

BAY POINT GOLF VILLAS I
A CONDOMINIUM

DECLARATION OF CONDOMINIUM

I

SUBMISSION STATEMENT

The undersigned, being the owner of record of the fee simple title to the following described real property, situate, lying and being in Bay County, Florida, to wit:

Commence at intersection of the East line of Section 10, Township 4 South, Range 15 West, Bay County, Florida, and the southwesterly right-of-way line of Delwood Beach Road. Thence South $51^{\circ} 08' 47''$ East along said right-of-way line for 104.00 feet to the westerly right-of-way line of Bay Point Road, according to the Plat of Bay Point Unit One as recorded in Plat Book 11, Pages 47-56 in the public records of Bay County, Florida. Thence South $38^{\circ} 51' 13''$ West along said right-of-way line of Bay Point Road for 106.00 feet to the P. C. of a curve in said right-of-way line concave to the northwest and having a central angle of $23^{\circ} 48' 45''$ and a radius of 398.46 feet; Thence southwesterly along said curve for an arc distance of 165.60 feet, said arc having a chord of 164.41 feet bearing South $50^{\circ} 45' 35.5''$ West to the P.C. of a curve in said right-of-way line concave to the southeast and having a central angle of $78^{\circ} 53' 53''$ and a radius of 400.00 feet; Thence southwesterly along said curve for an arc distance of 118.04 feet, said arc having a chord of 117.61 feet bearing South $52^{\circ} 45' 18''$ West to the point of beginning. Thence continue southwesterly along said curve in said right-of-way line for an arc distance of 432.77 feet, said arc having a chord of 411.97 feet bearing south $13^{\circ} 18' 21.5''$ West to the P. T. of said curve; Thence South $17^{\circ} 25' 12''$ East along said right-of-way line for 91.86 feet to the P.C. of a curve in said right-of-way line concave to the northwest and having a central angle of $113^{\circ} 55' 33''$ and a radius of 405.00 feet; Thence southerly along said curve for an arc distance of 538.19 feet, said arc having a chord of 499.46 feet bearing South $20^{\circ} 38' 58''$ West; Thence North $18^{\circ} 40' 52''$ West for 269.10 feet; Thence North $8^{\circ} 22' 07''$ East for 520.88 Feet; Thence North $23^{\circ} 02' 42''$ East for 335.68 feet; Thence South $44^{\circ} 49' 03''$ East for 173.71 feet to the point of beginning, containing 4.331 acres more or less.

hereby states and declares that said realty, together with improvements thereon, is submitted to condominium ownership, pursuant to the Condominium Act of the State of Florida, Florida Statutes 711 Et. Seq. (hereinafter referred to as the "Condominium Act"), and the provisions of said Act are hereby incorporated by reference included herein thereby, and does herewith file for record this Declaration of Condominium.

Definitions: As used in this Declaration of Condominium and By-Laws attached hereto, and all Amendments thereto, unless the context otherwise requires, the following definitions shall prevail:

A. Declaration, or Declaration of Condominium, or Enabling Declaration, means this instrument, as it may be from time to time amended.

B. Association or Corporation means BAY POINT GOLF VILLAS I ASSOCIATION, INC., a Florida non-profit corporation, being the entity responsible for the operation of the Condominium.

C. By-Laws, means the By-Laws of BAY POINT GOLF VILLAS I ASSOCIATION, INC., as they exist from time to time.

D. Common Elements, means the portions of the Condominium property not included in the Units.

E. Limited Common Elements means and includes those common elements which are reserved for the use of certain units, to the exclusion of all other units.

F. Condominium, means that form of ownership of condominium property under which units of improvements are subject to ownership by different owners, and there is appurtenant to each unit, as part thereof, an undivided share in the common elements.

G. Condominium Act, means and refers to the Condominium Act of the State of Florida (Florida Statutes 711, Et. Seq.), as the same may be amended from time to time.

H. Common Expenses means the expenses for which the unit owners are liable to the Association.

I. Common Surplus means the excess of all receipts of the Association, including but not limited to assessments, rent, profits and revenues on account of the common elements, over the amount of common expenses.

J. Condominium Property means and includes the land in a condominium whether or not contiguous, and all improvements thereon intended for use in connection with the condominium.

K. Assessment means a share of the funds required for the payment of common expenses which, from time to time is assessed against the unit owner.

L. Condominium Parcel means a Unit, together with the undivided share in the common elements, which is appurtenant to the Unit.

M. Condominium Unit, or Unit, means a part of the condominium property which is to be subject to private ownership.

N. Unit Owner, or Owner of a Unit, or Parcel Owner, means the owner of a condominium parcel.

O. Developer means THE GRAND LAGOON COMPANY, a Florida corporation, its successors or assigns.

P. Institutional Mortgagee means a Bank, Savings and Loan Association, Insurance Company, or Union Pension Fund, authorized to do business in the State of Florida, or an Agency of the United States Government. The mortgage may be placed through a Mortgage or Title Company.

Q. Occupant means the person or persons, other than the Unit owner, in possession of a Unit.

R. Condominium Documents means this Declaration, the By-Laws and all Exhibits annexed hereto as the same from time to time may be amended.

S. Unless the context otherwise requires, all other terms in this Declaration shall be assumed to have the meaning attributed to said term by Section 711.03, Florida Statutes, a section of the Condominium Act of the State of Florida.

II

NAME

The name by which this Condominium is to be identified is: BAY POINT GOLF VILLAS I, a condominium.

III

IDENTIFICATION OF UNITS

The condominium property consists essentially of 39 units in all and for the purpose of identification, all units in the building located on said condominium property are given identifying numbers and delineated on the survey exhibits collectively identified as Exhibit No. 1, attached hereto and made a part of this Declaration. No unit bears the same identifying number as does any other unit. The aforesaid identifying number as to the unit is also the identifying number as to the parcel. The said Exhibit No. 1 also contains a Survey of the land, a graphic description of the improvements in which the units are located, and a plat plan and, together with this Declaration, they are in sufficient detail to identify the location, dimensions and size of the common elements of each unit, as evidenced by the Certificate of the Registered Land Surveyor hereto attached. The legend and notes contained within the said Exhibit are incorporated herein and made a part hereof by reference.

The aforesaid building or buildings are or will be constructed substantially in accordance with the plans prepared by Robert G. Hecht, A.I.A., copies of which plans shall be on file with the Association.

IV

OWNERSHIP OF COMMON ELEMENTS

Each of the unit owners of the Condominium shall own an undivided interest in the common elements and limited common elements (if there are any such limited common elements), and the undivided interest stated as percentages of such ownership in the said common elements and limited common elements, is set forth on Exhibit A, which is annexed to this Declaration and made a part hereof.

The fee title to each condominium parcel shall include both the condominium unit and the above respective undivided interest in the common elements, said undivided interest in the common elements to be deemed to be conveyed or

encumbered with its respective condominium unit, even though the description in the instrument of conveyance may refer only to the fee title to the condominium unit. Any attempt to separate the fee title to a condominium unit from the undivided interest in the common elements appurtenant to each unit shall be null and void. The term "common elements," when used throughout this Declaration, shall mean both common elements and limited common elements, unless the context otherwise specifically requires.

V

VOTING RIGHTS

There shall be one person with respect to each unit ownership, who shall be entitled to vote at any meeting of the unit owners--such person to be known (and is hereinafter referred to) as a "voting member." If a unit is owned by more than one person, the owners of said unit shall designate one of them as the voting member, or in the case of a corporate unit owner, an officer or an employee thereof shall be the voting member. The designation of the voting member shall be made as provided by, and subject to, the provisions and restrictions set forth in the By-Laws of the Association. The total number of votes shall be equal to the total number of units in the Condominium, and each condominium unit shall have no more and no less than one equal vote in the Association. If one individual owns two condominium parcels, he shall have two votes. The vote of a condominium unit is not divisible.

Unit ownership, for the purposes of voting rights, is defined as ownership in fee title; however, should a person acquire the unexpired term of a Ninety-nine Year Leasehold interest in and to a unit, said Lessee shall be entitled to the voting rights for said unit until the expiration of said Lease.

VI

COMMON EXPENSES AND COMMON SURPLUS

The common expenses of the condominium shall be shared by the unit owners as specified and set forth in Exhibit A. The foregoing ratio of sharing common expenses and assessments shall remain regardless of the purchase price of the condominium parcels, their location or the building square footage included in each condominium unit.

Any common surplus of the Association shall be owned by each of the unit owners in the same proportion as their percentage ownership interest in the common elements--any common surplus being the excess of all receipts of the Association, from this Condominium, including but not limited to assessments, rents, profits and revenues on account of the common elements of this Condominium, over the amount of the common expenses of this Condominium.

VII

METHOD OF AMENDMENT OF DECLARATION

This Declaration may be amended at any regular or special meeting of the unit owners of this Condominium, called and convened in accordance with the By-Laws, by the affirmative vote of voting members casting not less than three-fourths (3/4) of the total vote of the members of the Association.

All Amendments shall be recorded and certified as required by the Condominium Act. No Amendment shall change any Condominium parcel nor a Condominium unit's proportionate share of the common expenses or common surplus, nor the voting rights appurtenant to any unit, unless the record owner(s) thereof, and all record owners of mortgages, or other voluntarily placed liens thereon, shall join in the execution of the Amendment. No Amendment shall be passed which shall impair or prejudice the rights and priorities of any mortgages. No Amendment shall change the provisions of this Declaration with respect to institutional mortgagees with the written approval of all institutional mortgagees of record. No Amendment shall change the rights and privileges of the developer without the developer's written approval.

Notwithstanding the foregoing two paragraphs, the developer reserves the right to change the interior design and arrangement of all units and to alter the boundaries between units, as long as the developer owns the units so altered; however, no such change shall increase the number of units nor alter the boundaries of the common elements, except the party walls between the condominium units without Amendment of this Declaration in the manner hereinbefore set forth. If the Developer shall make any changes in units as provided in this paragraph, such changes shall be reflected by an Amendment of this Declaration with the servity attached, reflecting such authorized alteration of units, and said Amendment need only be executed or acknowledged by the Developer and any holders of institutional mortgages encumbering the said altered units. The survey shall be certified in the manner required by the Condominium Act. If more than one unit is concerned, the Developer shall apportion between the units the shared of the common elements appurtenant to the unit's concern, together with apportioning common expenses and common surplus of the units concerned, and such shares of common elements, common expenses and common surplus shall be duly noted in the Amendment of the Declaration.

VIII

BY-LAWS

The operation of the condominium property shall be governed by By-Laws, which are set forth in a document entitled "By-Laws of BAY POINT GOLF VILLAS I ASSOCIATION, INC.", which is annexed to this Declaration, marked "Exhibit 2," and made a part hereof.

No modification of or Amendment to the By-Laws of said Association shall be valid unless set forth in or annexed to a duly recorded Amendment to this Declaration. The By-Laws may be amended in the manner provided for therein, but no Amendment to said By-Laws shall be adopted which would affect or impair the validity or priority of any mortgage covering any condominium parcel(s) without the written approval of the affected mortgagees of record.

IX

THE OPERATING ENTITY

The name of the Association responsible for the operation of the Condominium is set forth in Article VIII hereinabove; said Corporation is a non-profit Florida corporation, organized and existing pursuant to the Condominium Act. The said Association shall have all the powers and duties set forth in the Condominium Act, as well as all of the powers and duties granted to or imposed upon it by this Declaration, the By-Laws of the Association, and its Articles of Incorporation, which Articles of Incorporation are attached hereto, marked "Exhibit 3," and made a part hereof.

