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DECLARATION OF CONDOMINIUM
OF
CARIBBEAN RESORT CONDOMINIUM
NAVARRE BEACH, FLORIDA

THIS DECLARATION OF CONDOMINIUM is made this 22 day of July, 1999, by W. M. Team, Inc., a Florida Corporation, as owner of the leasehold estate in the real property hereinafter described, and developer of the improvements thereon (herein called the "Developer"), for itself, its successors, grantees, assignees and/or their transferees.

WITNESSETH:

WHEREAS, Developer is the owner of the remainder of a 99 year leasehold estate (with option to renew) in certain real property in Santa Rosa County, Florida, with the said lease agreement and land being more particularly described as follows, to-wit:

A description of the lease agreement and of the real property covered by the lease agreement is set forth in **Exhibit "A"** attached hereto and by this reference incorporated herein as if set forth herein in full, and shall hereafter sometimes be referred to as the 99 year lease,

and Developer desires to develop Caribbean Resort Condominium on the real property covered by the lease agreement; and

WHEREAS, Developer desires by this Declaration to submit the leasehold estate in the real property described in **Exhibit "A"** attached to this Declaration and all improvements now or hereafter constructed thereon to condominium ownership and use, pursuant to Chapter 718, Florida Statutes (hereinafter referred to as the "Condominium Act"), and the Developer does hereby submit the said leasehold estate and improvements to the condominium form of ownership and use.

NOW, THEREFORE, Developer, as owner, makes the following declarations:

1. **PURPOSE:**

The purpose of this Declaration is to submit the leasehold estate in the land described in **Exhibit "A"** of this Declaration and all improvements now or hereafter constructed on such lands, to the condominium form of ownership and use, for the remaining term of the leasehold estate and

any renewal period, in the manner provided by the Condominium Act. The 99 year lease and this Declaration both require that all unit owners pay the annual rent or lease payment for their condominium unit, payable monthly in advance, to the Association, as agent, which annual lease or rent payment is hereinafter sometimes referred to as "unit rent". The Association is provided for in Paragraph 13 below, and the assessment provisions are provided for in Paragraph 16 below.

1.1 The name by which this condominium is to be identified is CARIBBEAN RESORT CONDOMINIUM, and will consist of fifty-four (54) residential units. Unless otherwise noted, the term "unit" or "condominium unit" shall refer to each of the residential condominium units. In addition to, and notwithstanding the foregoing, there will be one room located within the Common Elements suitable for use for sales, rentals, and management, and for use by the Developer until all construction is completed and all units are sold and conveyed (the "Manager's Office"). Thereafter, the room can be used or not used by the Association as it determines appropriate.

1.2 The address of this condominium is 8477 Gulf Boulevard, Navarre Beach, Florida, 32566.

1.3 The land is a 99 year leasehold estate, together with any renewal, commencing May 7, 1968, in that certain real property located in Santa Rosa County, Florida, described in **Exhibit "A"** attached hereto, together with all improvements now or hereafter constructed thereon, and is hereby submitted to the Condominium form of ownership and use, and is hereinafter referred to as the "Land." The Land shall be subject to conditions, restrictions, limitations, easements, and reservations of record.

2. **DEFINITIONS.** The terms used in this Declaration and in the Articles of Incorporation and the Bylaws shall have the meaning stated in the Condominium Act (Chapter 718, *Florida Statutes*) and stated herein, unless the context otherwise requires. Further, whenever the context so requires, the use of any gender shall be deemed to include all genders, the use of the plural shall include the singular and the singular shall include the plural.

3. **DEVELOPMENT PLANS.**

3.1 **Improvements.**

3.1.1 A legal description of the Land, together with a narrative and graphic description of the improvements in which units are located and a site plan thereof,

in sufficient detail to identify the Common Elements (as defined in this Declaration), Limited Common Elements (as defined in this Declaration), and each unit in their respective location and approximate dimensions is set forth in **Exhibit "A"** to this Declaration.

