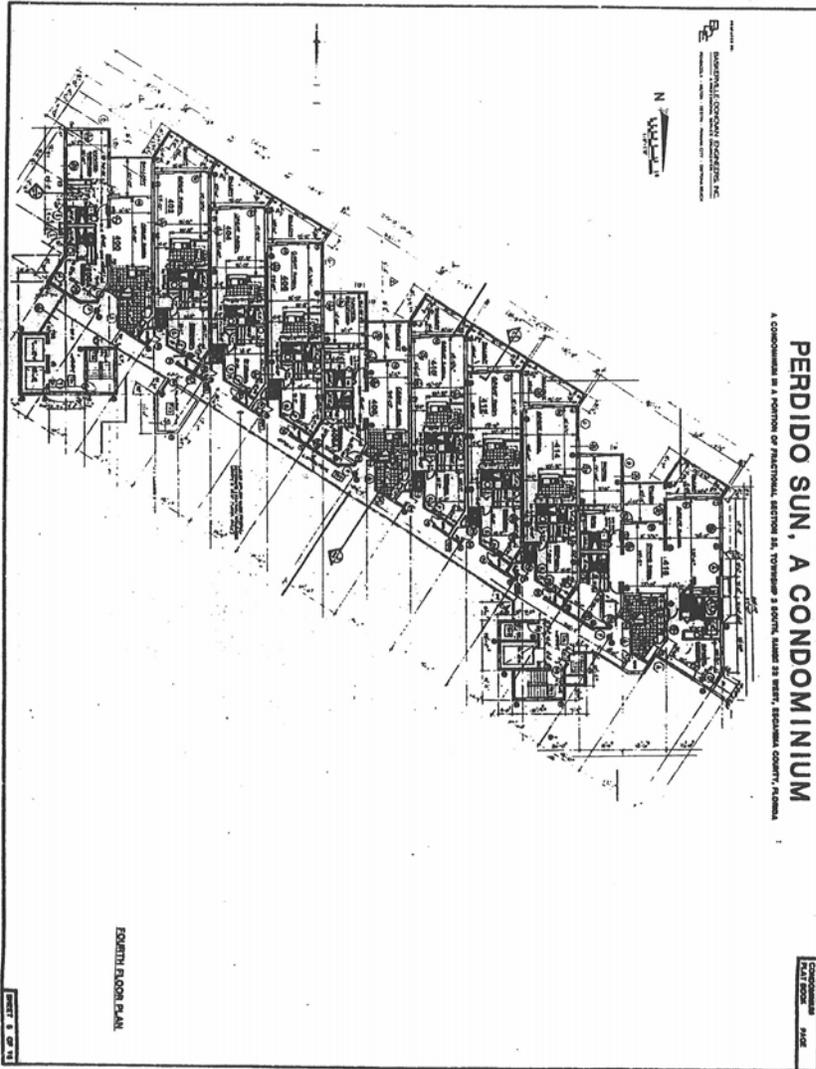
D-41

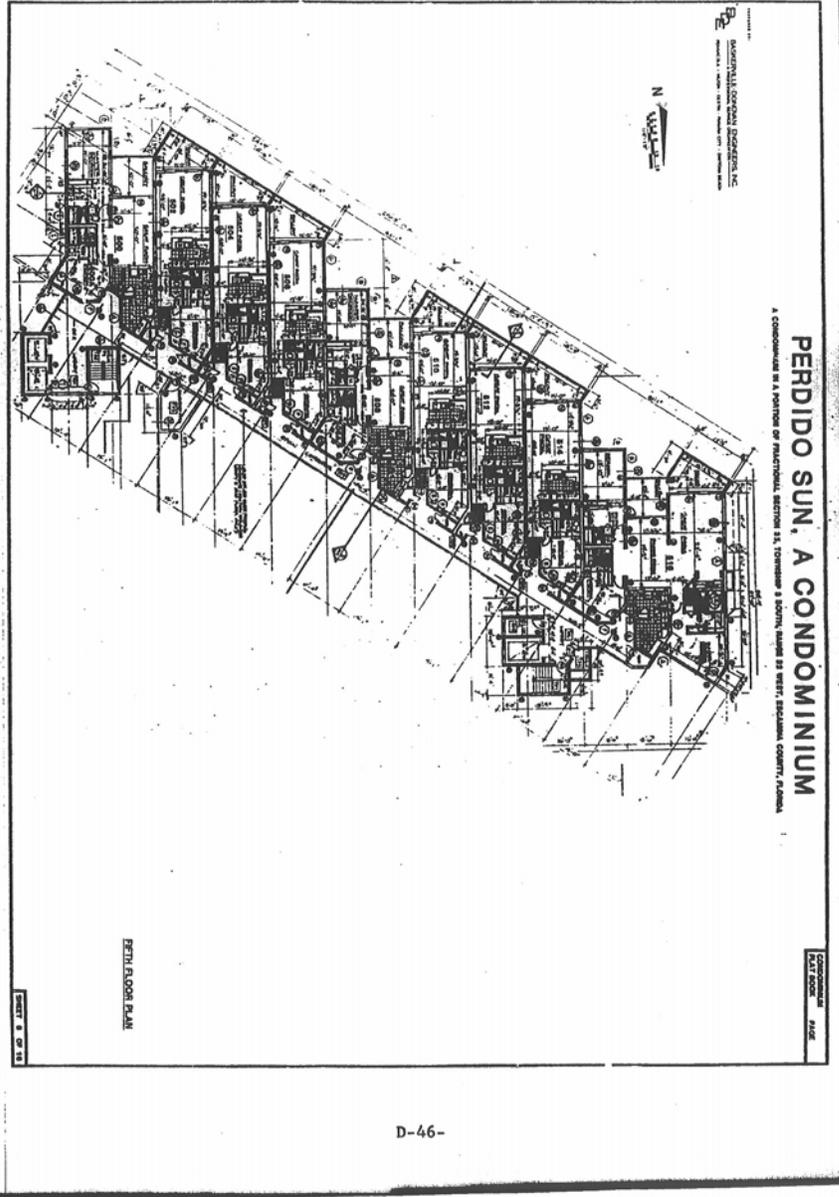




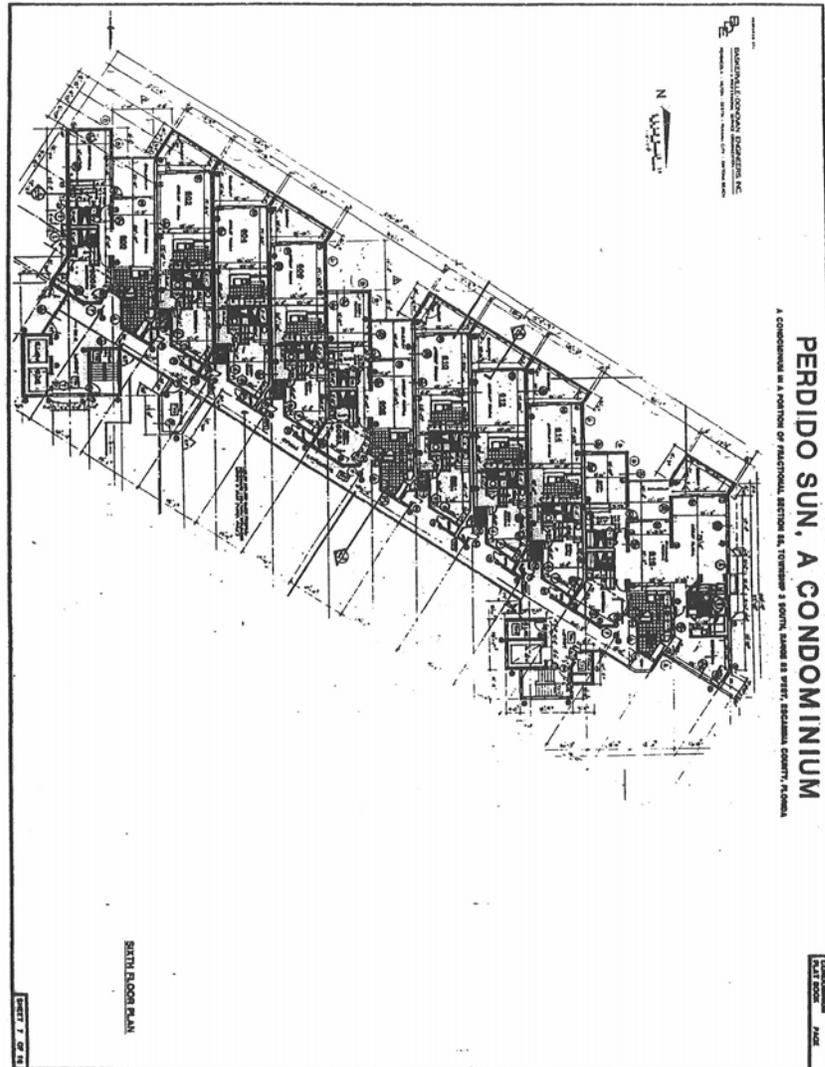


ORBOOK 2125rc 784

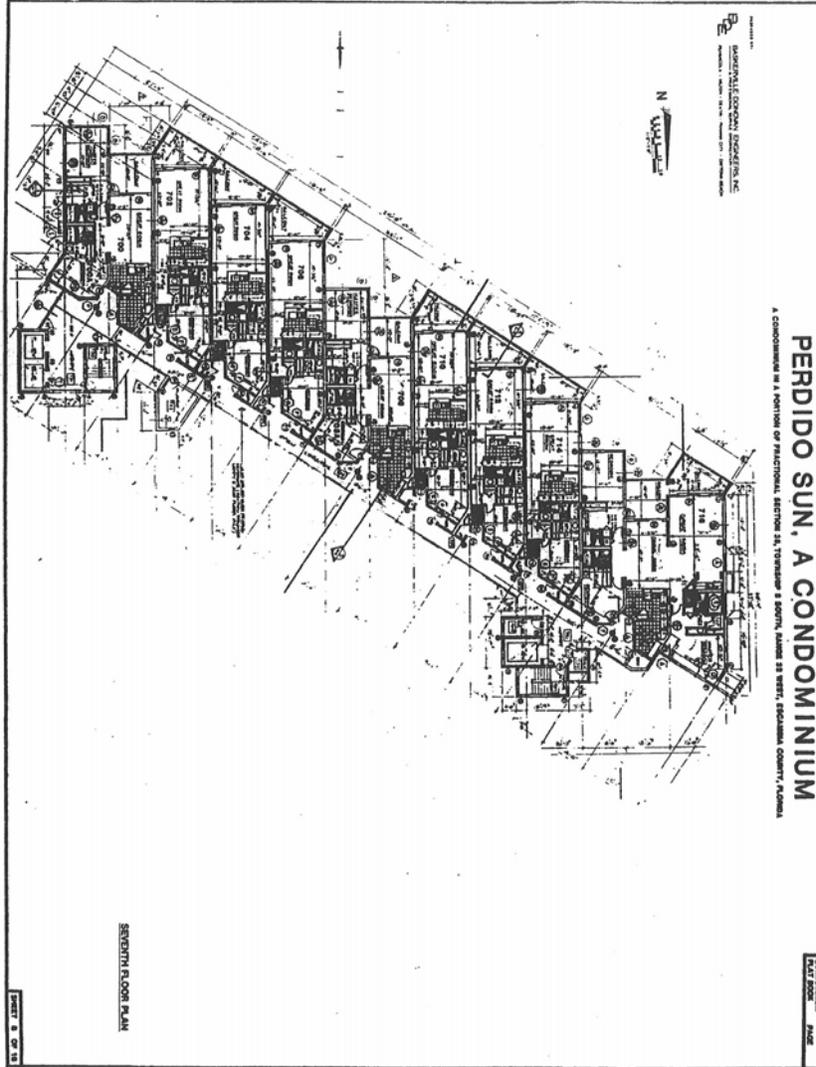


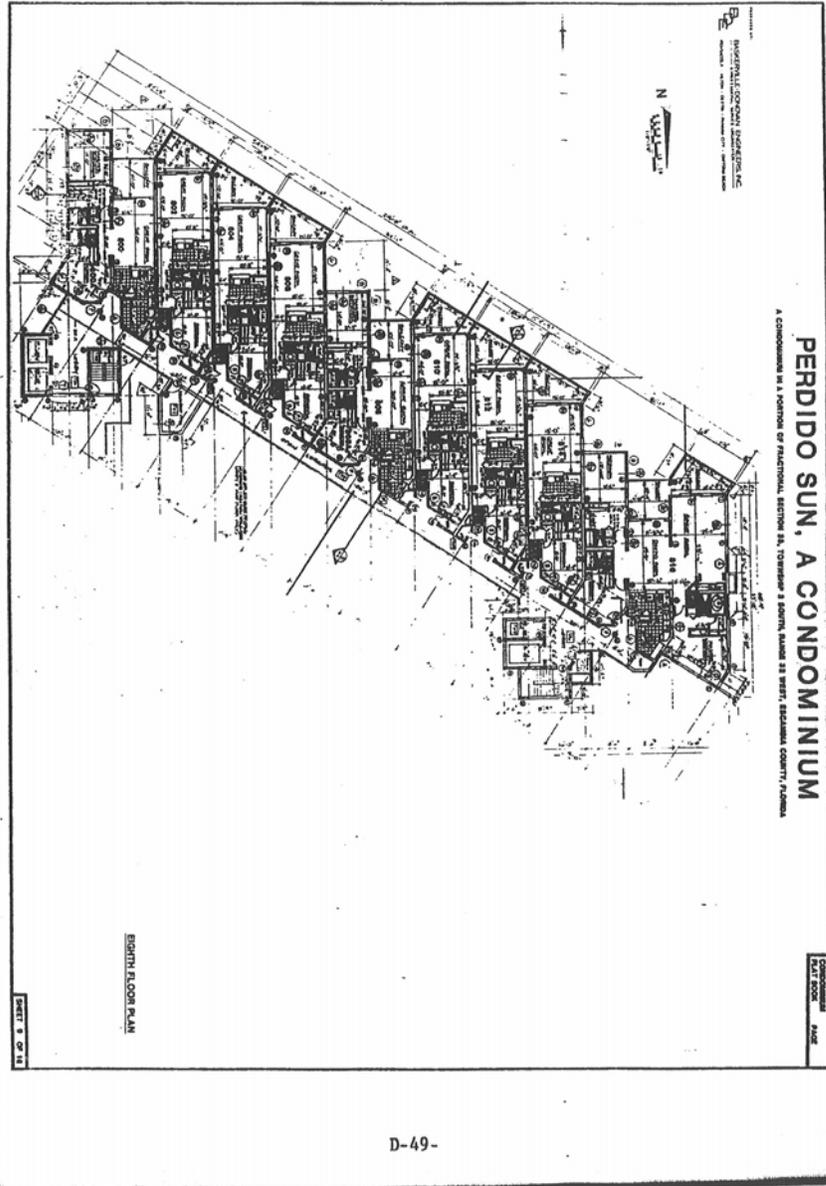