Every owner of a condominium parcel, whether he has acquired his ownership by purchase, by gift, conveyance, or transfer by operation of law, or otherwise, shall be bound by the By-Laws of said Association, by the Articles of Incorporation of the Association, and by the provisions of the Declaration.

X

ASSESSMENTS

The Association, through its Board of Directors, shall have the power to fix and determine, from time to time, the sum or sums necessary and adequate to provide for the common expenses of the condominium property, and such other assessments as are specifically provided for in this Declaration and the By-Laws attached hereto. The procedure for the determination of such assessments shall be as set forth in the By-Laws of the Association.

The common expenses shall be assessed against each Condominium parcel owner, as provided in Article VI of the Declaration.

Assessments that are unpaid for over fifteen (15) days after due date, shall bear interest at the rate of ten percent (10%) per annum, from due date until paid, and at the sole discretion of the Board of Directors, a late charge of \$25.00 shall be due and payable thereon.

The Association shall have a lien on each condominium parcel for any unpaid assessments, together with interest thereon, against the unit owner of such condominium parcel, together with a lien on all tangible personal property located within said unit, except that such lien upon the aforesaid tangible personal property shall be subordinate to prior bona fide liens of record. Reasonable attorney's fees incurred by the Association incident to the collection of such assessment for the enforcement of such lien, together with all sums advanced and paid by the Association, for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, shall be payable by the unit owner and secured by such lien.

The Board of Directors may take such action as they deem necessary to collect assessments by personal action, or by enforcing and foreclosing said lien, and may settle and compromise the same, if in the best interests of the Association. Said lien shall be effective as and in the manner provided for by the Condominium Act, and shall have the priorities established by said Act. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an assessment lien, and to apply as a cash credit against its bid, all sums due the Association covered by the lien enforced. In case of such foreclosure, the unit owner shall be required to pay a reasonable rental for the condominium parcel, and the Plaintiff in such foreclosure shall be entitled to the appointment of a Receiver to collect same from the unit owner and/or occupant.

Where the mortgagee of an institutional first mortgage of record, or other purchaser of a condominium unit obtains title to a condominium parcel as a result of foreclosure of the institutional first mortgage, or when an institutional first mortgagee of record accepts a deed to said condominium parcel in lieu of foreclosure, such acquirers of title, his successors and assigns, shall not be liable for the share of common expenses or assessments by the Association pertaining to such condominium parcel, or chargeable to the former unit owner of such parcel, which became due prior to acquisition of title as a result of the foreclosure, or the acceptance of such deed in lieu of foreclosure. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all the unit owners, including such acquirer, his successors and assigns.

Any person who acquires an interest in a unit, except through foreclosure of an institutional first mortgage of record or deed in lieu thereof as specifically provided in the paragraph immediately preceding, including without limitation, persons acquiring title by operation of law, including purchasers at judicial sales, shall not be entitled to occupancy of the unit or enjoyment of the common elements, until such time as all unpaid assessments due and owing by the former unit owner have been paid.

The Association, acting through its Board of Directors, shall have the right to assign its claim and lien rights for the recovery of any unpaid assessment, to the Developer, or to any unit owner or group of owners, or to any third party.

XI

PROVISIONS RELATING TO SALE OR RENTAL OR OTHER ALIENATION OR MORTGAGING OF CONDOMINIUM UNITS

A. SALE OR RENTAL OF UNITS

In the event any unit owner wishes to sell his unit or rent or lease his unit for a period in excess of 364 days, the Association shall have the option to purchase, rent or lease said unit, upon the same conditions as are offered by the unit owner to a third person. Any attempt to sell, rent or lease (for in excess of said period of time) said unit, without prior offer to the Association, shall be deemed a breach of this Declaration, and shall be wholly null and void, and shall confer no title or interest whatsoever upon the intended purchaser, tenant or lessee.

Should a unit owner wish to sell, lease or rent (for in excess of such period of time) his condominium parcel (which means the unit, together with the undivided share of the common elements appurtenant thereto), he shall, before making or accepting any offer to purchase, sell or so lease or rent his condominium parcel, deliver to the Board of Directors of the Association, a written notice containing the terms of the offer he has received or which he wishes to accept, or proposes to make, the name and address of the person(s) to whom the proposed sale, lease or transfer is to be made, and two bank references, and three individual references, local, if possible, and such other information (to be required within five days from receipt of such notice) as may be required by the Board of Directors of the Association. The Board of Directors of the Association is authorized to waive any or all of the references aforementioned.

The Board of Directors of the Association, within ten days after receiving such notice and such supplemental information as is required by the Board of Directors, shall either consent to the transaction specified in said Notice, or by written Notice to be delivered to the unit owner's unit, (or mailed to the place designated by the unit owner in his Notice), designate the Association, one or more persons then unit owner, or any other person(s) satisfactory to the Board of Directors of the Association, who are willing to purchase, so lease or rent, upon the same terms as those specified in said Notice, or object to the sale, leasing or renting to the prospective purchaser, tenant or lessee, for good cause, which cause need not be set forth in the Notice of the Board of Directors to the unit owner. However, it shall require the unanimous vote of the Board of Directors in order to object for good cause. The Association shall not unreasonably withhold its consent to any prospective sale, rental or lease.

The stated designee of the Board of Directors shall have 14 days from the date of the notice sent by the Board of Directors to make a binding offer to buy, so lease or rent upon the same terms and conditions specified in the unit owner's notice. Thereupon, the unit owner shall either accept such offer or withdraw and/or reject the offer specified in his Notice to the Board of Directors. Failure of the

Board of Directors to designate such person(s) or failure of such person(s) to make such an offer within said fourteen day period or failure of the Board of Directors to object for good cause shall be deemed consent by the Board of Directors to the transaction specified in the unit owner's Notice, and the unit owner shall be free to make, or accept the offer specified in his Notice, and sell, lease or rent said interest, pursuant thereto, to the prospective purchaser or tenant named therein, within ninety days after his Notice was given.

The consent of the Board of Directors of the Association shall be in recordable form, signed by two officers of the Association, and shall be delivered to the purchaser or lessee. Should the Association fail to act, as herein set forth, and within the time provided herein, the Association shall, nevertheless, thereafter prepare and deliver its written approval in recordable form, as aforesaid, and no conveyance of title or interest whatsoever shall be deemed valid without the consent of the Board of Directors, as herein set forth.

The sub-leasing or sub-renting of said unit owner's interest for a period in excess of 364 days shall be subject to the same limitations as are applicable to the leasing or renting thereof. The Board of Directors shall have the right to require that a substantially uniform form of lease or sublease be used, or in the alternative, the Board of Directors' approval of the lease or sublease form to be used shall be required. After approval as herein set forth, entire units may be rented provided the occupancy is only by the lessee, his family and guests.

Where a corporate entity is the owner of a unit, it may designate the occupants of the unit as it desires and for such period of time as it desires without compliance with the provisions of Paragraph A of this Article XI.

Nothing herein shall be construed as prohibiting the lease or sub-lease of a unit for a period of 364 days or less without notice to the Directors of the Association.

B. MORTGAGE AND OTHER ALIENATION OF UNITS

1. A unit owner may not mortgage his unit nor any interest therein, without the approval of the Association, except as to an institutional mortgagee, as hereinbefore defined. The approval of any other mortgagee may be upon conditions determined by the Board of Directors of the Association, and said approval, if granted, shall be in recordable form, executed by two officers of the Association.

2. No judicial sale of a unit nor any interest therein shall be valid unless:

(a) The sale is to a purchaser approved by the Association, which approval shall be in recordable form executed by two officers of the Association and delivered to the Purchaser, or,

(b) The sale is a result of a public sale with open bidding.

3. Any sale, mortgage or lease which is not authorized pursuant to the terms of the Declaration shall be void, unless subsequently approved by the Board of Directors, and said approval shall have the same effect as though it had been given and filed of record simultaneously with the instrument it approved.

4. The foregoing provisions of this Article XI shall not apply to transfers by a unit owner to any member of his immediate family (that is, spouse, children or parents). The phrase, "sell, rent or lease," in addition to its general definition, shall be defined as including the transferring of a unit owner's interest by gift, devise, or involuntary or judicial sale. In the event a unit owner dies and his unit

is conveyed or devised to some person other than his spouse, children or parents, or if some other person is designated by decedent's legal representative to receive the ownership of the condominium unit, or if under the laws of descent and distribution of the State of Florida, the condominium descends to some person or persons other than the decedent's spouse, children or parents, the Board of Directors of the Association shall, within thirty (30) days of proper evidence or rightful designation served upon the President or any other officer of the Association, or within thirty (30) days from the date the Association is placed on actual notice of the said devisee or descendant, express its refusal or acceptance of the individual or individuals so designated as owner of the condominium parcel. If the Board of Directors of the Association shall consent, ownership of the condominium parcel may be transferred to the person or persons so designated, who shall thereupon become the owner of the condominium parcel, subject to the provisions of this Declaration of Condominium and the By-Laws of the Association. If, however, the Board of Directors of the Association shall refuse to consent, then the members of the Association shall be given an opportunity during thirty (30) days next after said last above mentioned thirty (30) days to purchase or to furnish a purchaser for cash, the said condominium parcel at the then fair market value thereof. Should the parties fail to agree on the value of such condominium parcel, the same shall be determined by an appraiser appointed by the senior Judge of the Circuit Court in and for the area wherein the condominium is located, upon ten (10) days notice, on petition of any party in interest. The expense of appraisal shall be paid by the said designated person or persons or the legal representative of the deceased owner out of the amount realized from the sale of such condominium parcel. In the event the then members of the Association do not exercise the privilege of purchasing or furnishing a purchaser for said condominium parcel within such period and upon such terms, the person or persons so designated may then, and only in such event, take title to the condominium parcel; or, such person or persons or the legal representative of the deceased owner may sell the said condominium parcel, but such sale shall be subject in all other respects to the provisions of this enabling Declaration of Condominium and the By-Laws of the Association.

5. The liability of the unit owner under these covenants shall continue notwithstanding the fact that he may have leased, rented or sublet said interest, as provided herein. Every purchaser, tenant or lessee shall take subject to this Declaration of Condominium and the By-Laws of the Association, as well as the provisions of the Condominium Act.

6. Special Provisions re Sale, Leasing, Mortgaging or Other Alienation by certain Mortgagees and the Developer.

(a) An institutional first mortgagee holding a mortgage on a condominium parcel upon becoming the owner of said condominium parcel through foreclosure or by deed in lieu of foreclosure, or whomsoever shall become the acquirer of title at the foreclosure sale of an institutional first mortgage shall have the unqualified right to sell, lease or otherwise transfer said unit, including the fee ownership thereof, and/or to mortgage said parcel without prior offer to the Board of Directors of the Association. The provisions of Paragraphs A and B, sub-paragraphs 1-5, of this Article XI, shall be inapplicable to such institutional first mortgagee or the acquirer of the title as described above in this paragraph.