3.1.2 Where more than one typical unit has been acquired by the same owner and combined into a single dwelling place, the unit plans, as described in **Exhibit "A"** may not reflect the interior plans of the combined units, but the exterior boundaries of the combined units remain the same. Should any units be combined, the combined units shall exist as separate units as described in this Declaration for the purpose of applying the provisions of this Declaration and all exhibits attached hereto. Should the combining of units as described in this paragraph be determined to violate the provisions of F.S. 718.110(4), an amendment to this Declaration shall be approved, executed and recorded as required by F.S. 718.110(4).

3.2 Unit Identifications. The legal description of each unit shall consist of the identifying number of such unit, as shown in **Exhibit "A"** attached hereto. Every deed, lease, mortgage or other instrument may legally describe a unit and/or condominium unit by its identifying number as provided for on the attached **Exhibit "A"** and each and every description shall be deemed good and sufficient for all purposes.

3.3 No Time-Share Estates. Time-share estates will not be created with respect to units of this Condominium.

4. **UNIT BOUNDARIES, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.** Each unit shall include that part of the unit, which boundaries are as follows:

4.1 Upper and Lower Boundaries. The upper and lower boundaries of the unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

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

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

4.2 Perimetrical Boundaries. The perimetrical boundaries of the unit shall be the

vertical plane of the undecorated and/or unfinished inner surfaces of the walls bounding the unit, extended to intersection with each other and with the upper and lower boundaries.

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

4.4 Common Elements. The "Common Elements" shall include the following:

4.4.1 All condominium property which is not included within the units and not defined as Limited Common Elements.

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

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

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

4.5 Limited Common Elements. The "Limited Common Elements," as the term is used herein, shall mean those portions of the Common Elements which are reserved herein, or assigned, or granted separately herefrom, for the use of a certain unit to the exclusion of other units, and shall include:

4.5.1 To each unit containing a balcony, the balcony area contiguous to and serving only that unit, and to each unit, the heating and air-conditioning equipment serving only that unit.

4.5.2 To each unit in the Condominium, one of the 54 wire enclosed storage areas, located on the ground floor, and one parking space in the ground level parking lot and one parking space in the upper level parking space, which wire enclosed storage areas and parking spaces are shown in **Exhibit "A"** to this Declaration, with the exact storage area and parking spaces being designated, or being assigned to each

unit owner by the Developer, at the time of contract and/or the time of closing, as Developer determines appropriate.

4.5.3 To unit no. 1801 of this Caribbean Resort Condominium, three storage closets which are located next to and West of the East Staircase and North of the elevator shaft, and designated as Spaces 103 on the twelfth, fifteenth and eighteenth floors, as reflected in **Exhibit "A"** to this Declaration. To unit no. 1802 of this Caribbean Resort Condominium, one storage closet which is located next to and West of the East Staircase and North of the elevator shaft, and designated as Space 103 on the ninth floor, as reflected in **Exhibit "A"** to this Declaration. To unit no. 1803 of this Caribbean Resort Condominium, three storage spaces which are located next to and West of the East Staircase and North of the elevator shaft, and designated as Spaces 103 on the tenth, thirteenth and sixteenth floors, as reflected in **Exhibit "A"** to this Declaration.

5. **OWNERSHIP.**

5.1 Type of Ownership. Ownership of each condominium unit shall be in leasehold estate, pursuant to and subject to this Declaration and the lease agreement identified in **Exhibit "A"**. No timeshare interests shall be created or sold.

5.2 Association Membership. The owners of record of the units shall be members of Caribbean Resort Condominium Association of Navarre Beach, Inc., hereinafter the "Association." (See Section 13 below.) There shall be one (1) membership for each unit and if there is more than one (1) record owner per unit, then such membership shall be divided among such owners in the same manner and proportion as is their ownership in the unit.

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

6. **RESTRAINT UPON SEPARATION AND PARTITION OF COMMON ELEMENTS.** The leasehold title of each condominium unit shall include both the condominium unit and an undivided interest in the Common Elements; said undivided interest in the Common

Elements is deemed to be conveyed or encumbered with its respective condominium unit, even though the description in the instrument of conveyance may refer only to the leasehold title to the condominium unit. The share in the Common Elements appurtenant to a unit cannot be conveyed or encumbered except together with the unit. Any attempt to separate and/or any action to partition the leasehold title to a condominium unit from the undivided interest in the Common Elements appurtenant to each unit shall be null and void.