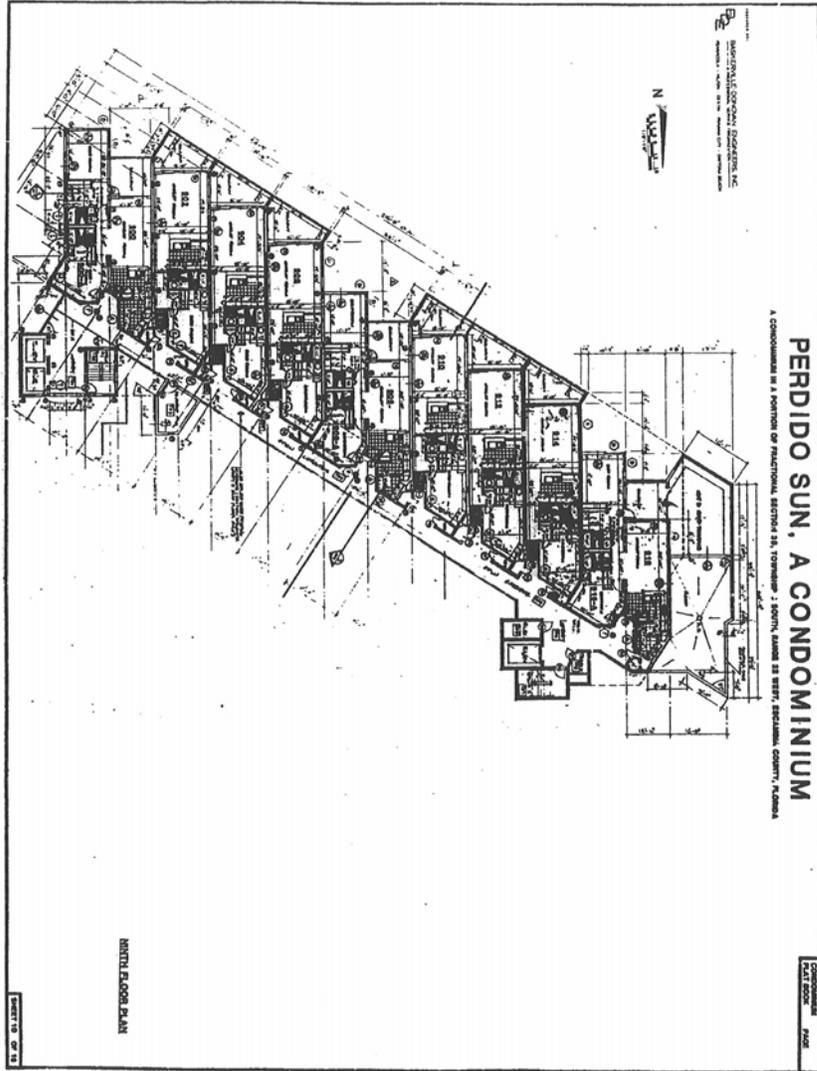
OR BOOK 2125r 786



OR600K2125rc 787







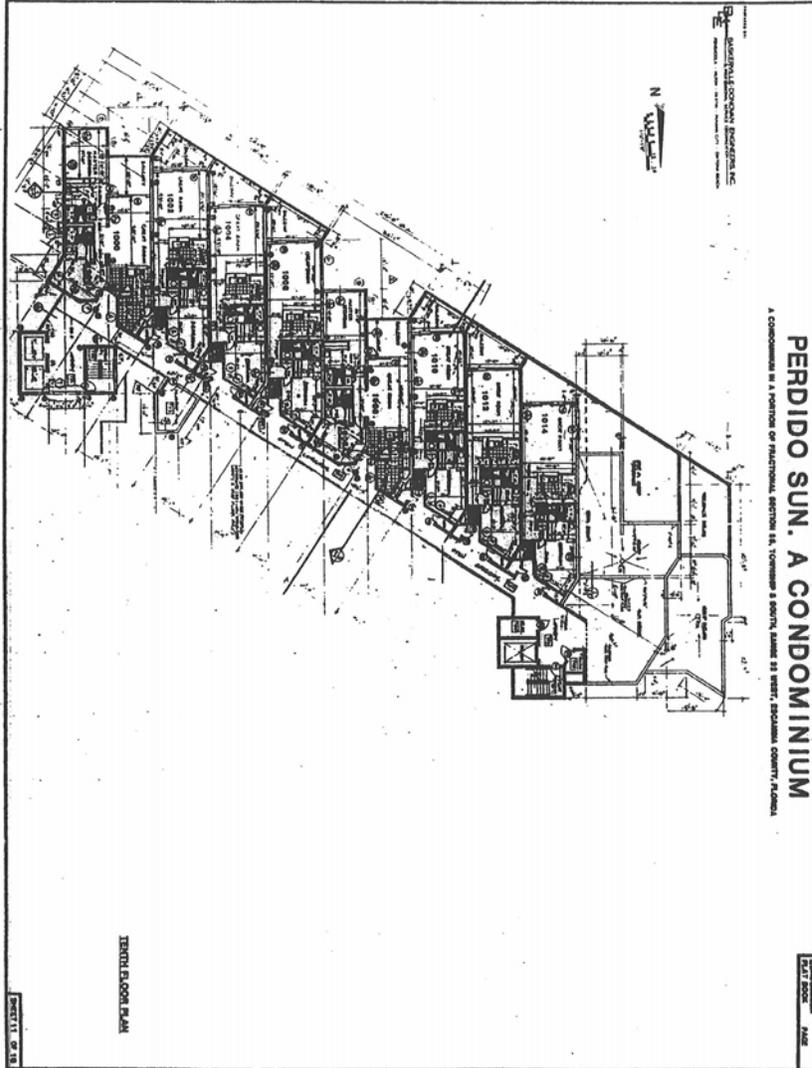
PERDIDO SUN, A CONDOMINIUM
A CONDOMINIUM IN A PORTION OF PRACTICAL SECTION 24, TOWNSHIP 1 NORTH, RANGE 28 WEST, OKMULGA COUNTY, ALABAMA