(b) The provisions of Paragraphs A and B, Sub-paragraphs 1-5 of this article XI, shall be inapplicable to the Developer. The said Developer is irrevocably empowered to sell, lease, rent and/or mortgage condominium parcels or units, and portions thereof, to any purchaser, lessee or mortgagee approved by it, and the Developer shall have the right to transact any business necessary to consummate sales or rentals of units, or portions thereof, including but not

limited to, the right to maintain models, have signs, use the common elements, and to show units. The sales office(s), signs, and all items pertaining to sales, shall not be considered common elements, and shall remain the property of the Developer. In the event that there are unsold parcels, the Developer retains the right to be the owner of said unsold parcels under the same terms and conditions as all other parcel owners in said Condominium; however, said Developer, at such time as he continues to be parcel owner, and not exceeding twenty-four (24) months after the date of the filing of the said Declaration, shall only be required to contribute such sums to the common expenses of the Condominium, in addition to the total monthly common expenses and assessments paid by all other parcel owners as may be required by the Association to maintain the Condominium and fulfill its obligations, as provided in this Declaration and the Exhibits attached hereto, but in no event shall the Developer be required to contribute to the common expenses as to the parcels owned by him, in an amount exceeding the obligation for such unit, as specified and set forth in Exhibit A attached to this Declaration. Commencing twenty-four (24) months after the date of the filing of this Declaration of Condominium, the Developer shall contribute to the common expenses, as to the parcels owned by him, in the same manner as all other parcel owners, as provided in Exhibit A attached to this Declaration.

XII

INSURANCE PROVISIONS

A. LIABILITY INSURANCE

The Board of Directors of the Association shall obtain public liability and property damage insurance covering all of the common elements of the condominium, and insuring the Association and the common owners as its and their interests appear, in such amounts as the Board of Directors of the Association may determine from time to time, provided that the minimum amount of coverage shall be \$250,000/\$500,000/\$10,000. Said insurance shall include but be not limited to water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverages. All liability insurance shall contain cross-liability endorsements to cover liabilities of the unit owners as a group to a unit owner. Premiums for the payment for such insurance shall be paid by the Association and charged as a common expense.

B. CASUALTY INSURANCE

1. Purchase of Insurance. The Association shall obtain fire and extended coverage insurance and vandalism and malicious mischief insurance, insuring all the insurable improvements within the Condominium, including personal property owned by the Association, in and for the interests of the Association, all unit owners and their mortgagees, as their interests may appear, in a company acceptable to the standards set by the Board of Directors of the Association, in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors of the Association; the premiums for such coverage and other expenses in connection with such insurance shall be paid by the Association and charged as a common expense. The company or companies with whom the Association shall place its insurance coverage as provided in this Declaration must be good and responsible companies authorized to do business in the State of Florida. The institutional first mortgagee owning and holding the first recorded mortgage encumbering a condominium unit shall have the right for so long as it owns and holds any mortgage encumbering a

condominium unit, to approve the policies and the company or companies who are the insurers under the insurance placed by the Association as herein provided in the amount thereof and the further right to designate and appoint the Insurance Trustee. At such time as aforesaid institutional first mortgagee is not the holder of a mortgage on a unit, then these rights of approval and designation shall pass to the institutional first mortgagee having the highest dollar indebtedness on units in the condominium property and in the absence of the action of said mortgagee, the Association shall have the right without qualification.

2. Loss Payable Provisions--Insurance Trustee. All policies purchased by the Association shall be for the benefit of the Association, all unit owners and their mortgagees, as their interests may appear. Such policies shall be deposited with the Insurance Trustee (as hereinafter defined), who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof. The Insurance Trustee may be the named insured and it shall not be necessary to name the Association or the unit owners; however, a mortgagee endorsement shall be issued. Said policy shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee, which may be any bank in Florida with trust powers as may be approved by the Board of Directors of the Association, which Trustee is herein referred to as the Insurance Trustee. The Insurance Trustee shall not be liable for the payment of premiums nor for the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds, nor for the form or contents of the policies. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Association, the unit owners and their respective mortgagees, in the following shares, but such shares need not be set forth upon the records of the Insurance Trustee.

(a) Common Elements. Proceeds on account of damage to common elements-- an undivided share for each unit owner, such share being the same as the undivided share in the common elements appurtenant to his unit.

(b) Condominium Units. Proceeds on account of condominium units shall be in the following undivided shares:

1. Partial Destruction--When units are to be repaired and restored-- for the owners of the damaged units in proportion to the cost of repairing the damage suffered by each unit owner.

2. Total Destruction of Condominium Improvements or Where "Very Substantial" Damage Occurs and the Condominium Improvements are not to be Restored as Provided Hereinafter in this Article--For the owners of all condominium units, each owner's share being in proportion to his share in the common elements appurtenant to his condominium unit.

(c) Mortgagees. In the event a mortgagee endorsement has been issued to a unit, the share of a unit owner shall be held in trust for the mortgagee and the unit owner as their interests may appear; provided, however, that no mortgagee shall have the right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

3. Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners and expended or disbursed after first paying or making provision for the payment of the expenses of the Insurance Trustee in the following manner:

(a) Reconstruction or Repair. If the damage for which the proceeds were paid is to be repaired and restored, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, all remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by him. Said remittance shall be made solely to an institutional first mortgagee when requested by such institutional first mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment or reduction of its mortgage debt.

(b) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be repaired and restored, the proceeds shall be disbursed to the beneficial owners; remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by him. Said remittance shall be made solely to an institutional first mortgagee when requested by such institutional first mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment of its mortgage debt. In the event of loss or damage to personal property belonging to the Association and should the Board of Directors of the Association determine not to replace such personal property as may be lost or damaged, the proceeds shall be disbursed to the beneficial owners as surplus in the manner elsewhere stated.

(c) Certificate. In making distribution to the unit owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association as to the names of the unit owners and their respective shares of the distribution approved in writing by an attorney authorized to practice law in the State of Florida, or a title insurance company or abstract company authorized to do business in the State of Florida. Upon request of the Insurance Trustee, the Association forthwith shall deliver such certificate.

4. Loss Within Single Unit. If loss shall occur within a single unit or units without damage to the common elements, the Insurance proceeds shall be distributed to the beneficial unit owner, remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by him. Said remittance shall be made solely to an institutional first mortgagee when requested by such institutional first mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment or reduction of its mortgage debt. The unit owner shall thereupon be fully responsible for the restoration of the unit.

5. Loss Less Than "Very Substantial". Where a loss or damage occurs to more than one unit, or to the common elements, or to any unit or units and the common elements, but said loss is less than "very substantial" (As hereinafter defined), it shall be obligatory upon the Association and the unit owners to repair, restore and rebuild the damage caused by said loss. Where such loss or damage is less than "very substantial":

(a) The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the cost of repairing and restoration.

(b) If the damage or loss is limited to the common elements, with no, or minimum damage or loss to any individual units, and if such damage or loss to the common elements is less than \$3,000, the insurance proceeds shall be endorsed by the Insurance Trustee over to the Association, and the Association shall promptly contract for the repair and restoration.

(c) If the damage or loss involves individual units encumbered by institutional first mortgages, as well as the common elements, or if the damage is limited to the common elements alone, but is in excess of \$3,000.00, the insurance proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property upon the written direction and approval of the Association and provided,

however, that upon the request of an institutional first mortgagee, the written approval shall also be required of the institutional first mortgagee owning and holding the first recorded mortgage encumbering a condominium unit so long as it owns and holds any mortgage encumbering a condominium unit. At such time as the aforesaid first institutional mortgagee is not the holder of a mortgage on a unit, then this right of approval and designation shall pass to the institutional first mortgagee having the highest dollar indebtedness on units in the condominium property. Should written approval be required as aforesaid, it shall be said mortgagee's duty to give written notice thereof to the Insurance Trustee. The Insurance Trustee may rely upon the certificate of the Association and the aforesaid institutional first mortgagee, if said institutional first mortgagee's written approval is required, as to the payee and the amount to be paid from said proceeds. All payees shall deliver paid bills and waivers of mechanics' liens to the Insurance Trustee, and execute any Affidavit required by law or by the Association, the aforesaid institutional first mortgagee, and Insurance Trustee, and deliver same to the Insurance Trustee. In addition to the foregoing, the institutional first mortgagee, whose approval may be required as aforesaid, shall have the right to require the Association to obtain a completion, performance and payment bond in an amount and with a bonding company authorized to do business in the State of Florida, which are acceptable to said mortgagee.

(d) Subject to the foregoing, the Board of Directors shall have the right and obligation to negotiate and contract for the repair and restoration of the premises.

(e) If the net proceeds of the insurance are insufficient to pay for the estimated cost of restoration and repair (or for the actual cost thereof if the work has actually been done), the Association shall promptly upon determination of the deficiency, levy a special assessment against all unit owners in proportion to the unit owner's share in the common elements for that portion of the deficiency as is attributable to the cost of restoration of the common elements, and against the individual unit owners for that portion of the deficiency as is attributable to his individual unit; provided, however, that if the Board of Directors finds that it cannot determine with reasonable certainty the portion of the deficiency attributable to specific individual damaged unit(s), then the Board of Directors shall levy the assessment for the total deficiency against all of the unit owners in proportion to the unit owner's share in the common elements just as though all of said damage had occurred to the common elements. The special assessment funds shall be delivered by the Association to the Insurance Trustee and added by said Trustee to the proceeds available for the repair and restoration of the property.

(f) In the event the insurance proceeds are sufficient to pay for the cost of restoration and repair, or in the event the insurance proceeds are insufficient but additional funds are raised by special assessment within ninety (90) days, after the casualty so that sufficient funds are on hand to fully pay for such restoration and repair, then no mortgagee shall have the right to require the application of insurance proceeds to the payment of its loan, provided, however, that this provision may be waived by the Board of Directors in favor of any institutional first mortgagee upon request therefor at any time. To the extent that any insurance proceeds are required to be paid over to such mortgagee, the unit owners shall be obligated to replenish the funds so paid over, and said unit owner and his unit shall be subject to special assessment for such sum.

6. "Very Substantial" Damage. As used in this Declaration, or any other context dealing with this condominium, the term "very substantial" damage shall mean loss or damage whereby three-fourths (3/4) or more of the total unit space of the condominium is rendered untenable, or loss or damage whereby seventy-five percent (75%), or more, of the total amount of insurance coverage (placed pursuant to Article XII B-1) becomes payable. Should such "very substantial" damage occur, then:

(a) The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the cost of repair and restoration.

(b) The provisions of Article XII B-5(f) shall not be applicable to any institutional first mortgagee who shall have the right if its mortgage so provides to require applications of the insurance proceeds to the payment or reduction of its mortgage debt. The Board of Directors shall ascertain as promptly as possible the net amount of insurance proceeds available for restoration and repair.

(c) Thereupon, a membership meeting shall be called by the Board of Directors of the Association, to be held not later than sixty (60) days after the casualty, to determine the wishes of the membership with respect to the abandonment of the condominium project, subject to the following:

(1) If the net insurance proceeds available for restoration and repair, together with funds advanced by unit owners to replace insurance proceeds paid over the institutional first mortgagees, are sufficient to cover the cost thereof so that no special assessment is required, then the condominium property shall be restored and repaired, unless two-thirds (2/3) of the total votes of the members of the Association shall vote to abandon the condominium project, in which case the condominium property shall be removed from the provisions of the law, in accordance with Section 711.16, Florida Statutes, and there shall be recorded in the Public Records of Bay County, Florida, an instrument terminating this condominium, which said instrument shall further set forth the facts effecting the termination, certified by the Association and executed by its President and Secretary. Termination of the condominium shall become effective upon the recording of said instrument, and the unit owners shall, thereupon, become owners as tenants in common in the property, that is, the real, personal, tangible and intangible personal property, and any remaining structures of the condominium and their undivided interests in the property shall be the same as their undivided interests in the common elements of this condominium prior to its termination and the mortgages and liens upon condominium parcels shall become mortgages and liens upon the undivided interests of such tenants in common with the same priority as existed prior to the termination of the condominium.