7. **PERCENTAGE OF OWNERSHIP OF COMMON ELEMENTS.** Each of the unit owners of the Condominium shall own an undivided interest in the Common Elements according to the "Schedule of Shares" attached hereto as **Exhibit "B."**

8. **COMMON EXPENSES AND COMMON SURPLUS.** The common expenses to be borne by each unit owner shall be a proportionate share of the total expenses and costs of the Association. Each unit owner shall be responsible for a portion of the common expenses and costs, and such share shall be in the percentage of the undivided share in the Common Elements to his unit as set forth in **Exhibit "B"** of this Declaration.

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

9. **MAINTENANCE, ALTERATIONS AND IMPROVEMENTS.** Responsibility for the maintenance of the condominium property and restrictions upon its alterations and improvements shall be as follows:

9.1 **Units.**

9.1.1 **By the Association.** The Association shall maintain, repair and replace at the Association's expense:

9.1.1.1 All portions of the condominium building contributing to the support of the condominium building, which portions shall include, but not be limited to, outside walls of the condominium building and all fixtures on its exterior, those portions of boundary walls not a part of unit; floor and ceiling slabs; load-bearing columns and load-bearing walls.

9.1.1.2 All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the Common Elements and the portions of a unit maintained by the Association; and all such facilities

contained within a unit that service part, or parts, of the condominium other than the unit within which contained.

9.1.1.3 All incidental damage caused to a unit by such work immediately above-described shall be repaired promptly at the expense of the Association.

9.1.1.4 All Common Elements of the condominium.

9.1.2 **By the Unit Owner.** The responsibility of the unit owner shall be as follows:

9.1.2.1 To keep and maintain his unit, its equipment and appurtenances in good working order, condition and repair, and to perform promptly all maintenance and repair work within the unit which, if omitted, would affect the Condominium in its entirety or in a part belonging to others; being expressly responsible for the damages and liability which his failure to do so may endanger. Notwithstanding anything contained in this Declaration, the owner of each unit shall be liable and responsible for the maintenance, repair and replacement, as the case may be, of all windows and exterior doors, including sliding glass doors, storm doors and windows, and all air-conditioning and heating equipment, whether located with or without the unit, stoves, refrigerators, fans and other appliances and equipment, including pipes, wiring, ducts, fixtures and/or their connection required to provide water, light, power, air-conditioning and heating, telephone, sewage and sanitary service to his unit which may now or hereafter be situated in his unit.

9.1.2.2 To maintain, repair and replace any and all walls, ceilings and floor interior surfaces, painting, decorating, furnishings and all other accessories which such owner may desire to place and maintain in his unit.

9.1.2.3 Where applicable, to maintain and keep in a neat and trim condition the floor, interior walls, railings, columns or balconies.

9.1.2.4 To promptly report to the Association any defect or need for repairs for which the Association is responsible.

9.1.2.5 Plumbing and electrical repairs to fixtures and equipment

located within a unit and exclusively servicing a unit shall be paid for and be a financial obligation of the unit owner.

9.1.2.6 The Association has the irrevocable right of access to each unit during reasonable hours, when necessary, for the maintenance, repair or replacement of any Common Elements or of any portion of a unit to be maintained by the Association pursuant to the Declaration or as necessary to prevent damage to the Common Elements or to a unit or units.

9.1.2.7 Not to change the paint color or otherwise decorate or change the appearance of any portion of the exterior of the condominium building and/or property.

9.1.2.8 To keep clean and in orderly condition those Limited Common Elements which are assigned or granted to a particular unit to the exclusion of other units. The cost shall be borne by the owner or owners of the unit to which the same are appurtenant.

9.1.2.9 To maintain, repair and replace, at unit owner's expense, the heating and air-conditioning unit and all of its parts, serving only his unit.

9.1.2.10 Notwithstanding the above maintenance and repair obligations relative to attached balconies, which are Limited Common Elements appurtenant to units, individual unit owners shall not be responsible for structural defects or problems, including leaks. Repairs to balconies of structural defects or problems, including leaks, shall be an Association expense.