CONDOMINIUM
PLAN
SHEET 18 OF 18

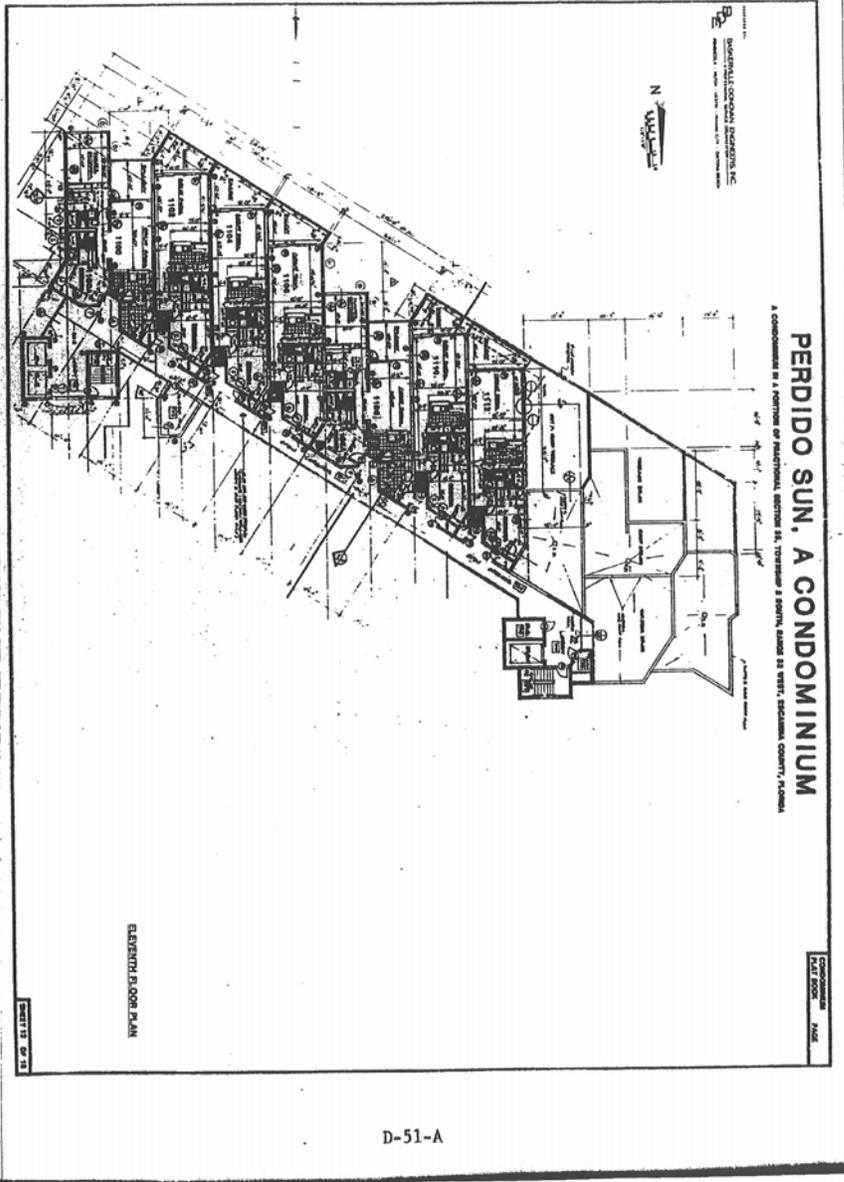
NINTH FLOOR PLAN

SHEET 18 OF 18

OR BOOK 2125rc 790

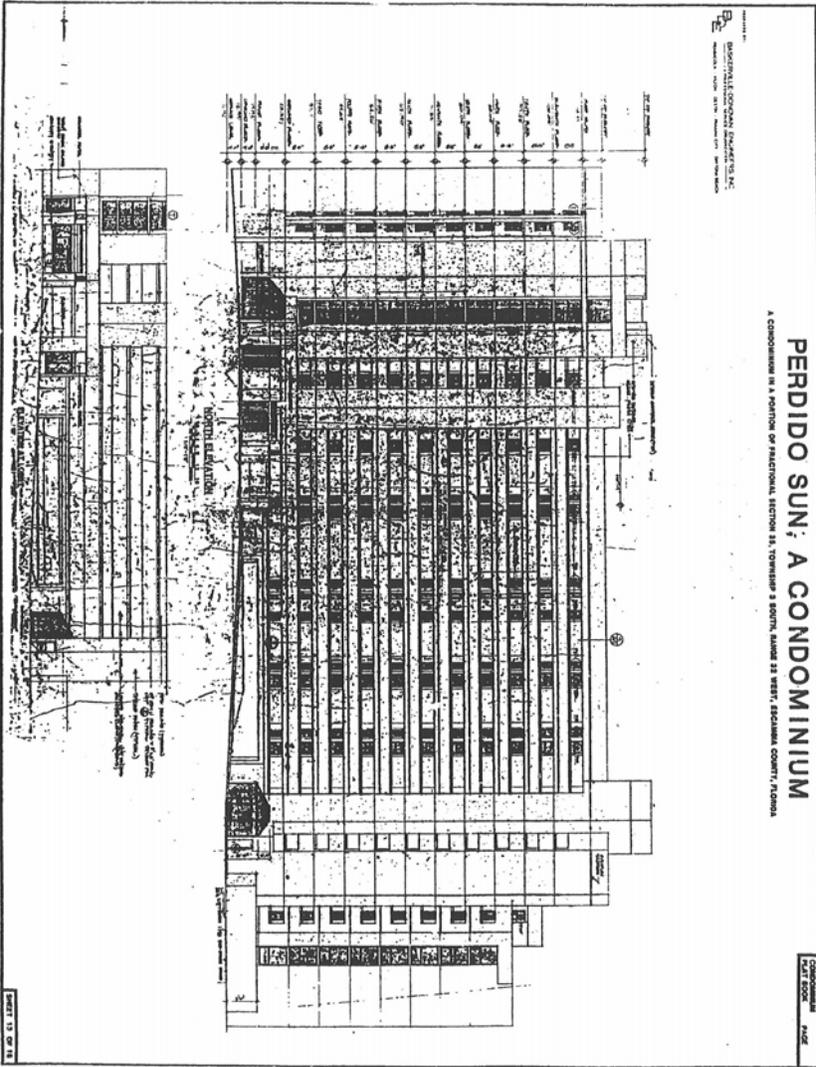


OR600X2125rc 791

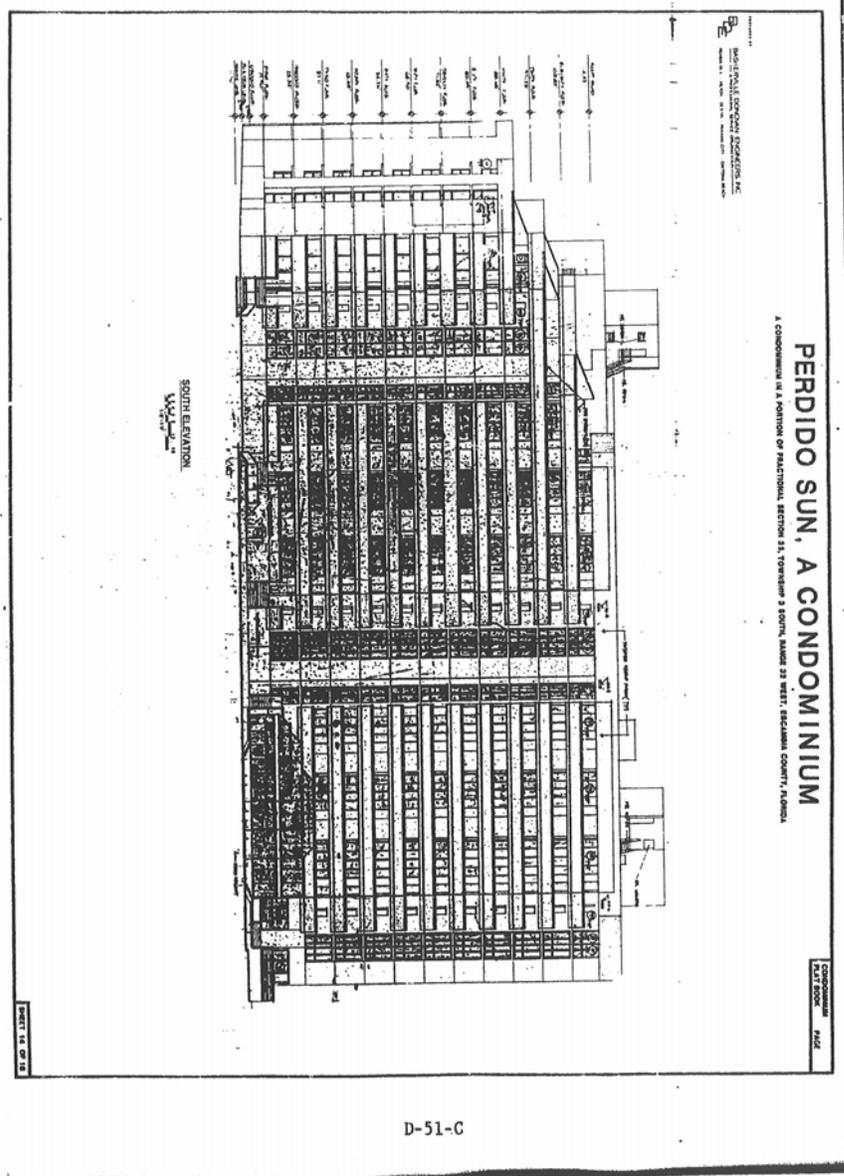


D-51-A

OR60K2125PC 792



D-51-B




 BOSTONAL ARCHITECTURAL ASSOCIATION, INC.
 ARCHITECTS
 1000 N. W. 10th Avenue, Suite 1000
 Fort Lauderdale, Florida 33304

PERDIDO SUN, A CONDOMINIUM
 A COMPONENT IN A PORTION OF PRACTICAL SECTION 11, TOWNSHIP 2 NORTH, RANGE 23 WEST, SEASIDE COUNTY, FLORIDA

PERDIDO SUN, A CONDOMINIUM
 FIRST FLOOR

SHEET 18 OF 24

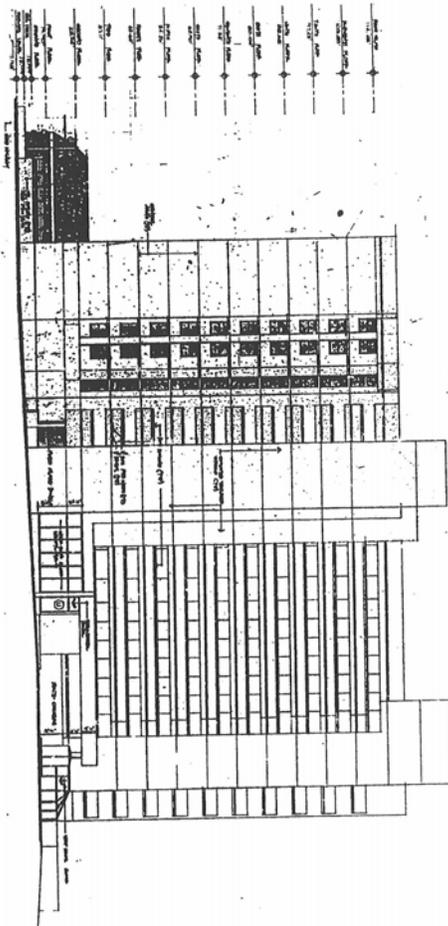
02.800x2125x 794

PERDIDO SUN, A CONDOMINIUM
A COMMERCIAL IN A PORTION OF SECTION 34, TOWNSHIP 3 SOUTH, RANGE 23 WEST, SQUAMISH COUNTY, ALASKA

PERDIDO SUN, A CONDOMINIUM

A COMMERCIAL IN A PORTION OF SECTION 34, TOWNSHIP 3 SOUTH, RANGE 23 WEST, SQUAMISH COUNTY, ALASKA

CONDOMINIUM PLAN
EAST ELEVATION



EAST ELEVATION
SCALE: 1/8" = 1'-0"

FIGURE 11 OF 12

D-51-D

015001212516 796

EXHIBIT 3
ARTICLES OF INCORPORATION

ARTICLES OF INCORPORATION

ORBOOK 21256 797

OF
PERDIDO SUN CONDOMINIUM ASSOCIATION, INC.,
A CORPORATION NOT FOR PROFIT

We, the undersigned hereby associate ourselves together for the purposes of forming a nonprofit Corporation under the laws of the State of Florida pursuant to Chapter 617 Florida Statute, and hereby certify as follows:

ARTICLE I

The name of this Corporation shall be: PERDIDO SUN CONDOMINIUM ASSOCIATION, INC.

ARTICLE II

The general purpose of this nonprofit Corporation shall be as follows: to be the "Association" (as defined in the Condominium Act, Chapter 718, Florida Statutes) for the operation of PERDIDO SUN, A CONDOMINIUM, to be created pursuant to the provisions of the Condominium Act, and as such Association, to operate and administer said Condominium and carry out the functions and duties of said Condominium Association, as set forth in the Declaration of Condominium establishing said Condominium and Exhibits annexed thereto.

ARTICLE III

All persons who are owners of condominium parcels within said Condominium shall automatically be members of this Corporation. Such membership shall automatically terminate when such person is no longer the owner of a condominium parcel. Membership in this Corporation shall be limited to such condominium parcel owners.

Subject to the foregoing, admission to and termination of membership shall be governed by the Declaration of Condominium that shall be filed for said Condominium among the Public Records of Escambia County, Florida.

ARTICLE IV

This Corporation shall have perpetual existence.

ARTICLE V

The name and address of the Subscriber to these Articles of

Incorporation is as follows:

Charles D. Lacour

One Doug Ford Drive
Pensacola, Florida 32507

ARTICLE VI

Section 1. The affairs of the Corporation shall be managed and governed by a Board of Directors composed of not less than three (3) nor more than the number of persons specified in the Bylaws. The Directors, subsequent to the first Board, shall be elected at the annual meeting of the membership for a term of one (1) year, or until their successors shall be elected and shall qualify. Provisions for such election and provisions respecting the removal, disqualification and resignation of Directors, and for filling vacancies on the Directorate shall be established by the By-Laws.

Section 2. The principal officers of the Corporation shall be:

President
Vice President
Secretary
Treasurer

who shall be elected from time to time in the manner set forth in the By-Laws adopted by the Corporation. Additional officers may be elected if the Board so authorizes. One individual may hold more than one office so long as the positions of President and Secretary shall not be held by the same person.

ARTICLE VII

The names of the officers who are to serve until the first election of officers pursuant to the terms of the Declaration of Condominium and By-Laws, are as follows:

Charles D. Lacour
John Shelley, III
William J. Weaver

President
Vice President
Secretary/Treasurer

ARTICLE VIII

The following persons shall constitute the first Board of Directors and shall serve until the first election of the Board of Directors at the first regular meeting of the membership:

Charles D. Lacour

One Doug Ford Drive
Pensacola, Florida 32507

John Shelley, III,	Oliver Building 12th Floor Pittsburgh, P.A. 15222
William J. Weaver	One North Shore Center Suite 400 Pittsburgh, P.A. 15212

ARTICLE IX

The street address of the initial Registered Office of this Corporation is:

One Doug Ford Drive
Pensacola, Florida 32507

and the initial registered agent therein is Charles D. Lacour. The principal office of the Corporation shall be at One Doug Ford Drive, Pensacola, Florida 32507 or at such other place as may be subsequently designated by the Board of Directors.

ARTICLE X

The By-Laws of the Corporation shall initially be made and adopted by its first Board of Directors.

Until the first election of Directors, by unit owners other than the Developer, and so long as the Developer shall have the right to fill vacancies existing in the original Board of Directors, proposal of an amendment and approval thereof shall require only the affirmative action of a majority of the Directors, and no meeting of the condominium unit owners nor any approval thereof need be had. Thereafter, the By-Laws may be amended, altered, supplemented or modified by a membership at the Annual Meeting, or at a duly convened special meeting of the membership attended by a majority of the membership, by vote, as follows:

- A. If the proposed change has been approved by the unanimous approval of the Board of Directors, then it shall require only a majority vote of the total membership to be adopted.
- B. If the proposed change has not been approved by unanimous vote of the Board of Directors, then the proposed change must be approved by two-thirds (2/3) of the total vote of the membership.

No Amendment shall change the rights and privileges of the Developer referred to in the Declaration without the Developer's written approval.

ARTICLE XI

Amendments to these Articles of Incorporation may be

proposed by any member or director, and shall be adopted in the same manner as is provided for the amendment of the By-Laws, as set forth in Article X above. Said Amendment(s) shall be effective when a copy thereof, together with an attached Certificate of its approval by the membership, sealed with the Corporate Seal, signed by the Secretary or an Assistant Secretary, and executed and acknowledged by the President or Vice President, has been filed with the Secretary of State and all filing fees paid.

ARTICLE XII

This Corporation shall have all the powers set forth in Florida Statute 617.021, all of the powers set forth in the Condominium Act of the State of Florida, and all powers granted to it by the Declaration of Condominium and Exhibits thereto annexed.

ARTICLE XIII

There shall be no dividends paid to any of the members, nor shall any part of the income of the Corporation be distributed to its Board of Directors or officers. In the event there are any excess receipts over disbursements as a result of performing services, such excess shall be applied against future expenses, etc. The Corporation may pay compensation in a reasonable amount to its members, directors and officers for services rendered, may confer benefits upon its members in conformity with its purposes, and upon dissolution or final liquidation, may make distribution to its members as is permitted by the Court having jurisdiction thereof, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income.

This Corporation shall issue no shares of stock of any kind or nature whatsoever. Membership in the Corporation and the transfer thereof, as well as the number of members, shall be upon such terms and conditions as provided for in the Declaration of Condominium and By-Laws. The voting rights of the owners of parcels in said Condominium property shall be as set forth in the Declaration of Condominium and/or By-Laws.

ARTICLE XIV

Every Director and Officer of the Association, and every member of the Association serving the Association at its request, shall be indemnified by the Association against all expenses and

liabilities, including counsel fees, at all trial and appellate levels, reasonably incurred by or imposed upon him in connection with any proceeding, or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a Director or Officer of the Association or by reason of his serving or having served the Association at its request, whether or not he is a Director or Officer or is serving at the time the expenses or liabilities are incurred; provided, that in the event of a settlement before entry of judgment, the indemnification shall apply only when the Board of Directors approves the settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which that person may be entitled.

ARTICLE XV

The foregoing terms and provisions of Article I through Article XIV inclusive of these Articles of Incorporation shall be limited and deemed amended to comply with the applicable provisions of Chapter 718 of the laws of the State of Florida as of the date of the recording of the aforesaid Declaration in the Public Records of the County where same is located where such provisions of said Chapter are determined as a matter of law to apply to and be paramount to the applicable terms and provisions of these Articles of Incorporation.