(2) If the net insurance proceeds available for restoration and repair, together with funds advanced by unit owners to replace insurance proceeds paid over to institutional first mortgagees are not sufficient to cover costs thereof, so that a special assessment will be required, then if a majority of the total votes of the members of the Association vote against such special assessment and to abandon the condominium project, then it shall be so abandoned and the property removed from the provision of the law in accordance with Section 711.16, Florida Statutes, and with the preceding paragraph hereof. In the event a majority of the total members of the Association vote in favor of the special assessment, the Association shall immediately levy such assessment and thereupon the Association shall proceed to negotiate and contract for such repairs and restoration, subject to the provisions of Subparagraph 5 (c) and (d) above. The special assessment funds shall be delivered by the Association to the Insurance Trustee and added by said Trustee for the repair and restoration of the property as provided in Subparagraph 5 (c) above. To the extent that any insurance proceeds are paid over to such mortgagee and in the event it is determined not to abandon the condominium project and to vote such special assessment to his mortgagee and said unit owner and his unit shall be subject to special assessment for such sum.

In the event any dispute shall arise as to whether or not "very substantial" damage has occurred, it is agreed that such a finding made by the Board of Directors of the Association shall be binding upon all unit owners.

7. Surplus. It shall be presumed that the first moneies disbursed in payment of costs of repair and restoration shall be from the insurance proceeds; and if there is a balance in the funds held by the Insurance Trustee after payment of all costs of the repair and restoration, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated.

8. Certificate. The Insurance Trustee may rely upon a certificate of the Association, certifying as to whether or not the damaged property is to be repaired and restored. Upon request of the Insurance Trustee, the Association forthwith shall deliver such certificate.

9. Plans and Specifications. Any repair and restoration must be substantially in accordance with the plans and specifications for the original building, or as the building was last constructed, or according to the plans approved by the Board of Directors of the Association, which approval shall not be unreasonably withheld. If any material or substantial change is contemplated, the approval of all institutional first mortgagees shall also be required.

10. Association's Power to Compromise Claim. The Association is hereby irrevocably appointed agent for each unit owner for the purpose of compromising and settling claims arising under insurance policies purchased by the Association, and to execute and deliver releases therefor upon the payment of claims.

C. Workmen's Compensation Policy to Meet the Requirements of Law.

D. Such other insurance as the Board of Directors of the Association may determine from time to time to be desirable.

E. Each individual unit owner shall be responsible for purchasing, at his own expense, liability insurance to cover accidents occurring within his own unit, and for purchasing insurance upon his own personal property, and living expense insurance. Such insurance, where applicable, shall contain the same waiver of subrogation, if available, as referred to in Paragraph F hereinafter.

F. If available and where applicable, the Board of Directors of the Association shall endeavor to obtain policies which provide that the insurer waives its rights of subrogation as to any claims against unit owners, the Association, and their respective servants, agents and guests.

XIII

USE AND OCCUPANCY

The owner of a unit shall occupy and use his apartment as a single family private dwelling for himself and the members of his family, his social guests, his lessees as provided for in this Declaration, and for no other purpose. The unit owner shall not permit or suffer anything to be done or kept in his unit which will increase the rate of insurance on the condominium property, or which will obstruct or interfere with the rights of other unit owners, or annoy them by unreasonable noises, or otherwise; nor shall the unit owner commit or permit any nuisance, immoral or illegal act in or about the condominium property.

No animals or pets of any kind shall be kept in any unit, or on any property of the condominium, except with the written consent of the Board of Directors and thereafter, under the Rules and Regulations adopted by the Board; provided that they are not kept, bred or maintained for any commercial purpose, and further, provided that such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the property subject to these restrictions, upon three days written notice from the Board.

The unit owner shall not cause anything to be hung, displayed or placed on the exterior walls, doors or windows of the building, without the prior written consent of the Board of Directors of the Association. No clothes line or similar device shall be allowed on any portion of the condominium property by any person, firm or corporation without the written consent of the Board of Directors.

No person shall use the common elements or any part thereof, or a condominium unit or the condominium property, or any part thereof, in any manner contrary to or not in accordance with such rules and regulations pertaining thereto, as from time to time may be promulgated by the Association.

The initial Rules and Regulations are captioned "Building Rules and Regulations," and are as set forth in the By-Laws of the Association, which are annexed hereto as "Exhibit 2." The said Building Rules and Regulations shall be deemed effective until amended, as provided in the By-Laws.

XIV

MAINTENANCE AND ALTERATIONS

A. The Board of Directors of the Association may enter into a contract with any firm, person or corporation, for the maintenance and repair of the Condominium property.

B. There shall be no material alterations, or substantial additions to the common elements or limited common elements, except as the same are authorized by the Board of Directors, and ratified by the affirmative vote of voting members casting not less than seventy-five percent (75%) of the total votes of the members of the Association present at any regular or special meeting of the unit owners called for that purpose, provided the aforesaid alterations or additions do not prejudice the right of any unit owner unless his consent has been obtained. The cost of the foregoing shall be assessed as common expenses. Where any alterations or additions as aforesaid are exclusively or substantially exclusively for the benefit of the unit owner(s) requesting same, then the cost of such alterations or additions shall be assessed against and collected solely from the unit owners exclusively or substantially exclusively benefiting and the assessment shall be levied in such proportion as may be determined as fair and equitable by the Board of Directors of the Association. Where such alterations or additions exclusively or substantially exclusively benefit unit owners requesting same, said alterations or additions shall only be made when authorized by the Board of Directors and ratified by not less than seventy-five percent (75%) of the total votes of the unit owners exclusively or substantially exclusively benefiting therefrom, and where said unit owners are ten or less, the approval of all but one shall be required.

C. Each unit owner agrees as follows:

1. To maintain in good condition and repair his unit, and all interior surfaces within or surrounding his unit (such as the surfaces of the walls, ceiling, floors, etc.), whether or not part of the unit or common elements, and to maintain and repair the fixtures therein, which includes but is not limited to the following where applicable: air conditioning and heating units, refrigerators, stoves, fans and hot water heaters, and to pay for such utilities as are separately metered to his unit. Where a unit is carpeted, the cost of replacing carpeting shall be borne by the owner of said unit. Likewise, where a unit is furnished, the cost of replacing or repairing such furniture shall be borne by the owner of said unit.

2. Not to make or cause to be made any structural addition or alteration to his unit, or to the common elements, without prior consent of the Association, and all mortgagees holding a mortgage on his unit.

3. To make no alteration, decoration, repair, replacement or change of the common elements, or to any outside or exterior portion of the building whether within a unit or part of the common elements; to only use those contractors or subcontractors within his unit approved by the Board of Directors.

4. To allow the Board of Directors, or the agents or employees of the Association, to enter into any unit for the purpose of maintenance, inspection, repair, replacement of the improvements within the units or the common elements, or to determine in case of emergency circumstances threatening units or the common elements, or to determine compliance with the provisions of this Declaration and the By-Laws of the Association.

5. To show no signs, advertisements or notices of any type on the common elements, or his unit and erect no exterior antenna and aerials except as consented to by the Board of Directors of the Association.

D. In the event the owner of a unit fails to maintain it as required herein, or make any structural addition or alteration without the required written consent, or otherwise violates or threatens to violate the provisions hereof, the Association shall have the right to proceed in a court of law for an injunction to seek compliance with the provisions hereof. In lieu thereof, and in addition thereto, the Association shall have the right to levy an assessment against the owner of the unit, and the unit, for such necessary sums and to restore the property to good condition and repair. Said assessment shall have the same force and effect as all other special assessments. The Association shall have the further right to have its employees and agents, or any subcontractors appointed by it, enter the unit at all reasonable times, to do such work as is deemed necessary by the Board of Directors of the Association to enforce compliance with the provisions hereof.

E. The Association shall determine the exterior color scheme of the building and all exteriors, and shall be responsible for the maintenance thereof, and no owner shall paint an exterior wall, door, window or balcony, or any exterior surface or replace anything thereon or affixed thereto, without the written consent of the Association.

XV

LIMITED COMMON ELEMENTS

If any areas are designated on Exhibit 1 hereto as limited common elements, any expense for maintenance, repair or replacement shall be treated as and paid for as a part of the common expense of the Association. Should said maintenance, repair or replacement be caused by the negligence or misuse of a unit owner, his family or the guests, servants and invitees, he shall be responsible therefor, and the Association shall have the right to levy an assessment against the owner of said unit, which assessment shall have the same force and effect as all other special assessments.

XVI

TERMINATION

This Condominium may be voluntarily terminated in the manner provided for in Section 711.16, Florida Statutes, at any time. However, when there has been "very substantial" damage, as defined in Article XII B (6) above, this Condominium shall be subject to termination as provided in Article XII B (6) above.

XVII

MISCELLANEOUS PROVISIONS

A. The owner of the respective "condominium unit" shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding his respective condominium unit, nor shall the unit owner be deemed to own pipes, wires, conduits, or other public utility lines running through said respective condominium unit which are utilized for or serve more than one condominium unit, which items are by these presents hereby made part of the common elements. Said unit owner, however, shall be deemed to own the walls and partitions which are contained in said unit owner's respective condominium unit, and also shall be deemed to own the inner decorated and/or finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint, wallpaper, etc.

B. The owners of the respective condominium units agree that if any portion of a condominium unit or common element or limited common element encroaches upon another, a valid easement for the encroachment and maintenance of same, as long as it stands, shall and does exist. In the event the condominium building is partially or totally destroyed, and then rebuilt, the owners of the condominium parcels agree that encroachments of parts of the common elements or limited common elements or condominium units, as aforescribed, due to construction, shall be permitted, and that a valid easement for said encroachments and the maintenance thereof shall exist.

C. The owner of a condominium parcel may exempt himself from liability for his contribution toward the common expenses by waiver of the use and enjoyment of any of the common elements, or by the abandonment of his condominium unit.

D. The owners of each and every condominium parcel shall return the same for the purpose of ad valorem taxes with the Tax Assessor of the County wherein the condominium is situate, or such other future legally authorized governmental authority or officer having jurisdiction over the same. Nothing herein shall be construed, however, as giving to any unit owner the right of contribution or any right of adjustment against any other unit owner on account of any deviation by the taxing authorities from the valuations herein prescribed, each unit owner to pay such ad valorem taxes and special assessments as are separately assessed against his "condominium parcel."

For the purposes of ad valorem taxation, the interests of the owner of a "condominium parcel", in his "condominium unit," and in the "common element," shall be considered as a unit. The value of such unit shall be equal to the percentage of the value of the entire condominium, including land and improvements as has been assigned to said unit and as set forth in this Declaration. The total of all of said percentages equals 100% of the value of all of the land and improvements thereon.

E. All provisions of this Declaration and Exhibits attached hereto and Amendments thereof, shall be construed to be covenants running with the land, and of every part thereof and interest therein, including but not limited to every unit and the appurtenances thereto, and every unit owner and claimant of the property or any part thereof or of any interest therein, and his heirs, executors, administrators, successors and assigns, shall be bound by all of the provisions of said Declaration and Exhibits annexed hereto and Amendments thereof.