9.1.3 **Alteration and Improvement.** Except as elsewhere reserved to the Developer, neither a unit owner nor the Association shall make any alteration in the portions of a unit that are to be maintained by the Association, remove any portion of such, make any additions to them, do anything that would jeopardize the safety or soundness of the building, or impair any easement, without first obtaining approval of the Board of Directors of the Association responsible for the administration of the Association ("Board of Directors"). A copy of plans for all such work prepared by an architect licensed to practice in this state shall be filed with the Association prior

to the start of the work.

9.2 Common Elements.

9.2.1 **By the Association.** The maintenance and operation of the Common Elements, including the repair, maintenance and replacement of landscaping and other improvements and facilities, shall be the responsibility of the Association as a common expense.

9.2.2 **Alteration and Improvement.** There shall be no alteration or further improvement of the real property constituting the Common Elements without prior approval, in writing, by not less than two-thirds (2/3) of the record unit owners of Caribbean Resort Condominium if the cost of same shall be a common expense which exceeds in cumulative expenditure for the calendar year, the sum of \$20,000.00. Any such alteration or improvement shall not interfere with the rights of any unit owner or unit owners without their consent.

9.2.3 **Land Acquisition.** After all planned improvements are completed, any leasehold interest in land acquired by the Association may be added to the land submitted to condominium ownership hereby. This may be done by an amendment to this Declaration that includes the description of the acquired land, and submits the said acquired land to condominium ownership under the terms of this Declaration. The amendment shall be executed by the Association and adopted by the unit owners in the manner elsewhere provided. Such amendment, when recorded in the public records of Santa Rosa County, Florida, shall divest the Association of title to the acquired land and shall state that it conveys all interest of the Association to and vests title in the unit owners, without naming them and without further conveyance, in the same proportion as the undivided shares in the Common Elements appurtenant to the units owned by them.

9.2.4 **Land Not Incorporated.** Any land or leasehold estate acquired by the Association that is not incorporated into the land by amendment of this Declaration may be sold or mortgaged or otherwise disposed of by the Association after approval, in writing, by not less than seventy-five percent (75%) of the record unit owners of Caribbean Resort Condominium. This approval shall be evidenced

by a certificate stating that the approval was duly given, which certificate shall be executed by the officers of the Association with the formalities of a deed and delivered to a purchaser or mortgagee of such land.

9.2.5 **Personal Property.** Any personal property acquired by the Association may be sold or mortgaged or otherwise disposed of by the Association.

10. **USE RESTRICTIONS.** The use of the Land shall be in accordance with the following provisions:

10.1 **Residential Units.** Each of the residential units shall be occupied only by an owner, members of his family, his servants and guests, or his tenants, as a residence and for no other purpose.

10.2 **No Subdividing.** Except as reserved to the Developer, no unit may be divided or subdivided into a smaller unit nor any portion thereof sold or otherwise transferred without first amending this Declaration to show the changes in the units to be affected thereby. This does not prohibit the renting of a portion of a unit.

10.3 **Exterior Windows, Walls and Doors.** Except for commercial signage as otherwise permitted under this Declaration, nothing shall be hung, displayed or placed on the exterior walls, doors or windows of the unit or the condominium building without the prior written consent of the Board of Directors of the Association. All exterior windows shall be free from obstructions except curtains or drapes lined in white or beige, or blinds showing exterior in white or beige.

10.4 **No Clotheslines.** No clotheslines or similar devices shall be allowed on any porches, stoops or balconies of the condominium units or any other part of the condominium property without the written consent of the Board of Directors of the Association.

10.5 **Structural Additions and Alterations.** No owner shall make, allow or cause to be made any structural addition or alteration of his unit, the Common Elements, or the Limited Common Elements, without the prior written consent of the Board of Directors of the Association.

10.6 **Common Elements.** The Common Elements shall be used only for the purpose for which they are intended.

10.7 **Nuisances.** No nuisances shall be allowed upon the condominium property,

nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper residential use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist. No unit owner shall permit any use of his unit, the Common Elements or the Limited Common Elements which will increase the cost of insurance upon the condominium property.

10.8 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the condominium property or any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

10.9 Signs. No signs (including without limitation "for lease" and "for sale" signs) shall be displayed from any unit, Limited Common Elements or on the Common Elements, except such signs as shall have advance written approval by the Board of Directors of the Association, and any such signs required by the management company under contract with the Association.