IN WITNESS WHEREOF, the subscribers have hereunto set their hands and seals this 30 day of MARCH, 1984.

Signed, sealed and delivered in the presence of:

[Signature]
[Signature]

[Signature]
CHARLES D. LACOUR

STATE OF FLORIDA
COUNTY OF ESCAMBIA

I HEREBY CERTIFY, that before me, an officer duly authorized in the State and County aforesaid to take acknowledgements, personally appeared CHARLES D. LACOUR, to me known to be the person described in and who executed the foregoing instrument and he acknowledged before me that he executed the same.

WITNESS my hand and official seal this 30 day of MARCH, 1984.

My Commission Expires:
Dec 18, 1987

[Signature]
NOTARY PUBLIC (SEAL)

OR600(2125) 802

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

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

First, that PERDIDO SUN CONDOMINIUM ASSOCIATION, INC., desiring to organize under the laws of the State of Florida with its principal office, as indicated in the Articles of Incorporation, at the City of Pensacola, County of Escambia, State of Florida, has named CHARLES D. LACOUR located at One Doug Ford Drive, Pensacola, Florida 32507, as its agent to accept service of process within this State.


CHARLES D. LACOUR

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

By: 
Resident Agent

ORSON 2125r 803

EXHIBIT 4
BYLAWS

BYLAWS
OF
PERDIDO SUN CONDOMINIUM ASSOCIATION, INC.
(A Florida corporation Not for Profit)

ARTICLE I
IDENTIFICATION OF ASSOCIATION

1.1 Name and Purpose of Association. These are the Bylaws of the Perdido Sun Condominium Association, Inc., hereinafter referred to as the "Association", as duly adopted by the Board of Directors of the Association. The Association is a corporation not for profit organized pursuant to and under Chapter 617 of the Florida Statutes, for the purpose of administering, managing, operating and maintaining Perdido Sun, A Condominium, which is located in the County of Escambia, State of Florida.

1.2 Office. The office of the Association shall be One Doug Ford Drive, Pensacola, Florida 32507, or wheresoever hereafter designated by the Board of Directors.

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

ARTICLE II
DEFINITIONS

The terms contained in these Bylaws which are contained in Chapter 718, Florida Statutes (the "Condominium Act") shall have the meaning of such terms set forth in such Act, and the following terms shall have the following meanings:

(a) "Perdido Sun, A Condominium" and "the Condominium" are the names by which the Condominium Property, as hereinafter defined, may be identified herein.

(b) "Condominium Property" means the land, all improvements thereon, and all personal property used in connection therewith, which are submitted to condominium ownership under the Declaration, as hereinafter defined, and as are more particularly described therein, and all easements and rights appurtenant thereto.

- (c) "Unit" means a "unit", as defined in the Condominium Act and the Declaration, which is part of the Condominium Property.
- (d) "Common Elements" means the portions of the Condominium Property not included in the Units, and all property, installations and easements described in Section 718.100 of the Condominium Act.
- (e) "Developer" means Perdido Sun, Ltd., a Florida Limited Partnership, and the successors to and assigns of the rights thereof under these Bylaws; provided, however, an Owner shall not solely by the purchase of a Unit be deemed a successor to assignee of the rights of Developer under these Bylaws unless such Owner is specifically so designated as such a successor to or assignee of such rights in the respective instrument of conveyance or any other instrument executed by Developer.
- (f) "Association" or "Condominium Association" means Perdido Sun Condominium Association, Inc., a Florida corporation not for profit.
- (g) "Board" means the Board of Directors of the Association.
- (h) "Member" means a member of the Association, including Developer so long as Developer owns a Unit.
- (i) "Articles" means the Articles of Incorporation of the Association.
- (j) "Bylaws" means these Bylaws of the Association.
- (k) "Rules" means any rules and regulations duly promulgated by the Board pursuant to its powers under any of the "Condominium Documents", as hereinafter defined.
- (l) "Declaration" means the Declaration of Condominium of Perdido Sun, A Condominium.
- (m) "Condominium Documents" means the Declaration, the Articles, these Bylaws, the Rules, and any document or instrument referred to or contemplated by the foregoing documents.
- (n) "Common Expense" means all expenses incurred by the Association.
- (o) "Budget" means the annual budgets prepared and adopted by the Board for Common Expenses anticipated for the forthcoming year.
- (p) "Institutional First Mortgage" means any commercial bank; savings bank, savings and loan association; life insurance company; federal agency, corporation or association; mortgage lending corporation, association, or trust; real estate investment trust; any affiliate, or subsidiary of the foregoing; any mortgagee who joins in and consents to the Declaration; Developer; and any successors or assigns thereof; if and as long as the respective entity or person holds a first mortgage on a Unit.

ARTICLE III
MEMBERSHIP, MEMBERS' MEETINGS, VOTING AND PROXIES

3.1 Qualification. The qualification of Members, the manner of their admission to membership in the Association, the manner of the termination of such membership, and the manner of voting by Members shall be as set forth in Articles III and X of the Articles of Incorporation.

3.2 Annual Meeting. The Members shall meet annually at the office of the Association or at such other place in Escambia County, Florida, as determined by the Board and as designated in the notice of such meeting, at a time designated by the Board, on the first Monday in the month of December of each year (the "Annual Meeting"); provided, however, that if that day is a legal holiday, then the meeting shall be held at the same hour on the next succeeding Monday which is not a legal holiday. The purpose of an Annual Meeting shall be to hear reports of the officers, elect members of the Board and to transact any other business authorized to be transacted by the Members at such Annual Meeting.

3.3 Special Meetings. Special meetings of the Members shall be held at any place within the County of Escambia, State of Florida whenever called by the President or Vice President of the Association or a majority of the Board. A special meeting must be called by the President or Vice President of the Association upon receipt of a written request from ten (10%) percent of the entire membership of the Association.

3.4 Meetings Open to Mortgagees. Meetings of the Members shall be open to any Institutional First Mortgagee or a representative thereof; provided, however, except as is permitted or contemplated by these Bylaws or by any other Condominium Document, no such Institutional First Mortgagee or its representative shall be entitled to participate in any such meeting but shall only be entitled to act as an observer thereat.

3.5 Notice of Meeting. A written notice of all meetings of Members (whether the Annual Meeting or a special meeting of the Members) shall be mailed, certified mail, to each Member entitled to vote thereat at his last known address as it appears on the books of the Association not less than fourteen (14) days nor more than thirty (30) days prior to the date of such meeting, or within such other time periods as are specifically required under the Articles, these Bylaws or the Condominium Act, and the post

office certificate of mailing shall be proof of such mailing. The notice shall state the time and place of such meeting and the purpose for which the meeting is called and shall be signed by an officer of the Association. Notice of all meetings of Members shall be posted at a conspicuous place on any Condominium Property at least fourteen (14) days prior to any such meeting. Any provision herein to the contrary notwithstanding, notice of any meeting may be waived by any Member before, during or after such meeting, which waiver shall be in writing and shall be deemed to be receipt by such Member of notice of such meeting.

3.6 Action by Written Agreement. The Members may, at the discretion of the Board, act by written agreement in lieu of a meeting; provided, that written notice of the matter or matters to be determined by such Members is given to the Members at the addresses and within the time periods set forth in Section 3.5 immediately preceding for notices of meetings of Members or is duly waived in accordance with such Section. Any determination as to the matter or matters to be determined pursuant to such notice by the number of persons that would be able to determine the subject matter at a meeting shall be binding on all of the Members; provided, however, that a quorum of the membership responds in writing to such notice in the manner set forth in the notice. Any such notice shall set forth a time period during which time a response may be made thereto.

3.7 Quorum and Action. A quorum of the Members shall consist of a majority of Unit Owners entitled to cast votes. A member may join in the action of a meeting of Members by signing the minutes thereof or an attendance sheet thereat, and such a signing shall constitute the presence of such Member for the purpose of determining a quorum. Such method of determining a quorum shall not preclude such a determination by a showing of hands at the opening of a meeting. Matters approved by a majority of Members present, in person or by proxy, at a meeting at which a quorum is present shall constitute the official acts of the Members, except as otherwise specifically provided by law, the Declaration, the Articles, any other Condominium Document, or elsewhere herein.

3.8 Adjournment. If at any meetings of the Members there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. Any business which might have been transacted at a meeting of the Members as originally called may be transacted at any adjourned meeting thereof. In the case of the adjournment of

a meeting, the requirement, if any, and manner of notice to the Members of such adjournment shall be as determined by the Members.

3.9 Minutes. Minutes of all meetings of the Members shall be kept in a book in a businesslike manner and be available for inspection by the Members, their authorized representatives, and directors at the offices of the Association at all reasonable times. The Association shall retain said minutes for a period of not less than seven years.

3.10 Proxy. Voting rights of Members shall be as stated in the Articles. Such votes may be cast in person or by proxy. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted by a Member to vote for him and in his place and stead. Proxies shall be in writing, and except as otherwise stated therein, shall be valid only for the particular meeting or meetings for which originally given and any adjournments thereof if so stated, or any other period of time designated therein. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which was given. A proxy or copy thereof must be filed with the Secretary any time before the appointed time of the meeting in order to be effective. Any proxy except a proxy which by its terms states otherwise may be revoked prior to the time a vote is cast pursuant to such a proxy.

3.11 Written Ballot. At any time prior to a vote upon any matter at a meeting of the Members, any Member may raise the question of use of a secret written ballot for the voting on any matter. In the event of the use of such secret written ballot, the chairmen of the meeting shall call for nominations and election of inspectors of election to collect any tally such written ballots upon the completion of the balloting upon such matter.

ARTICLE IV
BOARD OF DIRECTORS, DIRECTORS' MEETINGS

4.1 Number. The form of administration of the Association shall be by a board of directors. The number of directors on the initial Board shall be three (3), but may be increased or decreased if the Board so resolves.

4.2 Election. The election and, if applicable, designation of directors, shall be conducted in accordance with the Articles.

4.3 Vacancy. A vacancy in the First Board shall be filled by the party or parties having the right to elect the director whose membership on the First Board has been vacated. Any such vacancy to be filled by Members other than Developer shall be filled by such Members by election at a special meeting. Vacancies in the Board after the First Board shall be filled by election by the remaining directors. Any person filling the vacancy of a director shall have all of the rights, privileges, duties and obligation as a director elected at an Annual Meeting and shall serve for the term prescribed in Section 4.4 of these Bylaws.

4.4 Term. The term of each director's service shall extend until the next Annual Meeting and until his successor is duly elected and qualified, or until he is earlier removed from such service in the manner elsewhere provided herein.

4.5 Removal by Members. Subject to Section 4.6 immediately following, a director may be removed from office with or without cause upon the affirmative vote or agreement in writing of Members owning a majority of all of the Units. A special meeting of the Members may be called for said purpose by Members owning at least ten (10%) percent of the Units. A director elected by Members other than Developer may be removed in accordance with the foregoing without consideration of Developer as a Member. Before any director is removed from office, he shall be notified in writing fourteen (14) days prior to the special meeting at which a motion for his removal will be made, and such director shall be given an opportunity to be heard at such meeting should he be present thereat.

4.6 Removal by Developer. A director designated by Developer, as provided in the Articles, may be removed only by Developer in its sole and absolute discretion without any need for a meeting or vote. Developer shall have the unqualified right to name a successor for any director designated and thereafter removed by it or for any vacancy credited on the Board as to a director designated by it, and the Developer, upon such removal or vacancy, shall notify the Board of the name of the respective successor director, and of the commencement date for the term of such successor director.

4.7 Organization Meeting. The organization meeting of a newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the

directors at the meeting at which they were elected. No further notice of the organizational meeting shall be necessary.

4.8 Regular and Special Meetings. Meetings of the Board shall be held in Escambia County, Florida. Regular meetings of the Board may be held at such time and place and shall be determined from time to time by a majority of directors. Special meetings must be called by the Secretary at the written request of one-third (1/3) of the directors. Meetings of the Board shall be open to all Members; provided however, no Member shall be entitled to participate in any such meeting but shall only be entitled to act as an observer thereat.

4.9 Notice of Meetings. Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each director personally or by mail, telephone or telegraph at least three (3) days prior to the date for such meeting. Except in an emergency, notice of a Board meeting shall be posted conspicuously on any Condominium Property forty-eight (48) hours in advance for the attention of Members. Notice of any meeting where assessments against Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Any provision herein to the contrary notwithstanding, notice of any meeting may be waived by any director before, during or after such meeting, and such waiver shall be deemed receipt of notice of such meeting by such director.

4.10 Quorum. A quorum of the Board shall consist of the directors entitled to cast a majority of the votes of the entire Board. A director may join in the action of a meeting of the Board by signing the minutes thereof or an attendance sheet thereat, and such a signing shall constitute the presence of such director for the purpose of determining a quorum. Such method of determining a quorum shall not preclude such a determination by a showing of hands at the opening of a meeting. Matters approved by a majority of the directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as otherwise specifically provided by law, the Declaration, the Articles, any other Condominium Document, or elsewhere herein. If at any meetings of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. Any business which might have been transacted at a meeting of the Board as originally called may be transacted at any adjourned meeting thereof. In the case of the adjournment of a meeting,

the requirement, if any, and manner of notice to the directors of such adjournment shall be as determined by the Board.

4.11 Presiding Officer. The presiding officer at Board meetings shall be the President even if the President is not a director. In the absence of the President, the directors present shall designate any one of their number to preside.