F. If any provisions of this Declaration or of the By-Laws attached hereto or of the Condominium Act or any section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held invalid, the validity of the remainder of this Declaration, the By-Laws attached hereto, or the Condominium Act, and of the application of any such provision, section, sentence, clause, phrase or word, in other circumstances, shall not be affected thereby.

G. Whenever notices are required to be sent hereunder, the same may be delivered to unit owners, either personally or by mail addressed to such unit owners, at their place of residence in the condominium building, unless the unit owner has, by prior written notice duly receipted for, specified a different address. Proof of such mailing or personal delivery by the Association shall be given by the Affidavit of the person mailing or personally delivering said notices. Notices to the Association shall be delivered by mail to the office of the Association at Bay Point, Panama City Beach, Florida 32401. Notices to the Developer shall be delivered by mail at Bay Point, Panama City Beach, Florida 32401. All notices shall be deemed and considered sent when mailed. Any party may change its mailing address by written notice duly receipted for. Notices required to be given the personal representative of a deceased owner or devisee, when there is no personal representative, may be delivered either personally or by mail to such party at his or its address appearing in the records of the Court wherein the estate of such deceased owner is being administered.

H. Nothing hereinabove set forth in this Declaration shall be construed as prohibiting the Developer or the Board of Directors of the Association from removing, or authorizing the removal of any party wall between any condominium units in order that the said units might be used together as one integral unit. In such event, all assessments, voting rights and the share of common elements shall be calculated as if such units were as originally designated on the exhibits attached to this Declaration, notwithstanding the fact that several units are used as one, to the intent and purpose that the unit owner of such "combined" units shall be treated as the unit owner of as many units as have been so combined.

I. The "Remedy for Violation," provided for by Section 711.23, Florida Statutes, shall be in full force and effect. In addition thereto, should the Association find it necessary to bring a Court action to bring about compliance with the law, this Declaration and the By-Laws, upon a finding by the Court that the violation complained of is willful and deliberate, the unit owner so violating shall reimburse the Association for reasonable attorney's fees incurred by it in bringing such action, as determined by the Court.

J. The change of any mailing address of any party to this Declaration of Condominium shall not require an Amendment to this Declaration.

K. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and the plural shall include the singular. The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the condominium.

L. The captions used in this Declaration and Exhibits annexed hereto are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text of this Declaration or Exhibits hereto annexed.

M. Where an institutional first mortgage by some circumstance fails to be a first mortgage, but it is evident that it is intended to be a first mortgage, it shall nevertheless, for the purpose of this Declaration and Exhibits annexed, be deemed to be an institutional first mortgage.

N. If any term, covenant, provision, phrase, or other element of the condominium documents is held invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify, or impair in any manner whatsoever, any other term, provision, covenant, or element of the condominium documents.

O. The Developer specifically disclaims any intent to have made any warranty or representation in connection with the property or the condominium documents, except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made therein. Any estimates of common expenses, taxes or other charges are deemed accurate, but no warranty or guaranty is made or intended, nor may one be relied upon.

P. In order to insure the Condominium of adequate and uniform water, sewage disposal and television cable service, Developer shall have and hereby reserves the exclusive right to contract for the servicing of this Condominium and the unit owners therein with said services. This right may be terminated by a waiver executed by the Developer in writing.

Q. Notwithstanding the fact that the present provisions of the Condominium Act of the State of Florida incorporated by reference and included herein thereby, the provisions of this Declaration and Exhibits thereto shall be paramount to the condominium act as to those provisions where permissive variances are permitted; otherwise, the provisions of said Condominium Act shall prevail and shall be deemed incorporated therein.

R. No Condominium parcel shall bring, or have any right to bring, any act of partition or division of the Condominium property.

S. This Declaration of Condominium and Exhibits thereto shall be interpreted under the laws of the State of Florida.

T. Each member of the operating entity as provided for in Article IX hereof shall also be a member of the Bay Point Improvement Association, Inc., a Florida non-profit corporation; a copy of the Articles of Incorporation of said corporation is attached hereto as Exhibit "4".

IN WITNESS WHEREOF, THE GRAND LAGOON COMPANY has caused these presents to be signed in its name by its President, and its Corporate Seal affixed, attested by its Secretary, this 6th day of November, 1973.

THE GRAND LAGOON COMPANY

BY: *[Signature]* (SEAL)
Its President

ATTEST:

[Signature]
Secretary

Signed, sealed and delivered
in the presence of:

[Signature]

[Signature]

(CORPORATE SEAL)



STATE OF FLORIDA)
)
COUNTY OF BAY)

BEFORE ME, the undersigned authority, personally appeared Cliff M. Averett, Jr. and Tom P. Malloy to me well known to be the persons described in and who executed the foregoing instrument, as President and Secretary, respectively, of THE GRAND LAGOON COMPANY, a Florida corporation, and they severally acknowledged before me that they executed such instrument as such officers of said corporation, and that the seal affixed thereto is the true corporate seal of said corporation, and that it was affixed to said instrument by due and regular act of said corporation.

WITNESS my hand and seal at the County and State aforesaid, this 6th day of November, 1973.



My Commission Expires: 8/5/75

Heath B. Stafford
Notary Public

FOR GOOD AND VALUABLE CONSIDERATION, receipts whereof is hereby acknowledged, BAY POINT GOLF VILLAS I ASSOCIATION, INC., a Florida non-profit corporation, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligation, and burdens imposed upon it by the provisions of this Declaration and Exhibits attached hereto.

IN WITNESS WHEREOF, BAY POINT GOLF VILLAS I ASSOCIATION, INC., a Florida non-profit corporation, has caused these presents to be signed in its name by its President, and its Corporate Seal affixed and attested by its Secretary, this 6th day of November, 1973.

BAY POINT GOLF VILLAS I ASSOCIATION, INC.

By: [Signature]
Its President

ATTEST:

(Corporate Seal)

[Signature]
Secretary



STATE OF FLORIDA)
)
COUNTY OF BAY)

BEFORE ME, the undersigned authority, personally appeared Cliff M. Averett, Jr. and Tom P. Malloy, to me well known to be the persons described in and who executed the foregoing instrument, as President and Secretary, respectively, of BAY POINT GOLF VILLAS I ASSOCIATION, INC., a Florida non-profit corporation, and they severally acknowledged before me that they executed such instrument as such officers of said corporation, and that the seal affixed thereto 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 County and State aforesaid, this 6th day of November, 1973.



My Commission Expires: 8/5/75

Heath B. Stafford
Notary Public

EXHIBIT A

<u>Condominium Unit and Parcel</u>	<u>Percentages of Undivided Interest In Common Elements</u>	<u>Unit Owner's Share of Common Expenses</u>
Unit No. 401	2.68	2.68
402	2.68	2.68
403	2.34	2.34
404	2.45	2.45
405	2.34	2.34
406	2.45	2.45
407	2.68	2.68
408	2.68	2.68
409	3.03	3.03
410	2.68	2.68
411	2.34	2.34
412	2.45	2.45
413	3.03	3.03
414	2.68	2.68
415	2.34	2.34
416	2.45	2.45
417	2.45	2.45
418	2.34	2.34
419	2.68	2.68
420	3.03	3.03
421	2.45	2.45
422	2.34	2.34
423	2.45	2.45
424	2.34	2.34
425	2.68	2.68
426	3.03	3.03
427	2.68	2.68
428	2.34	2.34
429	2.45	2.45
430	2.45	2.45
431	2.34	2.34
432	2.68	2.68
433	3.03	3.03
434	2.45	2.45
435	2.34	2.34
436	2.68	2.68
437	2.68	2.68
438	2.34	2.34
439	2.45	2.45

Bay Point Golf Villas I Association, Inc., a Florida non-profit corporation, has been formed to operate this Condominium, as set forth in the Articles of Incorporation attached hereto as Exhibit 3, and all members of the Association shall, as unit owners, share the common expenses in the foregoing ratios.

EXHIBIT NO. 1

SURVEYOR'S CERTIFICATE

STATE OF FLORIDA,
COUNTY OF BAY,

BEFORE ME, the undersigned authority duly authorized to administer oaths and take acknowledgements, personally appeared BUELL H. HARPER, JR., who after being first duly sworn, deposes and says as follows:

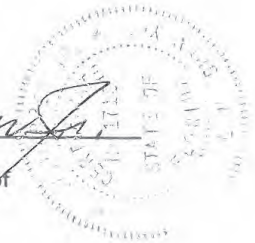
1. That he is a duly licensed land surveyor under the laws of the State of Florida, being Surveyor No. 1718.

2. Affiant hereby certifies that the Declaration of Condominium of BAY POINT GOLF VILLAS I, together with the exhibits attached hereto, constitute a correct representation of the improvements located upon the real property described therein, and that there can be determined therefrom, the identification, location, dimension and size of the common elements, and of each Condominium Unit therein.

FURTHER AFFIANT SAYETH NAUGHT.

Buell H. Harper, Jr.

SWORN TO AND SUBSCRIBED before me this 12th day of December, 1973.

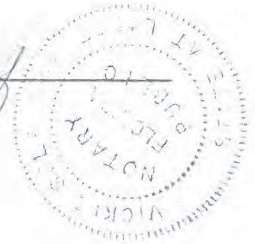


Wickie Self



NOTARY PUBLIC

My Commission expires:

Notary Public, State of Florida at Large
My Commission Expires Sept. 27, 1977
Bonded by American Fire & Casualty Co.



LEGEND

1. Each condominium unit consists of the space bounded by a vertical projection of the condominium unit boundary line shown and by the horizontal planes at the floor and ceiling elevations.
2. All interior angles of condominium units at 90°, unless otherwise noted.
3.  Indicates boundary of condominium units.
 Indicates common element.
4. Parking areas are for the use of all condominium unit owners and specific parking areas will be assigned by the Association.
5. Exterior walls are nominal 4" stud walls either stuccoed or paneled. Dividing walls between units and end walls are 8" concrete masonry, stuccoed where exposed to the exterior.
6. There are six plan configurations for condominium units, identified on the plans as A, A', E, E', B, and C. All units have a private fenced entrance court yard which is a portion of the condominium unit as indicated on the plans:

A and A' are first floor, 2-bedroom units containing a kitchen, combined living and dining room, screened porch, two baths, and two dressing areas.

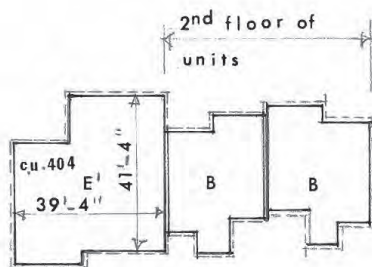
E and E' are second floor, 2-bedroom units containing a kitchen, dining room, living room, screened porch, two baths, and two dressing areas.

B is a 2-bedroom, two-story (walk-up) unit containing a kitchen, laundry area, powder room, living room, dining room, screened porch, two baths, and two dressing areas.