10.10 Animals. No livestock, animals, chickens or fowl of any kind shall be permitted except dogs, cats and birds owned as domestic pets. No animals shall be kept for commercial purposes. Dogs, cats and birds shall not be kept in such number as to be an annoyance to other unit owners, but in any event, no unit owner shall own more than two (2) dogs, no more than two (2) cats, and/or no more than two (2) birds. In addition, no dogs or cats shall be permitted on the condominium property, except inside a unit, without being on a hand leash and under the immediate control of a responsible individual. All such pets must be walked in appropriate areas and each such pet owner shall be responsible for cleaning up after his pet. If any such pet owner fails to properly clean up after his pet, then the Association shall perform such service and shall bill the pet owner accordingly. The Association shall have the right to adopt and enforce such additional pet regulations as are reasonably necessary to ensure that such pets are not and do not become a nuisance.

10.11 Parking. No trailer, mobile home, house trailer, truck, tractor, commercial

vehicle of any kind or other machine, equipment or apparatus, or motorbike, motorcycle or motor scooter (herein collectively referred to as "Vehicles" and individually as a "Vehicle") shall be parked any place on the condominium property other than in the designated parking areas. No such Vehicle that takes up more than one (1) regular parking space shall be permitted on the condominium property. All such Vehicles which are initially designed and manufactured to be self-propelled with an individual engine must be in operating condition in order to be parked in any designated parking space, and no designated parking space shall be used as a site to store, repair and/or overhaul any such Vehicle. Parking of boats and boat trailers shall be in accordance with such rules and regulations as may be adopted by the Association from time to time. This restriction, with respect to parking, does not apply to the Developer in the performance of activities authorized by the Declaration and does not apply to commercial vehicles, machines and equipment required to perform construction, maintenance, refurbishing or repair services to a unit or building for the period of time necessary for such construction, maintenance, refurbishing or repair.

10.12 Rules and Regulations. Reasonable rules and regulations concerning the use of the condominium property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and Bylaws. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all unit owners and residents of the condominium upon request.

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

10.14 Combining Units. Units may be physically combined into a single dwelling, but they shall nevertheless, for all other pertinent purposes, including, but not limited to, assessments, attribution of Common Elements, and voting, be deemed separate units. Units which had been or are combined to form one dwelling may be severed into their component

units (separate units) at any time the owner of the combined unit so desires. Any construction or modification of the interior of such units, as may be required to effectuate the severance of the combined units into separate units, shall be subject to the written approval of the Board of Directors of the Association, which approval shall not be unreasonably withheld. Such modification for the combining or severing of combined units shall in any and all events be accomplished at the sole expense of the unit owner or owners of the combined units and not at the expense of the Association. Nothing herein shall be deemed to require the Association or the Developer to approve any structural modifications of any load-bearing element. Furthermore, nothing herein shall be deemed to require the Association or Developer to approve any modification which will alter the exterior appearance of the condominium building in which the combined unit being severed into its component unit is located or in which the separate units being combined are located. Should the combining of units as described in this section be determined to violate the provisions of F.S. 718.110(4), an Amendment to this Declaration shall be approved, executed and recorded as required by F.S. 718.110(4).

11. **NOTICE OF LIEN OR SUIT.**

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

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

Failure to comply with this Section 11 concerning liens will not affect the validity of any judicial sale.

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

12.1 Utilities. As may be required for utility services in order to serve the

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

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

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

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

12.5 Right of Entry into Private Dwelling in Emergencies. The Association has the irrevocable right of access to each unit during reasonable hours, when necessary for the maintenance, repair or replacement of any Common Elements or of any portion of a unit to be maintained by the Association pursuant to the Declaration, or as necessary to prevent damage to the Common Elements or to a unit or units. In case of an emergency originating in or threatening any unit, regardless of whether or not the owner is present at the time of such emergency, the Association, or any other person authorized by it, shall have the right to enter such unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate, and, to facilitate entry in the event of any such emergency, the owner of each unit, if required by the Association, shall deposit under the control of the Association, a key to such unit.