4.12 Directors' Fees. Directors' fees, if any, shall be determined by the majority of the membership of the Association.

4.13 Minutes. Minutes of all meetings of the Board shall be kept in a book in a businesslike manner and be available for inspection by Members and directors at the offices of the Association at all reasonable times. The Board shall retain said minutes for a period of not less than seven years.

4.14 Executive Committees. The Board shall have the power to appoint executive committees of the Board consisting of not less than one (1) director. Executive committees shall have and exercise such powers of the Board as may be designated to such executive committees by the Board.

4.15 Turnover. When Unit owners other than Perdido Sun, Ltd. (the "Developer"), own fifteen (15%) percent but less than fifty (50%) percent of the Units that ultimately will be operated by the Association, the Unit owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. The Unit owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board of Directors, three (3) years after sales by the Developer have been closed on fifty (50%) percent of the Units that ultimately will be operated by the Association, or three months after sales have been closed by the Developer of ninety (90%) percent of the Units that ultimately will be operated by the Association, or when all of the Units that ultimately will be operated by the Association have been completed and some have been sold and none of the others are being offered for sale by the Developer in the ordinary course of business, or when some of the Units that will ultimately be operated by the Association have been sold and none of the others are being offered for sale by the Developer in the ordinary course of business, whichever shall first occur.

ARTICLE V
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association, including those under any Declaration, the Articles, these Bylaws, and any other Condominium Documents, shall be exercised by the Board unless otherwise specifically delegated therein to the Members. Such powers and duties of the Board shall be exercised in accordance with the provisions of the Condominium Act and the Condominium Documents and shall include, but not be limited to, the following:

(a) Making, establishing, amending and enforcing reasonable rules and regulations governing the Condominium and the use of the Condominium Property;

(b) Making, levying, collecting and enforcing assessments against Members to provide funds to pay the expenses of the Association. Such assessments shall be collected by the Association by payments made directly to the Association by the members in the manner set forth in the Declaration;

(c) Administering, managing, and operating the Condominium;

(d) Maintaining, repairing and replacing the Condominium Property, constructing and reconstructing the Condominium Property in the event of casualty or other loss thereof and making further authorized improvements of the Condominium Property;

(e) Enforcing by legal means the provisions for the Condominium Documents, including the Declaration of Covenants, as defined in the Declaration, and the Condominium Act;

(f) Retaining independent contractors and professional personnel and entering into and terminating service, supply and management agreements and contracts to assist the Board in the administration, management and operation of the Condominium and the Association and the maintenance, care, repair and replacement of the Condominium Property, including the delegation to such parties of such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules, and maintenance, repair and replacement of the common elements with funds made available by the Association for such purposes. Notwithstanding the foregoing, the Association, Board and the officers of the Association shall retain at all times the powers and duties granted by the Condominium Documents and the Condominium Act, including, but not limited to, the making of assessments, promulgation of rules, and execution of contracts on behalf of the Association.

(g) Hiring and retaining such employees as are necessary to administer and carry out the services required for the proper

administration of the purposes of this Association and paying all of the salaries therefor;

(h) Paying costs of all power, water, sewer and other utilities services rendered to Condominium Property and not billed to individual Owners;

(i) Paying taxes and assessments which are or may become liens against any property located in the Condominium other than the individual Units and assessing the same against Owners;

(j) Approving or withholding approval of proposed purchasers, lessees or mortgagees of Units and of persons acquiring Units by gift, devise or inheritance; and

(k) Purchasing and carrying insurance for the protection of Owners and the Association against casualty loss of Condominium Property and liability upon the Common Elements.

ARTICLE VI
OFFICERS OF THE ASSOCIATION

6.1 Officers. The officers of the Association shall be a president who shall be a director, one or several vice presidents, a treasurer and an assistant secretary, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by a vote of the directors at any meeting of the Board. The Board shall, from time to time, designate and elect such other officers and assistant officers and designate their powers and duties as the Board shall determine to be necessary or appropriate for the management of the affairs of the Association.

6.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of a president, including, but not limited to, the power to appoint such committees at such times from among the Members as he may in his discretion determine appropriate to assist in the conduct of the affairs of the Association. The President shall preside at all meetings of the Board.

6.3 Vice President. In the absence or disability of the President, the Vice President shall exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one vice president elected by the Board, then they shall be designated "First", "Second", et cetera, and shall exercise the powers and perform the duties of the presidency in such order.

6.4 Secretary. The Secretary shall keep the minutes of all meetings of the Board and of the Members, which Minutes shall be kept in a businesslike manner and shall be available for inspection at the office of the Association by Members and directors at all reasonable times. The Secretary shall have custody of the seal of the Association and shall affix the same to instruments requiring such seal when duly authorized and directed by the Board to do so. He shall keep the records of the Association, except those of the Treasurer, and shall perform all of the duties, incident to the office of a Secretary. The Assistant Secretary, if any, shall assist the Secretary in the absence or disability of the Secretary, shall exercise the powers and perform the duties of the Secretary.

6.5 Treasurer. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidence of indebtedness. He shall keep the assessment rolls and accounts of the Members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform the duties of the Treasurer.

6.6 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 or a party affiliated with a director for the management of any part of the Condominium Property.

ARTICLE VII
ACCOUNTING RECORDS, FISCAL MANAGEMENT

7.1 Budget. The budget year shall be a consecutive twelve-month period selected by the Board, but the budget year need not be the same as the fiscal year of the Association. The Board shall adopt a budget of the anticipated Common Expenses for each forthcoming budget year at a special meeting of the Board ("Budget Meeting") called for that purpose at least thirty days prior to the commencement of each budget year. Prior to the Budget Meeting, a proposed budget shall be prepared by or on behalf of the Board, which budget may include, but not be limited to, the following applicable items of Common Expense: (i) Administration-salaries, legal and accounting, telephone, supplies and equipment; (ii) Operating - electricity, gas, refuse collection, water and sewer, security; (iii) Fixed - taxes, insurance premiums, and fees payable to Florida Division of Land Sales and Condominium, if any; (iv) Maintenance - equipment and

supplies, salaries, building and grounds maintenance fees, and management fees. Copies of the proposed budget and notice of the exact time and place of the Budget Meeting shall be mailed to each Member at the Member's last known address as shown on the books and records of the Association not less than fourteen (14) days prior to said Budget Meeting, and the Budget Meeting shall be open to all of the Members.

7.2 Reserves. The Board shall also include in any such proposed budget, to the extent required by law or determined by the Board to be necessary or appropriate, reserve accounts for general operating capital, for capital expenditures for the making of betterments to the Condominium Property, and for depreciation and deferred maintenance thereof, including, but not limited to roof replacement, building painting and pavement resurfacing.

7.3 Deficiencies. No Board shall be required to anticipate revenue from assessments or expend funds to pay for Common Expenses not included in the Budget or which exceed budgeted spending. Should there exist any deficiency which results from there being greater Common Expenses than income from assessment, then such deficits shall be carried into the next succeeding year's budget as a deficiency or shall be the subject of a special assessment to be levied by the Board as provided in the Declaration. Notwithstanding any provision herein to the contrary, in the event any such deficiency occurs or is reasonably anticipated to occur and the Board is unable as a matter of law or otherwise to obtain necessary funds by timely assessment, the Board is authorized to borrow funds on behalf of the Association, the cost of repayment of which, plus interest, shall be a Common Expense.

7.4 Depository. The depository of the Association shall be such banks or savings and loan associations as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such depository shall be only by checks signed by such persons as are authorized by the Board.

7.5 Fiscal Year. In administering the finances of the Association, the fiscal year of the Association shall be the calendar year, and assessments shall be made not less frequently than quarterly in amounts not less than are required to provide funds in advance for timely payment of all budgeted or otherwise anticipated current operating expenses and for all unpaid operating expenses previously incurred.

7.6 Accounting Records. The Association shall maintain accounting records in accordance with good accounting practices. Records shall include, without limitation, a record of all receipts and expenditures, an account for each Unit designating the name and current mailing address of the Owner, the amount of the current annual assessment thereon and any outstanding special assessment, the dates and amounts in which assessments or installments thereof come due, the amount paid on account, and any balance due. Records shall be open to inspection by Members or their authorized representatives at reasonable times. Authorization as a representative of a Member must be in writing and be signed by the Member giving such authorization and dated within sixty (60) days of the date of any such inspection; provided, however, an Institutional First Mortgagee shall for such purpose of inspection automatically be deemed a representative of a Member.

7.7 Annual Audit. An audit of the accounts of the Association, including a complete financial report of actual receipts and expenditures for the respective fiscal year, shall be made annually by an auditor, accountant, or Certified Public Accountant designated by the Board, and a copy of a report of such audit shall be furnished to each Member not later than the first day of March of the year following the fiscal year for which the report is made. The annual audited report shall, unless otherwise required by law, show receipts and expenses by account classifications set forth in the annual budget for the year for which the report is made. The report shall be deemed to be furnished to the Member upon personal delivery thereof to the member or the mailing thereof to the Member at the Member's last known address as shown on the books and records of the Association.

7.8 Fidelity Bonding. Fidelity bonding shall be required of all officers and directors who control or disburse funds of the Association, and the Association shall bear the cost of such bonding, which cost will be a Common Expense included in the budget as an insurance item of expense.

ARTICLE VIII
RULES AND REGULATIONS

The Board may at any meeting of the Board adopt rules and regulations for the operation of the Condominium or the use of Condominium Property, or amend or rescind any such existing rules and regulations; provided, however, that such rules and regulations shall not be inconsistent with any of the terms or

provisions of any of the Condominium Documents. Copies of any rules and regulations as promulgated, amended, or rescinded, shall be mailed to all Members at the last known address of the Members as shown on the books and records of the Association, and no such rule or regulation shall take effect until forty-eight (48) hours after such mailing.

ARTICLE IX
PARLIAMENTARY RULES

The then latest edition of Robert's Rules of Order shall govern the conduct of meetings of Members of the Association and of the Board; provided, however, if such Rules and Regulations are in conflict with any of the Condominium Documents, then the respective Condominium Document, as the case may be, shall apply and govern.

ARTICLE X
AMENDMENT TO THE BYLAWS

10.1 Power. These Bylaws may be amended by the Members at an Annual Meeting or a special meeting of the Members and by the Board at a regular or special meeting of the Board. Approval by both Members and the Board is required.

10.2 Manner. Subject to 10.3 below, the By-Laws may be amended, altered, supplemented or modified by a membership at the Annual Meeting, or at a duly convened special meeting of the membership attended by a majority of the membership, by vote, as follows:

- A. If the proposed change has been approved by the unanimous approval of the Board of Directors, then it shall require only a majority vote of the total membership to be adopted.
- B. If the proposed change has not been approved by unanimous vote of the Board of Directors, then the proposed change must be approved by two-thirds (2/3) of the total vote of the membership.

No amendment shall change the rights and privileges of the Developer referred to in the Declaration without the Developer's written approval.

10.3 Developer Amendment. Until the first election of all Directors by unit owners other than the Developer, and so long as the Developer shall have the right to fill vacancies existing in the original Board of Directors, proposal of an amendment and approval thereof shall require only the affirmative action of a majority of the Directors, and no meeting of the condominium unit owners nor any approval thereof need be had.

10.4 Restrictions on Amendment. Provided, however, that no amendment shall discriminate against any condominium unit owner nor against condominium unit or class or group of units unless the condominium owners so affected consent. No amendment shall be made that is in conflict with the Condominium Act, the Articles of Incorporation, or any of the provisions of the Declaration of Condominium. No amendment shall be adopted without the consent and approval of the Developer so long as it shall own one (1) or more of the condominium units.

10.5 Form of Amendment. Any instrument amending the Bylaws shall identify the particular Section or Sections being amended and give the exact language of such amendment. A copy of each such amendment certified by the Secretary of the Association shall be attached to any certified copy of these Bylaws and a copy of each amendment certified by the Secretary of the Association shall be recorded as an amendment to the Declaration of Condominium amongst the Public Records of Escambia County, Florida.

The undersigned certifies that the foregoing is a true and complete copy of the Bylaws of Perdido Sun Condominium Association, Inc.

PERDIDO SUN CONDOMINIUM
ASSOCIATION, INC.