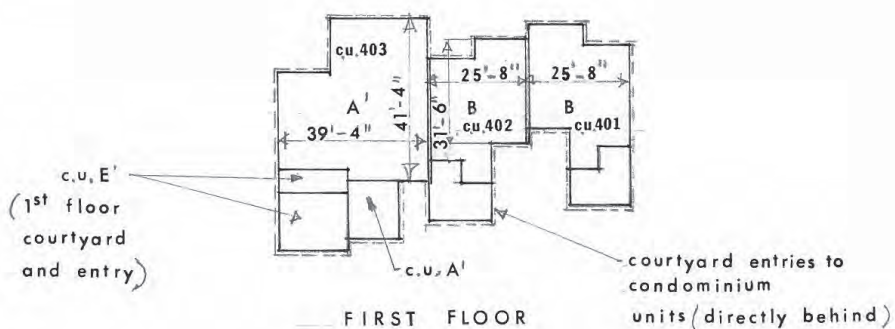
C is a 3-bedroom, two-story (walk-up) unit containing a kitchen, laundry area, powder room, living room, dining room, screened porch, two baths, and two dressing areas.
7. "All condominium units in the buildings located on the condominium property are given identifying numbers, which are delineated within each condominium unit space in this Exhibit. The condominium unit number is the Condominium parcel number".
8. "The condominium property shall be subject to such utility service easements as specified herein, and as the Developer may hereafter deem necessary, pursuant to the Declaration of Condominium to which this Exhibit No. is attached".
9. The following drawings, Sheets 4 of 7, 5 of 7, 6 of 7 and 7 of 7 were prepared by Hecht and Burdeshaw, Architects.



GOLF VILLAS I

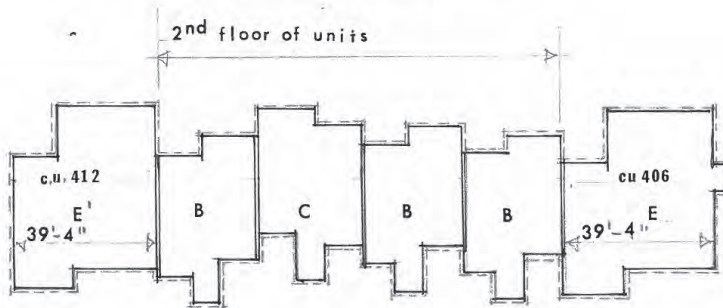


SECOND FLOOR

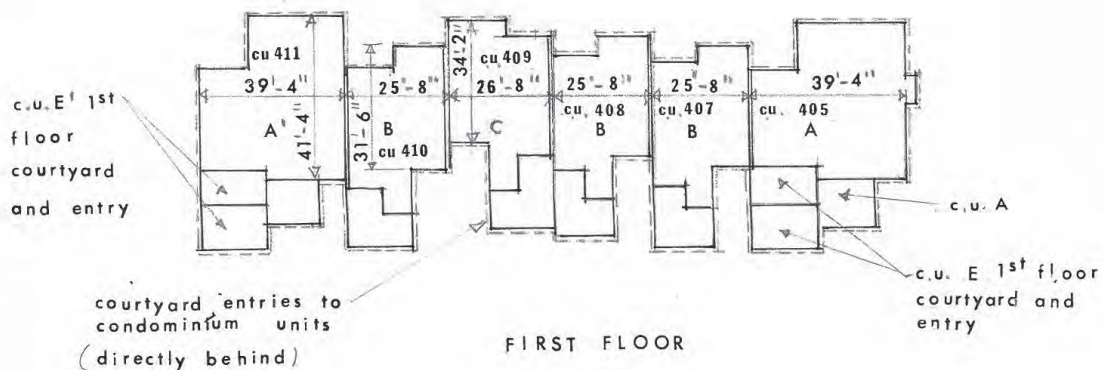


FIRST FLOOR

BUILDING 1

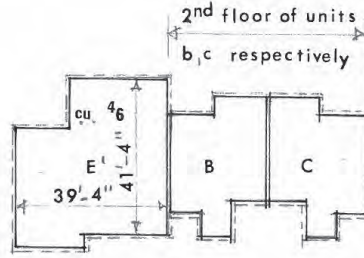


COND FLOOR

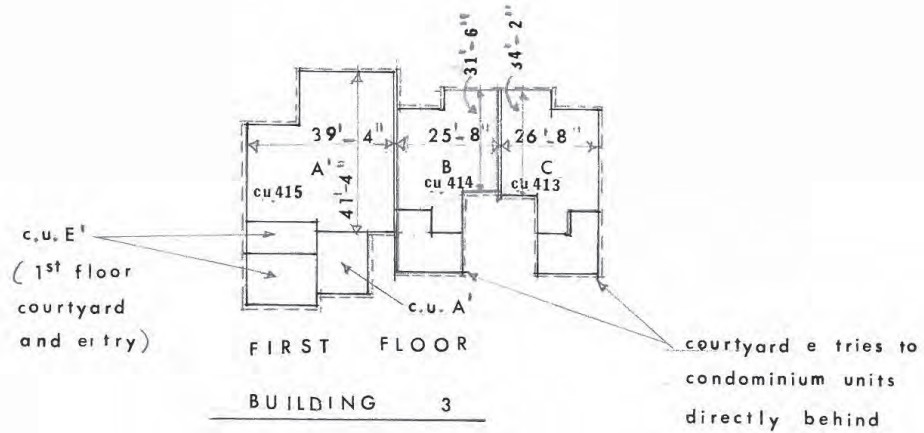


FIRST FLOOR

BUILDING 2

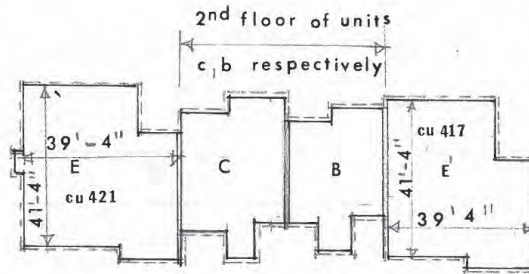


SECOND FLOOR

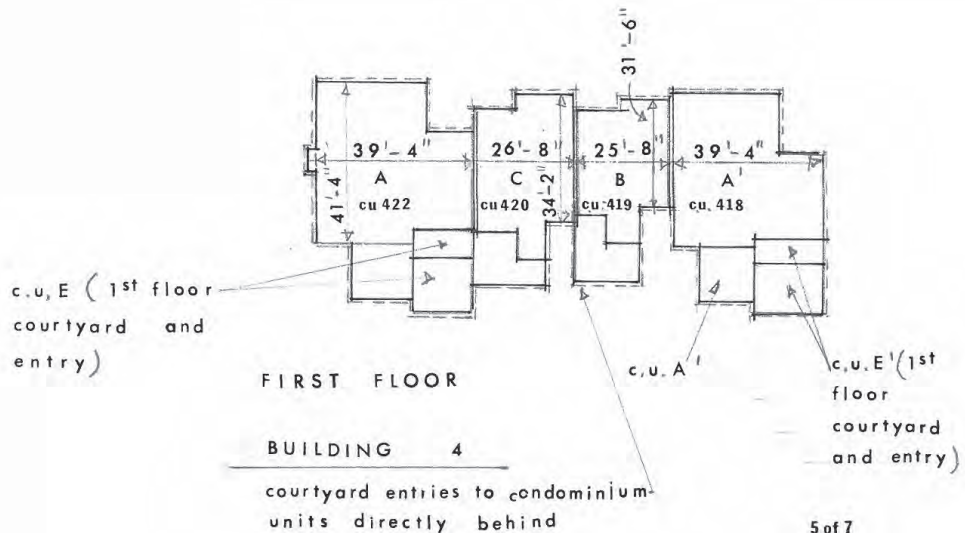


FIRST FLOOR

BUILDING 3



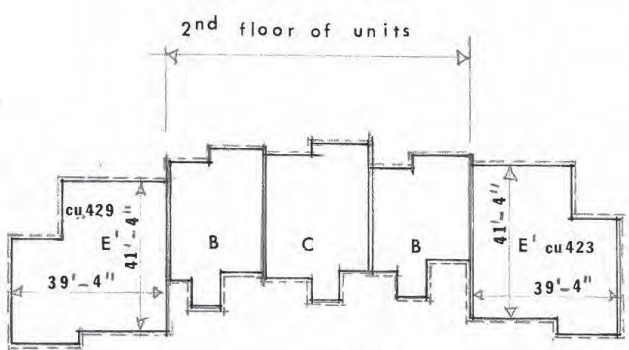
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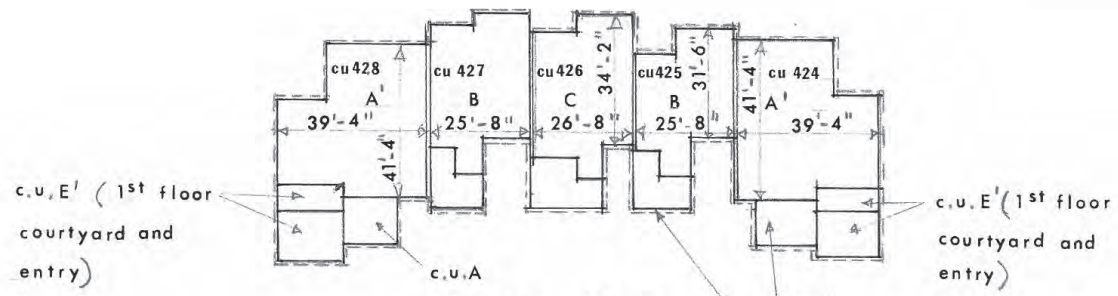
FIRST FLOOR

BUILDING 4

courtyard entries to condominium units directly behind



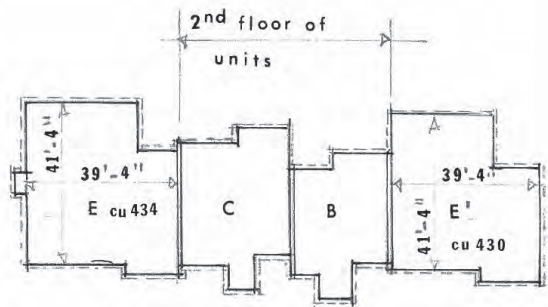
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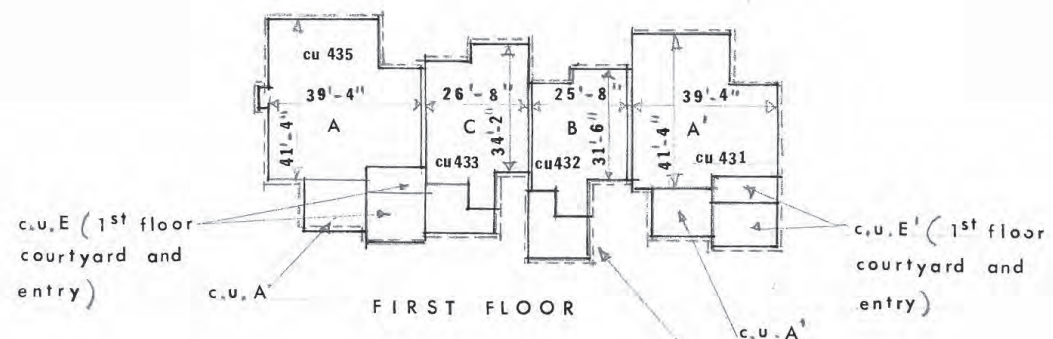
FIRST FLOOR

BUILDING 5

courtyard entries to condominium units directly behind



SECOND FLOOR

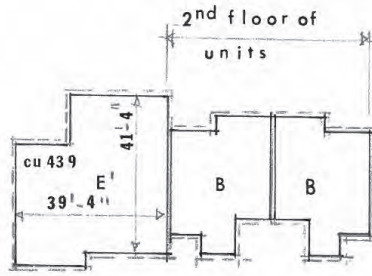


FIRST FLOOR

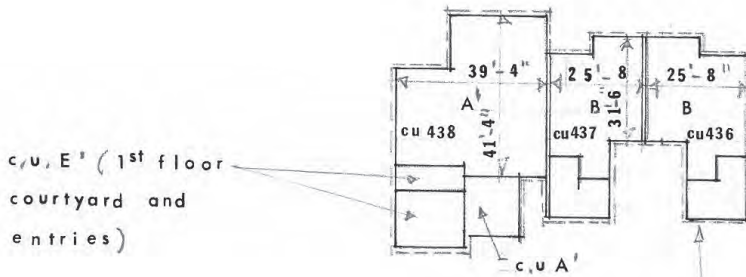
BUILDING 6

courtyard entries to condominium units directly behind

GOLF VILLAS I



SECOND FLOOR



FIRST FLOOR

BUILDING 7

court yard entries to
condominium units
directly behind

EXHIBIT NO. 2BY-LAWS
OF
BAY POINT GOLF VILLAS I ASSOCIATION, INC.ARTICLE I
NAME AND LOCATION

Section 1. The name of this corporation shall be BAY POINT GOLF VILLAS I ASSOCIATION, INC.