12.6 Easement for Unintentional and Non-Negligent Encroachments. In the event that any unit shall encroach upon any of the Common Elements for any reason not caused by the purposeful or negligent act of the unit owner or owners, or agents of such owner or

owners, then an easement appurtenant to such unit shall exist for the continuance of such encroachment into the Common Elements for so long as such encroachment shall naturally exist; and, in the event that any portion of the Common Elements shall encroach upon any condominium unit, then an easement shall exist for the continuance of such encroachment of the Common Elements into any unit for so long as such encroachment shall naturally exist.

12.7 Air Space. An exclusive easement for the use of the air space occupied by a condominium unit as it exists at any particular time and as the unit may be altered pursuant to this Declaration.

12.8 Easements or Encroachments. Easements or encroachments by the perimeter walls, ceilings and floors surrounding each condominium unit.

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

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

13. ASSOCIATION. In order to provide for the proficient and effective administration of this condominium, each unit owner shall become a member of a non-profit corporation known as Caribbean Resort Condominium Association of Navarre Beach, Inc., organized under the laws of the State of Florida. The corporation shall administer the operation and management of this condominium, and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions and conditions of this Declaration of Condominium, the Articles of Incorporation

and Bylaws of the Association, the rules and regulations promulgated by the Association from time to time, and the laws of Florida.

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

13.2 Bylaws. A copy of the Bylaws of the Association is attached hereto as **Exhibit "D."**

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

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

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

13.6 Membership. The record owners of all units in this condominium shall be members of the Association and no other persons or entities shall be entitled to membership. Membership shall be established by acquisition of ownership of the 99 year leasehold estate in a condominium unit in this condominium, whether by conveyance, devise, judicial decree or otherwise, subject to the provisions of this Declaration and by the recordation among the public records of Santa Rosa County, Florida, of the deed or other instrument establishing the acquisition and designating the unit affected thereby and by the delivery to the Association of a true copy of such recorded deed or other instrument. The new owner designated in such deed or other such instrument shall thereupon become a member of the Association and the membership of the prior owner, as to the unit designated, shall be terminated.

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

13.8 Information. The Association shall make available to unit owners, and to holders, insurers or guarantors of any first mortgage on any unit, current copies of the Declaration, Articles of Incorporation, Bylaws, other rules and regulations concerning the Condominium property, and the books, records and financial statements of the Association. The term "available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

13.9 Financial Statements. Any holder of a first mortgage on any unit shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year.

13.10 Association's Rights and Restrictions. The Association shall have the right to grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium property. The Association has entered into a certain management agreement, including any amendments and modifications thereto, with JME Management, Inc., which management company shall handle all matters relating to the management of the Association, all as more particularly described in the management agreement. The Association shall have the right from time to time to otherwise enter into management agreements with companies satisfactory to Association to maintain and operate the Condominium property.

13.11 Developer's Retention of Control. Developer has the right to retain control of the Association after a majority of the units have been sold as more particularly set forth in the Articles of Incorporation.

13.12 Specific Rights of Institutional Mortgagees. An institutional mortgagee shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year of the Association. Upon written request to the Association identifying the name and address of the institutional mortgagee of any unit, such institutional mortgagee will be entitled to timely written notice of the following:

(1) Any condemnation, loss or other casualty loss which affects a material portion of the condominium or any unit which is encumbered by a mortgage held by the institutional mortgagee;

(2) Any delinquency in the payment of assessments or common expenses

owed by an owner of a unit subject to a mortgage held by an institutional mortgagee, which remains uncured for a period of sixty (60) days;

(3) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and/or

(4) Any proposed action which would require the consent of a specified percentage of mortgage holders.

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

14.1 **Authority to Purchase; Named Insured.** All insurance policies upon the condominium property shall be purchased by the Association. The named insured shall be the Association individually and as agent for the unit owners, without naming them, and as agent for the mortgagee of any unit owner. Provision shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of unit owners. Such policies shall provide that payments by the insurer for losses shall be made to the Association, or if required by the holder of a first mortgage on one of the units, an insurance trustee designated by the Association, and all policies and their endorsements shall be deposited with the Association or, if applicable, the insurance trustee. Unit owners may obtain insurance coverage, at their own expense, upon their personal property and for their personal liability and living expenses. All policies purchased by the Association must be written by insurance companies authorized to do business in the State of Florida, and with offices or agents in Florida, provided, however, all such insurance policies must be accepted and approved by the institutional first mortgagee holding the largest aggregate dollar sum of mortgages encumbering condominium units in the condominium, said sum to be ascertained at the time of purchase or renewal of each policy.