APPROVED:

By: *Charles W. ...*
President

Date: 3/30/84

By: *David M. ...*
Secretary
Date: 3/26/84
(SEAL)

EXHIBIT 5
PERCENTAGE OF OWNERSHIP IN COMMON ELEMENTS,
COMMON SURPLUS AND SHARE OF COMMON EXPENSES

EXHIBIT 5

PERCENTAGE OF OWNERSHIP IN COMMON ELEMENTS, COMMON
SURPLUS AND SHARE OF COMMON EXPENSES

		<u>PHASE I</u>
One Bedroom Units	.89	56.7
63 One Bedroom Units		
Two Bedroom Units	1.20	26.5
22 Two Bedroom Units		
Three Bedroom Units	2.10	16.8
8 Three Bedroom Units		<u>100.0</u>

		<u>PHASE I and PHASE II</u> <u>(186 units)</u>
One Bedroom Units	.45	56.7
126 One Bedroom Units		
Two Bedroom Units	.60	26.5
44 Two Bedroom Units		
Three Bedroom Units	1.05	16.8
16 Three Bedroom Units		<u>100.0</u>

0A800x2125rc 822

EXHIBIT 6
ESTIMATED OPERATING BUDGET

PERDIDO SUN CONDOMINIUM ASSOCIATION INC.
ESTIMATED OPERATING BUDGET
FIRST YEAR OF OPERATION

ORBOOK 2125K 821

PHASE I - 93 Units

I. Expenses for the Association and Condominiums

EXPENSE	MONTHLY	ANNUALLY
A. Association Administration		
1. Accounting and Legal	\$ 500	\$ 6,000
2. Office Supplies, Postage, & Misc.	100	1,200
	<u>\$ 600</u>	<u>\$ 7,200</u>
B. Management Fees	\$ 1,250	\$ 15,000
C. Maintenance and Custodial		
1. Custodial & Maintenance Contract	\$ 1,000	\$ 12,000
2. Building Supplies	300	3,600
3. Grounds Supplies	200	2,400
4. Pool Supplies	833	10,000
5. Elevator Maintenance	500	6,000
6. Pest Control	250	3,000
7. Janitorial Supplies	167	2,000
8. Miscellaneous	300	3,600
	<u>\$ 3,350</u>	<u>\$ 42,600</u>
D. Insurance - fire, all risk, liability, umbrella, employe, non-owned liability, personal property, flood	\$ 1,667	\$ 20,000
E. Taxes on Association Property & Common Area - Personal Property	\$ 200	\$ 2,400
F. Security Provisions	\$ 300	\$ 3,600
G. Other Expenses		
1. Electricity	\$ 500	\$ 6,000
2. Water & Sewage	1,333	16,000
3. Telephone	100	1,200
4. Fire for Pool Heater	250	3,000
5. Garbage & Trash Collection	433	5,200
	<u>\$ 2,616</u>	<u>\$ 31,400</u>
H. Operating Capital	\$ 417	\$ 5,000
I. Reserves for Replacements	\$ 1,853	\$ 22,260
J. Fees & Licenses & Organizational memberships (including state, county, & municipal licenses & fees payable to Division of Florida Land Sales & Condominiums	\$ 250	\$ 3,000
	<u>\$12,705</u>	<u>\$132,460</u>
II. Estimated Assessments Per Unit		
A. One Bedroom Unit	\$ 114	\$ 1,372
B. Two Bedroom Unit	\$ 153	\$ 1,836
C. Three Bedroom Unit	\$ 267	\$ 3,202

Guaranteed Interim Assessment. Developer covenants and guarantees that during the period commencing with the date of the recording of this Declaration and ending the earlier of (i) twelve (12) full calendar months from said date, or (ii) the Turnover Date, the monthly installments of the Annual Assessment for Common Expenses upon each Unit shall not exceed the amount specified above, and that it will pay during such period the deficit, if any, between the Common Expenses incurred during such year and the total amount of Guaranteed Interim Assessments for such year paid to the Association, if any by initial Owners other than Developer and during such period Developer will not be liable for the payment of any Common Expense or assessment except for the amount of such deficits, and no assessment of any kind will be assessed upon any Unit owned by Developer.

PERDIDO SUN CONDOMINIUM ASSOCIATION INC.
 ESTIMATED OPERATING BUDGET
 FIRST YEAR OF OPERATION
 186 UNITS*
 PHASES I AND II

I. Expenses for the Association and Condominium

EXPENSE	MONTHLY	ANNUALLY
A. Association Administration		
1. Accounting and Legal	\$ 1,000	\$ 12,000
2. Office Supplies, Postage, & Misc.	200	2,400
	\$ 1,200	\$ 14,400
B. Management Fees	\$ 2,500	\$ 30,000
C. Maintenance and Custodial		
1. Custodial & Maintenance Contract	\$ 2,000	\$ 24,000
2. Building Supplies	600	7,200
3. Grounds Supplies	400	4,800
4. Pool Supplies	833	10,000
5. Elevator Maintenance	750	9,000
6. Pest Control	500	6,000
7. Janitorial Supplies	334	4,000
8. Miscellaneous	600	7,200
	\$ 6,017	\$ 72,200
D. Insurance - fire, all risk, liability, umbrella, employee, non-owned liability, personal property, flood	\$ 3,000	\$ 36,000
E. Taxes on Association Property & Common Area - Personal Property	\$ 300	\$ 3,600
F. Security Provisions	\$ 600	\$ 7,200
G. Other Expenses		
1. Electricity	\$ 750	\$ 9,000
2. Water & Sewage	1,333	16,000
3. Telephone	200	2,400
4. Fuel for Pool Heater	250	3,000
5. Garbage & Trash Collection	800	9,600
	\$ 3,333	\$ 40,000
H. Operating Capital	\$ 800	\$ 9,600
I. Reserves for Replacements	\$ 3,352	\$ 40,220
J. Fees & Licenses & Organizational memberships (including state, county, & municipal licenses & fees payable to division of Florida Land Sales & Condominiums	\$ 400	\$ 4,800
	<u>\$21,502</u>	<u>\$257,940</u>
II. Estimated Assessments Per Unit		
A. One Bedroom Unit	\$ 97	\$ 1,161
B. Two Bedroom Unit	\$ 129	\$ 1,553
C. Three Bedroom Unit	\$ 225	\$ 2,708

* Based upon Phase II being developed to contain the same number of units as in Phase I.

ORBOOK 2125K 824

EXHIBIT 7
LICENSE AGREEMENT

LICENSE AGREEMENT

ORBOOK 2125 FC 825

This Agreement made this _____ day of _____, 1985 by and between Perdido Sun, Ltd., a Florida Limited Partnership hereinafter referred to as "Owner" and Perdido Sun Condominium Association, Inc. a Florida corporation not for profit, hereinafter referred to as the "Condominium".

WITNESSETH:

That in consideration of the mutuality hereof, and the further consideration of Ten Dollars paid by the Condominium to the Owner, the receipt of which is hereby acknowledged, said parties have agreed as follows:

- 1. Owner hereby grants to the Condominium a license to use the property described in Exhibit A hereto, for the use solely as a parking lot for Owners of condominium units in Perdido Sun, A Condominium, their families, guests tenants, invitees and licensees.
- 2. This license shall be irrevocable by either party so long as there exists any Escambia County Ordinance requiring that the project known as Perdido Sun, A Condominium, have available a certain number of parking spaces in excess of what is actually contained on said project's land.
- 3. In the Owner's sole discretion, and at any time, Owner may substitute an alternative parking area for that described in Exhibit A hereto provided it is sufficient to meet the parking requirements for the condominium project hereinabove referred to as called for by any applicable ordinance.
- 4. For as long as this Agreement is in effect the Condominium shall pay no rent but shall maintain the subject property, pay the real property taxes apportionable to said parcel and extend its liability insurance coverage to same.
- 5. It is further agreed that the Condominium shall indemnify and hold Owner harmless from any claims and liability resulting from the use of subject property by condominium unit owners in Perdido Sun, A Condominium, their families, guests tenants, invitees and licensees.
- 6. If at any time there ceases to be a requirement for the parking facilities contemplated herein, this License Agreement shall be revocable by either party by giving the other party fifteen (15) days written notice.

In Witness whereof the parties hereto have caused this License Agreement to be executed this 2nd day of October, 1985.

Witnessed by:
Robert Scullion
E. Arnold Smith

PERDIDO SUN, LTD.
By: Perdido Bay General Partnership, Operating General Partner

By: Charles D. Lacour
Charles D. Lacour,
Managing Partner

Robert Scullion
E. Arnold Smith

PERDIDO SUN CONDOMINIUM ASSOCIATION, INC.
By: Charles D. Lacour
Charles D. Lacour,
President



STATE OF FLORIDA)
COUNTY OF Seminole) ss:

The foregoing instrument was acknowledged before me this 2nd day of October, 1985, by Charles Dick Lacour, the Managing Partner of Perdido Bay, General Partnership, Operating General Partner of Perdido Sun, Ltd., a Florida Limited Partnership.



James M. Christian, Jr.
Notary Public (SEAL)

My Commission Expires: Dec 18, 1987

STATE OF FLORIDA)
COUNTY OF Seminole) ss:

The foregoing instrument was acknowledged before me this 2nd day of October, 1985, by Charles Dick Lacour, the President of Perdido Condominium Association, Inc., a Florida corporation not for profit.

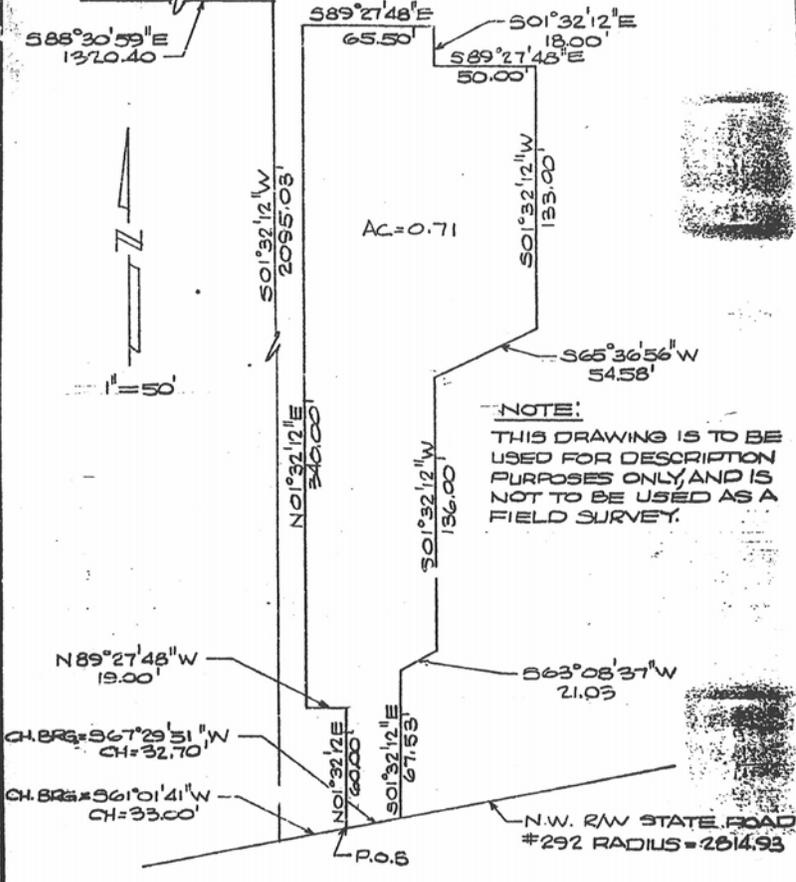


James M. Christian, Jr.
Notary Public (SEAL)

My Commission Expires: Dec 18, 1987

P.O.C. N.W. COR. OF FRACTIONAL
SEC. 35 T-3-S, R-32-W

OR BOOK 2125 PG 827



NOTE:
THIS DRAWING IS TO BE
USED FOR DESCRIPTION
PURPOSES ONLY, AND IS
NOT TO BE USED AS A
FIELD SURVEY.

	BASKERVILLE-DONOVAN ENGINEERS, INC. <small>A PROFESSIONAL SERVICE ORGANIZATION</small>	PROJECT NO. 344
	<small>PENSACOLA • MILTON • DESTIN • DAYTONA BEACH</small>	DATE 3-22-84 SHEET 1
		INDEX OF 2