Section 2. The principal place of business shall be located at Delwood Beach Road, Panama City Beach, Florida.

ARTICLE II
PURPOSE

Section 1. This corporation has been organized as a non-profit corporation pursuant to the provisions of Chapter 617, Florida Statutes, for the purpose of operating and managing BAY POINT GOLF VILLAS I pursuant to the provisions of the Florida Condominium Act, Chapter 711, Florida Statutes. The condominium to be operated and managed by this corporation shall be located upon those lands located in Bay County, Florida, as described on Exhibit A which is annexed hereto and hereby made a part hereof.

Section 2. BAY POINT GOLF VILLAS I ASSOCIATION, INC., was duly incorporated in the Office of the Secretary of State of the State of Florida on the 20th day of March, 1973, and its Articles of Incorporation were duly filed in the Office of the Secretary of State of the State of Florida on the 20th day of March, 1973, which Articles of Incorporation are attached to the Declaration of Condominium, as Exhibit 3.

Section 3. These By-Laws shall be attached to the Declaration of Condominium of BAY POINT GOLF VILLAS I to be filed with the Clerk of the Circuit Court in and for Bay County, Florida, as Exhibit 2 thereto, and shall be considered a part thereof.

ARTICLE III
MEMBERS

Section 1. All of the owners of condominium parcels (apartment units) shall be members of the corporation. Upon recording of a deed or by any other means which establish a change of record title to a condominium parcel by operation of law or otherwise, the new owner shall become a member of the corporation and the membership of the prior owner shall be thereby terminated.

Section 2. The owners of individual condominium parcels shall be entitled to a vote in the affairs of the corporation as set forth in the original Declaration of Condominium.

Section 3. No other person or legal entity shall be a member of the corporation or vote in its affairs.

ARTICLE IV
MEMBERS MEETINGS

Section 1. The annual meeting of the members shall be held at 7:00 p.m. Central Standard Time on the third Monday in February of each year at the principal office of the corporation or at such other place as may be set forth in the notice of said meeting in Bay County, Florida. At such meeting the members shall elect Directors to serve until the next annual meeting of the members or until their successors shall be duly elected and qualified and for such other business as may be authorized to be transacted by the members.

Section 2. A special meeting of the members to be held at the same place as the annual meeting or such other place in Bay County, Florida, as may be set forth in the notice of said meeting, may be called at any time by the President, or in his absence, by the Vice President, or by a majority of the Board of Directors. It shall be the duty of the Directors, President or Vice President to call such a meeting whenever so requested by members holding thirty-three (33) percent or more of the voting rights of the corporation.

Section 3. Notice of the time and place of all annual and special meetings shall be mailed by the President or Vice President or Secretary to each member not less than ten days prior to the date of said meeting, to the address of said member as it appears upon the books of the corporation. A certificate of the officer mailing said notice shall be prima facie proof that said notice was given.

Section 4. The President or in his absence, the Vice President shall preside at all annual or special meetings of the membership.

Section 5. A quorum for members' meeting shall consist of persons entitled to cast fifty-one percent (51%) of the votes of the entire membership. In the event that a quorum is not present, the members present at any meeting, though less than a quorum, may adjourn the meeting to a future date.

The execution by any member of a copy of the minutes shall constitute the presence of such member for the purpose of determining a quorum and for the further purpose of validating all of the actions taken at said meeting.

Section 6. Votes may be cast in person or by proxy. All proxies shall be in writing and shall be filed with the Secretary and entered of record in the minutes of said meeting. No proxy shall be valid unless the same is executed by all members owning any interest in the individual condominium parcels.

Section 7. Annual or special meetings of the members may be held at any time or place without notice with the written consent of all members.

Section 8. In the event that any individual condominium parcels owned by more than one person or by a corporation or other entity, the owners of the same shall execute and deliver to the Secretary of the corporation or trustees, as the case may be, designating the person who shall be authorized to cast the vote allocated to such individual condominium parcel. Such certificate shall be valid until revoked by a subsequent certificate. Unless said certificate is filed with the Secretary of the corporation prior to the meeting in which said vote is to be cast, the vote of such owner shall not be considered for the purpose of determining a quorum or for any other purpose.

In the event that the approval or disapproval of the owner of an individual condominium parcel is required upon any subject, whether or not the same is the subject of any meeting, said approval or disapproval shall be executed by the same person who would be entitled to cast the vote of such owner at any corporation meeting.

Section 9. The order of business at all meetings of the members of the corporation where applicable shall be as follows:

- a. Election of chairman of the meeting.
- b. Call of the roll and certifying of proxies.
- c. Proof of notice of meeting or waiver of notice.
- d. Reading or waiver of reading of any unapproved minutes.
- e. Reports of officers.
- f. Reports of committees.
- g. Election of inspectors of election.
- h. Election of directors.
- i. Unfinished business.
- j. New business.
- k. Adjournment.

Section 10. PROVISIO. Provided, however, that until the third Monday in February, 1976, or until the developer elects to terminate its control of the condominium, whichever first occurs, there shall be no meeting of the members of the Association, unless a meeting is called by the Board of Directors of the Association, and should a meeting be called, the proceedings shall have no affect unless approved by the Board of Directors of the Association.

ARTICLE V DIRECTORS

Section 1. The business affairs of the corporation shall be managed by a Board of Directors who shall be elected by the members. Said Board of Directors shall consist of not less than three persons nor more than fifteen. The exact number of directors is to be set at the annual meeting.

Provided, however, that until the third Monday in February, 1976, or until the developer elects to terminate its control of the condominium, whichever shall first occur, all directors shall be designated by the developer and need not be owners of the units in the condominium and may not be removed by members of the Association, as elsewhere provided herein. After the third Monday in February, 1976, or when the developer elects to terminate his control of the condominium, whichever shall first occur, it shall be necessary for a member of the Board of Directors to be an owner of a condominium parcel or an official of any corporation owning an individual condominium parcel, or a trustee of a trust owning a condominium parcel.

Section 2. The original members of the Board of Directors shall be those persons set forth in the Articles of Incorporation and shall hold office until the third Monday in February, 1976, or when the developer elects to terminate his control of the condominium, whichever shall first occur. At the first annual meeting of the members occurring on the third Monday in February, or after the developer elects to terminate his control of the condominium, whichever shall first occur, the directors shall be annually elected by the members at said annual meeting, and such directors shall serve until the next annual meeting or until their successors are duly elected and qualified, or until they are removed in the manner elsewhere provided.

Section 3. In the event of a vacancy occurring in the Board of Directors for any reason whatsoever, prior to the third Monday in February, 1976, or prior to when the developer elects to terminate his control of the condominium, whichever shall first occur, the remaining directors shall elect a person of legal age to serve as a director for the unexpired portion of the term of the former director. In the event of a vacancy occurring in the Board of Directors for any reason whatsoever after the third Monday in February, 1976, or after the developer elects to terminate his control of the condominium, whichever shall first occur, the remaining directors shall elect one of the members to serve as a director for the unexpired portion of the term of the former director.

Section 4. After the third Monday in February, 1976, or after the developer has elected to terminate his control of the condominium, whichever shall first occur, a director may be removed from office with or without cause by a vote of the majority of all condominium parcel owners at any regular or special meeting duly called. At said meeting a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 5. No compensation shall be paid to directors for their services as directors. Compensation may be paid to a director in his or her capacity as an officer or employee or for other services rendered to the corporation outside of his or her duties as a director. In this case, however, said compensation must be approved in advance by the Board of Directors and the director to receive said compensation shall not be permitted to vote on said compensation. The directors

shall have the right to set and pay all salaries or compensation to be paid to officers, employees or agents or attorneys for services rendered to the corporation.

Section 6. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such directors were elected and no notice shall be necessary to the newly elected directors in order to legally constitute such meeting, providing a majority of the whole board shall be present.

Section 7. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Board of Directors. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

The Directors may establish a schedule of regular meetings to be held in the office of the corporation and no notice shall be required to be sent to said Directors of said regular meetings, once said schedule has been adopted.

Section 8. Special meetings of the Board of Directors may be called by the President on five (5) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least five (5) Directors.

Section 9. Before or at any meeting of the Board of Directors, said Directors may, in writing, waive notice of said meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. At all meetings of the Board of Directors, a majority of the Board of Directors shall constitute a quorum for transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called, may be transacted without further notice. The President of the Corporation shall act as Chairman of the Board of Directors and he shall be entitled to vote as a member of the Board of Directors on all questions arising before the Board of Directors.

Section 11. The Board of Directors shall have all the powers vested under common law and pursuant to the provisions of Chapter 617, Florida Statutes, and Chapter 711, Florida Statutes, together with any powers granted to it pursuant to the terms of the Articles of Incorporation of the corporation and the condominium documents, subject only to the approval of the owners of the individual condominium parcels that may be required under these By-Laws, the Articles of Incorporation and the condominium documents.

Such powers shall include but shall not be limited to the following:

- a. Management and operation of Bay Point Golf Villas I and its interests.
- b. To make and collect assessments from members for the purpose of operating and maintaining the condominium and interests.

- c. The maintenance, repair and replacement of the condominium property and interests.
- d. The reconstruction of improvements after any casualty in the further improvement of the property.
- e. The hiring and dismissal of any necessary personnel required to maintain and operate the condominium and its interests.
- f. Power to make and amend regulations respecting the use of the property and the condominium, provided however, that all such regulations and amendments thereto shall be approved by not less than 75% of the votes of the entire membership of the corporation before such shall become effective. Provided further, however, that until the third Monday in February, 1976, or until the developer elects to terminate his control of the condominium, whichever shall first occur, the Board of Directors shall have the authority to make and amend regulations respecting the use of the property in the condominium without the approval of the membership.
- g. To approve and disapprove proposed purchasers, lessees or assignees, sublessees and mortgagees of the condominium parcels in the manner provided in the Declaration of Condominium.
- h. To carry and pay the premium for such insurance as may be required for the protection of the owners of condominium parcels and the corporation against any casualty or any liability to third persons.
- i. To employ a management agent at a compensation established by the Board of Directors and to delegate to such management agent such powers and duties as the Board shall authorize, except those as are specifically required to be exercised by the Board of Directors or the membership.
- j. To enforce by legal means the provisions of the condominium documents, the Articles of Incorporation and the regulations for the use of the property in the condominium.
- k. To pay any taxes or special assessments against any condominium parcel where the same is in default, and to assess the same against the condominium parcel subject to said taxes and liens.
- l. To pay any taxes or special assessments on any condominium parcels acquired by the corporation through the enforcement of any lien held by the corporation against said condominium parcel.

ARTICLE VI OFFICERS

Section 1. The principal officers of the corporation shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an assistant Treasurer and an Assistant Secretary and such other officers as in their judgement may be necessary. The office of the Secretary and Treasurer may be filled by the same person.

Section 2. The officers of the corporation shall be elected annually by the Board of Directors at the annual meeting of each new Board and shall hold office until the next annual meeting of the Board of Directors or until their successors shall be duly elected and qualified except as hereinabove or hereinafter provided.

Section 3. By an affirmative vote of the majority of the vote of the members of the Board of Directors, any officer may be removed, either with or without cause and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

Section 4. The President shall be the chief executive officer of the corporation. He shall preside at all meetings of the corporation and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of a corporation, including, but not limited to, the power of appointing committees among the members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the corporation.

Section 5. The Vice President shall perform all the duties of President in his absence and such other duties as may be required of him from time to time by the Board of Directors.

Section 6. The Secretary shall issue notices of all Board of Directors' meetings and meetings of the membership and shall attend and keep minutes of the same; he shall have charge of all corporate books, records and papers; he shall be custodian of the corporate seal; he shall attest with his signature and press of the corporate seal all contracts or other documents required to be signed on behalf of the corporation and shall perform all other such duties as are incident to his office. The duties of the assistant secretary shall be the same as those of the Secretary in the absence of the Secretary.

Section 7. The Treasurer shall have the responsibility for corporation funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the corporation. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may from time to time be designated by the Board of Directors. The duties of the Assistant Treasurer shall be the same as those of the Treasurer in the absence of the Treasurer.

Section 8. Any vacancy in the office of President, Vice President, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary, or any other officer or employee for any reason whatsoever may be filled by the Board of Directors who may elect a successor to the vacant office at any regular or special meeting, which successor shall hold office for the balance of the unexpired term.

ARTICLE VII FINANCE

Section 1. The funds of the corporation shall be deposited in such banks or depositories as may be determined by the Board of Directors from time to time, upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for monies signed by such officer or officers of the Association as may be designated by the Board of Directors.

Section 2. The fiscal year of the Association shall begin on the first day of January of each year; provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such times as the Board of Directors deem advisable.

Section 3. An audit of the accounts of the corporation shall be made annually and a copy of the report shall be furnished to each member not later than June 1st of the year following the year for which the report is made.

Section 4. The Board of Directors of the corporation shall maintain an assessment roll in a set of accounting books in which there shall be an account for each condominium parcel. Each account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which the assessments become due, the amounts paid upon the account, and the balance due upon the assessments.

Section 5. The Board of Directors shall adopt a budget each year for the following calendar year which shall contain estimates of the cost of operating and maintaining the corporation, including the following items:

- a. General expenses to be incurred in connection with the operation of the general common elements, and interests of the condominium, including the apartment building.
- b. A breakdown showing the proposed assessment against each owner for the above expenses.

Copies of the proposed budget and assessment shall be transmitted to each member on or before December 1st preceding the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished to each member concerned.

Section 6. The Board of Directors may require that a fidelity bond may be obtained for all officers and employees of the corporation handling or responsible for corporation funds. The amount of such bond shall be determined by the Board of Directors and the premium on such bond shall be paid by the corporation as an item of general expense.

Section 7. All assessments paid by members of the corporation for the maintenance and operation of the condominium shall be utilized by the corporation for the purpose of said assessments. Any excess of monies received from said assessments paid by any members shall be held by the corporation for the use and benefit of the members. Any surplus held by the corporation after the payment of expenses for maintaining and operating the general common elements shall be considered as general surplus and held for the benefit of all members. No distributions of any surplus shall be made in cash to the members at any time.

Section 8. Each member of the corporation shall maintain a working capital deposit with the corporation in a sum equal to the percentage of the member's ownership of the undivided elements multiplied by the sum of the annual insurance premium together with two monthly maintenance and operation assessments, as said insurance premium and monthly maintenance and operation assessment are established in the initial budget of the corporation. Such deposits are assignable but only with transfer of ownership of the unit in accordance with all requirements elsewhere stated.

ARTICLE VIII
AMENDMENTS

Section 1. The Articles of Incorporation of the non-profit corporation may be amended by the members at a duly constituted meeting for such purpose, provided, however, that no amendment shall take effect unless approved by members representing at least 75% of the votes in the condominium as set forth in the Declaration of Condominium.

RULES AND REGULATIONS

Passageways

1. The sidewalks, entrances, passages, vestibules, corridors and halls must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises.

Signs

2. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any apartment owner on any part of the outside or inside of any condominium building without the prior written consent of the Association.

Window and Door Treatment

3. No awnings or other projections shall be attached to the outside walls of the buildings, and no blinds, shades or screens shall be attached to or hung in, or used in connection with any window or door of any condominium parcel or any portion of the common elements without the prior written consent of the Association.

Wheel Vehicles

4. No baby carriages, or bicycles shall be allowed to stand in the halls, passageways or public areas of the buildings.

Children

5. Children shall not play in the public halls.

Servant Areas

6. Servants and domestic help of the condominium unit owners may not gather or lounge in the public areas of the buildings or grounds.

Keys and Locks

7. The Association shall retain a pass key to the premises. No condominium parcel owner shall alter any lock or install a new lock or a knocker on any door of the premises without the written consent of the Association or the Association's agent. In case such consent is given, the apartment owner shall provide the Association with an additional key for the use of the Association pursuant to its rights of access to the premises.

Association Employees

8. No servants or employees of the Association shall be sent off the premises by any apartment owner at any time for any purpose.

Trash in Public Areas

9. No apartment owner shall allow anything whatsoever to fall from the window or doors of the premises, nor shall sweep or throw from the premises any dirt or other substance into any of the corridors or halls, ventilators or elsewhere in the buildings or upon the grounds.

Refuse Containers, etc. in Public Areas

10. No garbage cans, supplies, milk bottles or other articles shall be placed in the halls or landings, nor shall anything be hung from the windows, or balconies or placed upon the window sills. Neither shall any linens, cloths, clothing, curtains, rugs or mops be shaken or hung from any of the windows or doors. No fire exits shall be obstructed in any manner.

Nuisances

11. No apartment owner shall make or permit any disturbing noises in the buildings by himself, his family, servants, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or conveniences of other apartment owners. No apartment owners shall play upon or suffer to be played upon any musical instrument or radio in the demised premises between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if the same shall disturb or annoy other occupants of the buildings. No apartment owners shall conduct or permit to be conducted vocal or instrumental practice, nor give or permit to be given vocal or instrumental instructions at any time.

Aerials

12. No radio or television installation shall be made without the written consent of the Association. Any aerial erected on a roof or exterior walls of the building without the consent of the Association in writing is liable to removal without notice.

13. Apartments shall be used for residential purposes exclusively. No building or other structure, or part thereof, at any time situate on said land shall be used as a hospital, professional office, sanitarium, church, charitable, religious or philanthropic institution, or for business or manufacturing purpose, or for any use whatsoever other than single family dwelling purposes as aforesaid.

14. No trailers or habitable motor vehicles of any nature shall be kept on or stored on any part of the property. No trucks of any nature shall be parked overnight on the property. No boats or canoes on or off trailers may be parked on any part of the property.

15. Any golfer may retrieve his or her errant golf ball from any yard area so long as destruction of property does not occur. If destruction of property develops into a nuisance, then the golf club and the apartment owners shall reach an agreement for additional covenants or restrictions to control the nuisance but not to the extent that hardships will be placed on either party.

THE FOREGOING WERE DULY ADOPTED AS THE RULES AND REGULATIONS OF BAY POINT GOLF VILLAS I ASSOCIATION, INC., A FLORIDA CORPORATION, NOT FOR PROFIT, AT THE FIRST MEETING OF THE BOARD OF DIRECTORS.

BAY POINT GOLF VILLAS I ASSOCIATION, INC.

BY: [Signature]
President

ATTEST:

BY: [Signature]
Secretary



Section 2. The By-Laws may be amended by the corporation at a duly constituted meeting for such purpose provided, however, no amendment shall take effect unless approved by members representing at least 75% of the total votes in the condominium as set forth in the Declaration of Condominium.

Section 3. The Declaration of Condominium may be amended in accordance with the provisions of the Declaration of Condominium.

Section 4. No amendment to the Articles of Incorporation, the By-Laws or the Declaration of Condominium shall be valid without the written consent of 100% of the members as to the following:

- a. No amendment may be made which in any way changes the percentage of ownership owned by any member of a condominium parcel in the general common elements of the condominium, or which in any way changes or modifies the vote which may be cast by any member or which in any way modifies the percentage of the assessment to be levied against any member for the operation and maintenance of the common elements of the condominium.

Section 5. Before any amendment shall be effective, it shall also be approved by a majority of the members of the Board of Directors.

Section 6. Notice of the subject matter of any proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

Section 7. No amendment to the Articles of Incorporation or the By-Laws of the corporation, or the Declaration of Condominium shall be effective until the same has been recorded with the Clerk of the Circuit Court in and for Bay County, Florida.

THE FOREGOING WERE DULY ADOPTED AS THE BY-LAWS OF BAY POINT GOLF VILLAS I ASSOCIATION, INC., A FLORIDA CORPORATION NOT FOR PROFIT, AT THE FIRST MEETING OF THE BOARD OF DIRECTORS.

BAY POINT GOLF VILLAS I ASSOCIATION, INC.

BY: *Cliff M. Averett Jr.*
President

ATTEST: *Tom P. Molloy*
Secretary

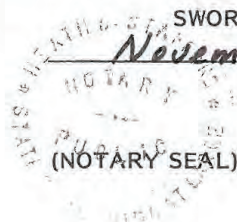


STATE OF FLORIDA

COUNTY OF BAY

BEFORE ME, the undersigned authority, personally appeared *Cliff M. Averett Jr.* and *Tom P. Molloy*, to me well known to be the President and Secretary, respectively, of Bay Point Golf Villas I Association, Inc. who, after being duly cautioned and sworn, depose and said that they executed the foregoing By-Laws for the purposes therein expressed.

SWORN TO AND SUBSCRIBED before me this *6th* day of *November*, 1973.



Keith B. Steyers
Notary Public, State of Florida
My Commission Expires:

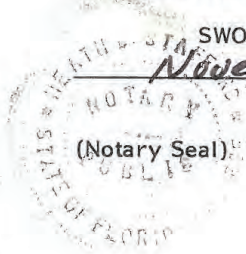
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES AUGUST 5, 1977
BONDED BY U. S. FIDELITY AND GUARANTY

STATE OF FLORIDA

COUNTY OF BAY

BEFORE ME, the undersigned authority, personally appeared Cliff M. Avenett, Jr. and Tom P. Malloy, to me known to be the President and Secretary of BAY POINT GOLF VILLAS I ASSOCIATION, INC., who, after being duly cautioned and sworn, deposed and said that they executed the foregoing Rules and Regulations for the purposes therein expressed.

SWORN TO AND SUBSCRIBED before me this 6th day of November, 1973.



Heath B. Stapp
Notary Public, State of Florida

My Commission Expires: NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES AUGUST 5, 1975
BONDED BY U. S. FIDELITY AND GUARANTY CO.