Exhibit A
Page 1 of 2

D-84-



BASKERVILLE-DONOVAN ENGINEERS, INC.
A PROFESSIONAL SERVICE ORGANIZATION

PENSACOLA • MILTON • DESTIN • DAYTONA BEACH
OR BOOK 2125 PG 828

March 22, 1984

Sheet 1/1

Project No. 0344

PROPERTY DESCRIPTION

For: Perdido Sun Ltd.
Attention: Mr. Dick Lacour

Project: Perdido Sun Resort

Description Title: Phase I Overflow Parking

Prepared: GSP

Checked: SEW

Approved: FTA

COMMENCE AT THE NORTHWEST CORNER OF FRACTIONAL SECTION 35, TOWNSHIP 3 SOUTH, RANGE 32 WEST, ESCAMBIA COUNTY, FLORIDA;
THENCE GO SOUTH 88 DEGREES 30 MINUTES 59 SECONDS EAST ALONG THE NORTH LINE OF THE AFORESAID FRACTIONAL SECTION 35 A DISTANCE OF 1320.40 FEET TO THE NORTHWEST CORNER OF THE EAST HALF OF THE NORTHWEST ONE QUARTER OF THE AFORESAID SECTION 35;
THENCE GO SOUTH 01 DEGREES 32 MINUTES 12 SECONDS WEST ALONG THE WEST LINE OF THE AFORESAID EAST ONE HALF OF THE NORTHWEST ONE QUARTER OF SECTION 35 A DISTANCE OF 2095.03 FEET TO A POINT ON THE CURVED NORTHERLY RIGHT-OF-WAY LINE OF NEW GULF BEACH HIGHWAY (SR #292, 100' R/W) BEING CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 2814.93 FEET;
THENCE GO EASTERLY ALONG THE AFORESAID CURVED NORTHERLY RIGHT-OF-WAY LINE AN ARC DISTANCE OF 33.00 FEET (CH = 33.00', CH BRG = N 61° 01' 41" E) TO THE POINT OF BEGINNING;
THENCE GO NORTH 01 DEGREES 32 MINUTES 12 SECONDS EAST A DISTANCE OF 60.00 FEET;
THENCE GO NORTH 89 DEGREES 27 MINUTES 48 SECONDS WEST A DISTANCE OF 19.00 FEET;
THENCE GO NORTH 01 DEGREES 32 MINUTES 12 SECONDS EAST A DISTANCE OF 340.00 FEET;
THENCE GO SOUTH 89 DEGREES 27 MINUTES 48 SECONDS EAST A DISTANCE OF 65.50 FEET;
THENCE GO SOUTH 01 DEGREES 32 MINUTES 12 SECONDS WEST A DISTANCE OF 18.00 FEET;
THENCE GO SOUTH 89 DEGREES 27 MINUTES 48 SECONDS EAST A DISTANCE OF 50.00 FEET;
THENCE GO SOUTH 01 DEGREES 32 MINUTES 12 SECONDS WEST A DISTANCE OF 133.00 FEET;
THENCE GO SOUTH 65 DEGREES 36 MINUTES 56 SECONDS WEST A DISTANCE OF 54.58 FEET;
THENCE GO SOUTH 01 DEGREES 32 MINUTES 12 SECONDS WEST A DISTANCE OF 136.00 FEET;
THENCE GO SOUTH 63 DEGREES 08 MINUTES 37 SECONDS WEST A DISTANCE OF 21.03 FEET;
THENCE GO SOUTH 01 DEGREES 32 MINUTES 12 SECONDS WEST A DISTANCE OF 67.53 FEET TO A POINT ON THE CURVED NORTHWESTERLY RIGHT-OF-WAY LINE OF THE AFORESAID NEW GULF BEACH HIGHWAY;
THENCE GO WESTERLY ALONG THE AFORESAID CURVED NORTHWESTERLY RIGHT-OF-WAY LINE AN ARC DISTANCE OF 31.80 FEET (CH = 31.80', CH BRG = S 66° 49' 42" W) TO THE POINT OF BEGINNING.
THE ABOVE DESCRIBED PARCEL OF LAND IS SITUATED IN FRACTIONAL SECTION 35, TOWNSHIP 3 SOUTH, RANGE 32 WEST, ESCAMBIA COUNTY, FLORIDA AND CONTAINS 0.71 ACRES.

CORPORATE OFFICE: 16 W. ZARRAGOSSA ST. PENSACOLA, FL 32501 (904) 438-9661 or 243-3228

Exhibit A

Page 2 of 2

D-85-

ORBOOK 21257C 829

EXHIBIT 8
FORM OF AGREEMENT
FOR SALE AND PURCHASE

ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, REFERENCE SHOULD BE MADE TO THIS CONTRACT AND THE DOCUMENTS REQUIRED BY SECTION 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE.

AGREEMENT FOR SALE AND PURCHASE OF CONDOMINIUM UNIT AT PERDIDO SUN, A CONDOMINIUM

THIS AGREEMENT, made and entered into this ___ day of ___, 198__, by and between Perdido Sun, LTD., (SELLER), and _____ (PURCHASER), whose address is _____ Telephone # _____.

I. DESCRIPTION OF CONDOMINIUM UNIT:

Seller agrees to sell and Purchaser agrees to purchase, subject to the terms of this Agreement, the following:

Unit ___ of Perdido Sun, A Condominium, and all appurtenances thereto including an undivided percentage ownership interest in the common elements as set forth on the Survey, Graphic Description and Plan delivered or to be delivered to Purchaser under Article IIC and VA hereof, all as described in and according to the Declaration of Condominium for Perdido Sun, A Condominium recorded or to be recorded in the Public Records of Escambia County, Florida. This unit is not subject to a Lease.

II. THE PURCHASE PRICE IS:.....\$ _____ Payable as follows:

- A. RESERVATION DEPOSIT.....\$ _____
B. DEPOSIT, receipt of which is hereby acknowledged.....\$ _____
C. ADDITIONAL DEPOSIT PAYABLE on or before\$ _____
TOTAL DEPOSIT....\$ _____
D. BALANCE, subject to prorations payable by Purchaser at closing, in cash or cashier's check drawn on a local bank.....\$ _____

III. ESCROW DEPOSIT:

All deposits made hereunder by the Purchaser whether paid pursuant to a Reservation as set forth in Section II hereof or made as a regular deposit for the purchase of a condominium unit, shall be deposited with Theo D. Baars, Jr., c/o Baars Realty, 221 South Baylen Street, Pensacola, Florida 32501 as escrow agent. Said escrow agent shall furnish purchaser a receipt of such deposit(s). The funds so held in escrow shall be held pursuant to Section 718.202 of the Florida Statutes. The escrow agent in his discretion will deposit the earnest

money deposits individually or co-mingled with other deposits in accounts, funds, and/or certificates of deposit permissible by Section 718.202, Florida Statutes. If interest accrues on Purchaser's deposit(s) such shall be credited to purchaser unless he defaults under the terms of this Agreement.

IV. CONDOMINIUM DOCUMENTS, RIGHT OF CANCELLATION:

A. Condominium Documents. Perdido Sun, A Condominium is a condominium project located in Escambia County, Florida. Each owner of a unit will be a member of the Perdido Sun Condominium Association, Inc., a Florida corporation not for profit (the "Association"), which will manage and operate the Condominium. Seller has delivered or shall deliver to Purchaser, among other things the Declaration, the Articles of Incorporation of the Association, the By-Laws of the Association, any current Rules and Regulations of the Association, an Estimated Initial Annual Operating Budget for Common Expenses, the Survey, Graphic Description and Plot Plan, a Floor Plan and the Escrow Agreement. All of the foregoing documents and this Contract are referred to herein as the "Condominium Documents", and the terms and conditions of each of the Condominium Documents not expressly stated in this Contract are hereby incorporated herein by reference. Delivery of the Condominium Documents to Purchaser is required under Section 718.503, Florida Statutes. Since each of the above documents will affect the ownership of a unit and the operation of the Condominium, the Purchaser should refer to and be familiar with the terms and provisions thereof.

B. Terms and Provisions. Purchaser agrees that the Condominium Documents may be amended at any time in any manner required by a commercial bank, savings and loan association, title insurance company, public authority, or by Seller if Seller determines that such amendment is necessary or appropriate; provided, however, no change will be made in the Condominium Documents that will result in a material detriment to the rights of Purchaser under this Contract without notice to and the approval thereof by Purchaser. In the event that such approval is required, and Purchaser delivers written notice to Seller within fifteen (15) days of the request thereof by Seller that Purchaser elects not to give approval to such change, then Seller shall have the right to cause all deposit monies paid hereunder by Purchaser to be returned free and clear of any escrow to purchaser, upon which event this Agreement shall be terminated and shall be null and void, and neither Seller nor Purchaser shall have any further rights and obligations hereunder. Failure by Purchaser to respond in writing to any such request within such time period shall be deemed to be approval by Purchaser of the subject change. In the event of any discrepancy between the terms of this Contract and the terms contained in the Condominium Documents, the terms of such documents shall prevail. Purchaser agrees to abide by and be bound by all the terms and conditions of such documents and to execute any instruments necessary to effect the same, which agreement shall survive delivery of the deed hereunder and possession of the unit.

C. Right of Cancellation. THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER, AND RECEIPT BY BUYER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM BY THE DEVELOPER UNDER SECTION 718.503, FLORIDA STATUTES. HIS AGREEMENT IS ALSO VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE BUYER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF

NOT MORE THAN FIFTEEN (15) DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE ITEMS REQUIRED. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING. In the event Purchaser elects to void this Contract in accordance with this Paragraph C, the manner by which he shall void this Contract shall be to deliver to Seller within said fifteen (15) day period a written notice of cancellation of this Contract and simultaneously return to Seller all Condominium Documents previously delivered to him. The foregoing statutory right of cancellation will run from the date that Purchaser receives all the documents required by Florida Statute 718.503, which documents may be delivered in person or by certified mail.

V. CONSTRUCTION AND COMPLETION OF IMPROVEMENTS:

A. The Condominium will be erected as expeditiously as practicable and will be constructed in a good workmanlike manner. The condominium unit will be constructed substantially in accordance with plans and specifications. A copy of the floor plan of the condominium apartment is contained within the Declaration of Condominium, and Seller agrees that there will be no material changes made in connection with the said floor plan unless such changes are agreed to in writing by the Purchaser.

B. Notwithstanding anything contained herein to the contrary, Seller is unconditionally obligated to complete construction of the Condominium described herein within a period of two (2) years from the complete execution of this Agreement by all parties. Said two (2) year period may, however, be extended due to delays caused by acts of God or material shortage or any other event constituting an impossibility of performance under Florida law. With respect only to said Seller's completion obligation, nothing contained herein shall restrict Purchaser's right to seek specific performance or any other remedy, if Purchaser is entitled to such remedies by operation of Florida law.

C. Purchaser agrees that in the event there are delays in the completion of the condominium unit which are beyond the control of the Seller, such as acts of God, strikes, lockouts, or other causes, this Agreement may be extended beyond the closing date theretofore provided for a period of not exceeding ninety (90) days. In such event, Seller shall notify Purchaser in writing at the address hereinabove set forth of such delay and the new closing date.

D. If Seller fails to complete construction of the improvements within the time specified from the execution date, Purchaser may terminate this Agreement by giving Seller written notice of such decision and upon such termination Seller shall return to Purchaser the earnest money and neither party shall owe to the other any further duty or obligation hereunder.

E. For the purposes of this Agreement, the date of completion of the Condominium shall be the date when Seller notifies Purchaser that all necessary inspection and certifications by the Escambia County Inspection Department have been obtained and the unit is ready for occupancy (the "date of completion").

F. Unauthorized Entry. For reasons of safety and of requirements under policies of insurance held by Seller, neither Purchaser nor any agent of Purchaser shall be permitted to enter upon the Condominium Property after the date hereof except for the models or sales offices located thereon unless accompanied by a representative of Seller until after Purchaser has closed this Contract and has taken possession of his Unit.

G. Condominium Contingency. Purchaser acknowledges that Seller may be unable, by reason of requirements established by mortgage lenders or otherwise, to declare the subject property Condominium unless and until there are noncontingent, binding and nonterminable contracts to purchase a certain percentage of the Units in the Condominium. Accordingly, in the event Seller is unable to declare the subject property a condominium, Seller shall, upon such event, return to Purchaser all monies paid by Purchaser hereunder, in which event this Contract shall be terminated and shall be null and void, and neither Seller nor Purchaser shall have any further rights and obligations hereunder.

VI. CLOSING:

A. The closing date and place shall be specified in a written notice given by Seller to Purchaser provided: (1) such written notice shall be given not less than ten (10) days prior to the date specified in the Closing Notice as the closing date, and (2) on the closing date the unit has been completed. The issuance of a Temporary (Partial) or Permanent (Final) Certificate of Occupancy for the unit by the governmental agency authorized to issue Certificates of Occupancy for the Condominium shall be binding and conclusive upon the parties as to whether the unit has been completed. The fact that other units or common elements may not be completed, or that the unit may require minor repairs, touch-ups or adjustments shall not constitute a valid reason for Purchaser's failure to close.

B. Seller agrees to convey title to the aforesaid Purchaser by warranty deed, free and clear of all liens or encumbrances except:

- (1) Taxes and assessments for year of closing and subsequent years.
- (2) Restrictions, reservations, easements and zoning ordinances of record, if any, which do not interfere with the use of said property for residential purposes.
- (3) All terms and conditions of the Declaration of Condominium and Exhibits thereto for Perdido Sun, A Condominium.

C. If, on the closing date, Purchaser fails to attend or pay such sums as are required to be paid on the closing date or execute all of the instruments required of Purchaser, then the payments made under this Agreement to the Seller shall be retained by Seller as Liquidated and Agreed upon damages, hereinafter provided.

D. In the event the Purchaser, for any reason, fails to close on the date set for closing and the Seller elects to close with the Purchaser at a later date, the parties agree that prorations for taxes, insurance, maintenance, and any other proratable items shall be as of the original date set for the closing. In addition, the Purchaser agrees to pay to the Seller interest at the rate of eighteen (18%) percent per annum on the full amount of the purchase price from the date originally set for closing to the actual date of closing to compensate the Seller for its carrying charges on the unit. However, nothing herein contained shall be considered as requiring the Seller to close with the Purchaser in the event the Purchaser fails to close on the closing date set by the Seller as set forth herein.

E. At the closing, Purchaser agrees to pay to Seller the balance of the purchase price in the form of cash or cashier's check, and in addition Purchaser shall pay the cost of recording the Purchaser's Warranty Deed along with the State Documentary Stamps, the assessment for maintenance to the Condominium Association for the month in which closing takes place, prorated as of the date of closing, and the next month's assessment, a

contribution to the working capital of the Association equal to twice the monthly assessment for common expenses, mortgage closing costs, if any, and the premium of an ALTA Owners Policy of Title Insurance Form A, which policy will be delivered to Purchaser after closing if title insurance is requested in writing.

F. All taxes and assessments applicable to the Property shall be prorated as of the date of closing, based upon the maximum tax discount allowed by law. However, the actual tax proration adjustment shall not be made until the receipt of the tax bill for the year of closing. The Seller and Purchaser shall execute a letter of agreement at the time of closing to acknowledge the proration procedure.

VII. DEFAULT:

Should Purchaser fail to make any of the payments due under this contract, or fail or refuse to execute the instruments required to close this transaction, or fail to close when notified, or refuse to pay any costs or other sums required by this Agreement or otherwise default hereunder, and shall fail to correct such default within seven (7) days after Seller has given Purchaser written notice of such default, the Seller may declare this Agreement terminated and retain all monies paid by Purchaser as liquidated and agreed upon damages to compensate Seller for its damages which Seller shall have sustained and suffered as a result of Purchaser's default, and thereupon the parties hereto will be released and relieved from all obligations hereunder. The provision herein contained for liquidated and agreed upon damages is a bona fide provision for such and is not a penalty, the parties understanding that by reason of the withdrawal of the unit from sale to the general public at a time when other parties would be interested in purchasing the apartment, that Seller will have sustained damages if Purchaser defaults, which damages will be substantial but will not be capable of determination with mathematical precision, and therefore, this provision for liquidated and agreed upon damages has been incorporated in this Agreement as a provision beneficial to both parties. The parties understand and agree that Seller's sole liability and obligation to Purchaser in the event of Seller's default or breach of any of the terms and provisions hereof shall be limited to the return of Purchaser's deposits made hereunder. No action for specific performance of this Agreement shall lie in favor of Purchaser except as set forth in Article V hereof.

VIII. MISCELLANEOUS PROVISIONS:

A. Brokerage Commissions. Purchaser acknowledges that this sale was made by Seller's agents or personnel to be paid by Seller, and Purchaser agrees to indemnify Seller against any claim of real estate brokers other than Seller's agents or personnel for commissions relating to this Contract arising from Purchaser's actions which agreement to indemnify shall survive delivery of the deed and possession of the unit.

B. Personal Property. The condominium unit shall contain the following appliances, equipment and personal property: _____

C. Casualty. In the event of fire or other casualty to the subject property prior to closing, then Seller shall have

the right to elect at Seller's discretion either (i) to terminate the Agreement and cause all deposit monies paid hereunder to be returned to Purchaser free and clear of any escrow upon which event this Agreement shall become null and void and neither Seller nor Purchaser shall have any further rights and obligations hereunder, or (ii) to repair and reconstruct the subject damaged property, upon which event this Agreement shall remain in full force and effect. Purchaser shall under no circumstance have any interest in any proceeds of any policy of insurance on the subject property.

D. Mortgage Subordination. This Contract is and shall be without any further action by Purchaser subject and subordinate to any mortgage now or hereafter placed on the Condominium Property; provided, however, that the foregoing shall not survive the Closing, and Seller shall cause the lien of any mortgage to be discharged of record as to the Condominium Unit simultaneously with the recording of the Deed to Condominium Unit.

E. Association Officers and Directors. Purchaser acknowledges that the initial officers and directors of the Association shall be agents or personnel of Seller and Purchaser hereby waives any objection to such persons being such officers or directors and ratifies all actions now or hereafter taken by such persons in their capacities as such officers or directors.

F. Notices. Any notice required or permitted to be given to Purchaser under this Contract may be delivered either personally or by certified mail, return receipt requested, addressed to Purchaser at the address of Purchaser set forth above. Any notice required or permitted to be given to Seller under this Contract must be mailed by certified mail, return receipt requested, to Seller at One Doug Ford Drive, Pensacola, Florida 32507. Any notice to Purchaser or Seller under this Contract shall be deemed given and delivered when mailed or personally delivered in the manner set forth in this paragraph.

G. Recording Prohibited. Purchaser shall not record this Contract amongst the Public Records of Escambia County, Florida, and any such recording of this Contract by Purchaser shall constitute a material default by Purchaser of this Contract.

H. Assignment by Purchaser. Purchaser shall have no right to assign this Contract or any of his rights or obligations hereunder and any attempt by Purchaser to make any such assignment shall be a material default of his obligations under this Contract.

I. Entire Agreement. This Contract supersedes any and all understandings and agreements between the parties hereto, whether oral or written and this Contract represents the entire agreement between the parties hereto. No representation or inducement, whether oral or written, made prior hereto which is not included in this Contract shall have any force or effect.

J. Amendments. This Contract may not be changed or terminated orally and may be amended and modified only by an instrument in writing signed by Purchaser and Seller.

K. Assignment By Seller. Seller may assign this Contract and its rights and obligations hereunder, and upon any such assignment and the assumption by the assignee of all of the obligations of Seller hereunder, Seller shall be relieved of its obligations hereunder.

L. Successor. This Contract shall be binding upon the parties hereto and their respective heirs, executors, legal

representatives, successors and, as permitted hereunder, assigns.

M. Florida Law. Parties agree that this contract shall be interpreted under the laws of the State of Florida and that if either party shall institute suit to enforce its terms, the successful party shall be entitled to reasonable attorney's fees and costs.

N. Non-Investment. Purchaser confirms unto Seller (1) that Purchaser does not regard the purchase of the unit to be an opportunity through which Purchaser may earn a return on his investment therein through the managerial efforts of Seller or any third party in the operation or management of the Condominium; (2) that he has not been induced to acquire the condominium by reason of a rental pool or similar arrangement sponsored by Seller whereby Seller or any third party will undertake to rent the unit on behalf of Purchaser during the period of time when the unit is not in use by Purchaser; (3) that Seller or any representative thereof has made no investment or representation or other reference to Purchaser with respect to the investment potential of the condominium in the hands of, or the economic benefits to be derived by, Purchaser from the managerial efforts of Seller or any third party in renting the unit for the account of Purchaser.

IN WITNESS WHEREOF, Purchaser and seller have hereunto affixed their respective hands and seals on the day and year set forth below their respective names.

Witnesses:

PERDIDO SUN, LTD.

_____ By: _____

_____ Dated: _____

_____ Purchaser

_____ Purchaser

_____ Dated: _____

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EXHIBIT 9
ESCROW AGREEMENT

ESCROW AGREEMENT

THIS AGREEMENT, dated March 5th 1984, by and between Perdido Sun, LTD., a Florida Limited Partnership, hereafter referred to as Developer, and Theo D. Baars, Jr. hereafter referred to as Escrow Agent;

WITNESSETH:

WHEREAS, the Developer intends to develop a certain condominium project known as Perdido Sun, A Condominium, located in Escambia County, Florida; and

WHEREAS, Escrow Agent is a real estate broker registered under Chapter 475, Florida Statutes; and

WHEREAS, Developer wishes to have Escrow Agent act as Escrow Agent in accordance with Florida Statutes, Chapter 718, and the Rules of the Division of Florida Land Sales and Condominiums; and

WHEREAS, Escrow Agent is agreeable to the above; and

WHEREAS, the parties wish to define their respective rights and obligations;

NOW, THEREFORE, it is agreed as follows:

1.

Developer shall deliver to Escrow Agent all deposit and down payment funds received by Developer from various condominium purchasers relative to the project along with true copies (showing execution) of all reservations or contracts under which those funds have been paid. Escrow Agent's address is Theo D. Baars, Jr., Real Estate Broker, c/o Baars Realty, 221 South Baylen Street, Pensacola, Florida 32501.

2.

Escrow Agent shall receive the funds and furnish Purchaser with a receipt and hold them in accordance with the contracts and Reservation Agreements, depositing them, when permitted by law or by agreement, in savings or time deposits in institutions insured by an agent of the United States or investing them in securities of the United States or any of its agencies, with the party ultimately entitled to receive those funds to

receive the benefit of the interest paid on them, unless otherwise specified in the Reservation Agreement or Contract.

3.

Escrow Agent acknowledges that pursuant to Florida law, the Purchaser has the unconditional right to cancel any Reservation Agreement and the right to an immediate, unqualified refund of their Reservation Deposit Money upon request to the Escrow Agent or to the Developer. Escrow Agent shall not release reservation deposit money directly to the Developer except as a down payment on the purchase price at the time a Contract is signed by the Purchaser if provided in the Contract.

4.

If the construction, furnishing and landscaping of the property being submitted to condominium ownership has not been substantially completed in accordance with the plans and specifications and representations made by the Developer pursuant to Florida Statutes, Chapter 718, even after there is a binding contract for purchase, the Escrow Agent shall keep in escrow all payments except however, after there is a binding contract for purchase, the Escrow Agent shall release funds from escrow as follows:

(a) If a Purchaser properly terminates the Contract pursuant to its terms or pursuant to Chapter 718, Florida Statutes, the funds shall be paid to the Purchaser together with any interest earned.

(b) If the Purchaser defaults in the performance of his obligations under the Contract of Purchase and Sale, the funds shall be paid to the Developer together with any interest earned.

(c) If the Contract does not provide for the payment of any interest earned on the escrowed funds, interest shall be paid to the Developer at the closing of the transaction.

(d) If the funds of a Purchaser have not been previously disbursed in accordance with the provisions of this subsection, they may be disbursed to the Developer by the Escrow Agent at the closing of the transaction, unless prior to the disbursement the Escrow Agent receives from the Purchaser written notice of a dispute between the Purchaser and Developer.

5.

The escrowed funds shall be held by the Escrow Agent in accordance with the Contract or Reservation Agreement and in accordance with the applicable Florida statutes and rules and shall be disbursed in accordance with those statutes and rules or, in the event of notice of a dispute being received by Escrow Agent prior to disbursement, held until the dispute is settled or deposited in the register of a court of competent jurisdiction, if so elected by the Escrow Agent.

6.

Developer agrees to save and hold Escrow Agent harmless in the event of misdelivery and shall indemnify Escrow Agent for all costs and expenses incurred relating to misdelivery or any claim resulting therefrom unless the misdelivery was due to the negligence or the willful and intentional act of Escrow Agent.

7.

Escrow Agent shall have the right to resign by giving written notice of his intent to resign to Developer and to all parties for which Escrow Agent is holding funds. Within seven (7) days after receipt of the notice Developer shall appoint a successor escrow agent and notify Escrow Agent of that appointment. Developer also shall notify all parties for whom Escrow Agent is holding funds of the name and address of the successor escrow agent. Upon receipt of the notice of appointment of a successor escrow agent, Escrow Agent shall deliver all escrowed funds together with copies of all Reservation Agreements, contracts or other documentation under which the funds are held to the successor escrow agent and upon delivery shall be relieved of all responsibility relating to them.

IN WITNESS WHEREOF, the parties to this agreement have affixed their respective signature and seals, this 5th day of March, 1984.

WITNESSES:

Robert Scullin
J. Lynn Cap Anderson

DEVELOPER:
Perdido Sun, LTD., a Florida
Limited Partnership

By Perdido Bay General
Partnership, operating
General Partner of Perdido
Sun, LTD.

By: *Charles D. Lascour*
Charles Dick Lascour,
Managing Partner, Perdido
Bay, General Partnership

WITNESSES:

Janette D. Brown
Shelley E. Strong

ESCROW AGENT:

By: *Theo D. Baars, Jr.*
Theo D. Baars, Jr.

01/03/2125r 842

EXHIBIT 10
FORM OF DEED

SPECIAL WARRANTY DEED

GRAND 2125 PC 843

THIS WARRANTY DEED made this _____ day of _____, 1984, by and between Perdido Sun, Ltd., a Florida Limited Partnership, as "Grantor", and _____, whose post office address is _____, as "Grantee".

WITNESSETH, that the said Grantor, for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS and other good and valuable considerations to said Grantor in hand paid by said Grantee, the receipt whereof is hereby acknowledged, hereby grants, bargains, sells, aliens, demises, releases, conveys and confirms to the said Grantee the following described real property, situate, lying and being in Escambia County, Florida, to-wit:

UNIT _____ of PERDIDO SUN, A CONDOMINIUM according to the Declaration of Condominium thereof, recorded in Official Records Book _____, at Page _____, of the Public Records of Escambia County, Florida, together with all appurtenances thereto, including an undivided interest in the common elements of said condominium, as set forth in said Declaration.

This Deed is subject to the following:

1. Conditions, restrictions and limitations and easements of record, if any; taxes for the year _____ and subsequent years.
2. The covenants, conditions, restrictions, terms and other provisions of the aforesaid Declaration of Condominium, and exhibits attached thereto, including the Articles of Incorporation and By-Laws of PERDIDO SUN CONDOMINIUM ASSOCIATION, INC., a Florida corporation not-for-profit.
3. Applicable zoning regulations and ordinances.
4. Any state of facts which an accurate survey would show.

TOGETHER, with all the tenements, hereditaments and appurtenances thereto belonging or in any wise appertaining.

TO HAVE AND TO HOLD, the same in fee simple forever.

AND the Grantor hereby covenants with said Grantee that the Grantor is lawfully seized of said land in fee simple; that the Grantor has good right and lawful authority to sell and convey said land, and hereby warrants the title to said land and will defend the same against the lawful claims of all persons claiming by, through or under the said Grantor.

IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed the day and year first above written.

Witnesses as to Grantor:

PERDIDO SUN, LTD.

By: Perdido Bay General Partnership, Operating General Partner

By: Charles D. Lacour, Managing General Partner

STATE OF FLORIDA)
) ss:
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this _____ day of _____, 1984, by Charles D. Lacour, Managing General Partner of Perdido Bay General Partnership, Operating General Partner of Perdido Sun, Ltd.

My Commission Expires:

NOTARY PUBLIC (SEAL)

EXHIBIT 11
RECEIPT FOR CONDOMINIUM DOCUMENTS

TO: [Faint text]
FROM: [Faint text]
DATE: [Faint text]
BY: [Faint text]
[Faint text]