14.2 **Coverage.**

14.2.1 **Casualty.** All buildings and improvements upon the Land, including units and all personal property of the Association included in the condominium property, are to be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs and with deductibles as determined

by the Board of Directors of the Association, and all such insurance must be obtained, if possible, from the same company. Such coverage shall provide protection against:

14.2.1.1 Loss or damage by fire, wind, rain or other hazards, including flood, if available, covered by a standard extended coverage endorsement.

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

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

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

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

14.3 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association.

14.4 Assured. All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees, as their interest may appear, and shall provide that all proceeds covering casualty losses shall be paid to any bank in Santa Rosa or Escambia County, with trust powers as may be approved and designated an insurance trustee by the Board of Directors of the Association, which trustee is herein referred to as the "Insurance Trustee." All insurance policies shall require written notification to each institutional mortgagee not less than ten (10) days in advance of cancellation of any insurance policy insuring the condominium property.

The Insurance Trustee shall not be liable for payment of premiums, nor the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold same in trust for the purposes elsewhere stated herein and for the benefit of the unit owners and their mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee:

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

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

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

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

14.5 Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the beneficial owners in the following manner:

14.5.1 **Expense of the Trust.** All expenses of the Insurance Trustee shall be first paid or provisions made therefor.

14.5.2 **Reconstruction or Repair.** If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the costs thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to all unit owners in proportion to their undivided share of the common surplus.

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

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

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

15. **RECONSTRUCTION OR REPAIR AFTER CASUALTY.**

15.1 **Determination to Reconstruct or Repair.** If any part of the condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

15.1.1 **Common Element.** If the damaged improvements is a Common Element, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the condominium shall be terminated.

15.1.2 **Condominium Building.**

15.1.2.1 **Lesser Damage.** If the damaged improvement is a part of the condominium building, and if units to which forty percent (40%) of the Common Elements are appurtenant are found by the Board of Directors of the Association to be tenantable, the damaged property shall be reconstructed or repaired unless, within ninety (90) days after the casualty, it is determined in the manner elsewhere provided that the condominium shall be terminated.

15.1.2.2 **Major Damage.** If the damaged improvement is part of the condominium building, and if units to which more than sixty percent (60%)

of the Common Elements are appurtenant are found by the Board of Directors of the Association to be not tenable, then the damaged property will not be reconstructed or repaired and the condominium will be terminated, as elsewhere provided unless, within one hundred-twenty (120) days after the casualty, seventy-five percent (75%) of the record unit owners agree, in writing, to such reconstruction or repair.

15.1.3 **Certificate.** The Insurance Trustee may rely upon a certificate of the Association made by the President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

15.2 Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original buildings or, if not, then according to plans and specifications approved by the Board of Directors of the Association.

15.3 Responsibility. If the damage is only to those parts of one (1) unit for which the responsibility of maintenance and repair is that of the unit owner, then the unit owner shall be responsible for coordination of the reconstruction and repair after casualty. In all other instances, the responsibility for coordination of construction or repair after casualty shall be that of the Association.

15.4 Estimates of Costs. Immediately after a casualty causing damage to property for which the Association has the responsibility for maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

15.5 Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, the funds for the payment of the costs of thereof are insufficient, assessments shall be made against all unit owners in sufficient amounts to provide funds to pay the estimated costs. Such assessments shall be in proportion to the unit owner's share in the Common Elements.

15.6 Deductible Provision. The funds necessary to cover any deductible amount under an insurance policy against which a claim is made shall be a common expense.

15.7 Construction Funds. The funds for payment of costs of reconstruction and repair after casualty which shall consist of proceeds of insurance held by the Association and

from assessments against unit owners, shall be disbursed by the Association, or the management company, if so directed by the Association, in payment of such costs in the following manner:

15.7.1 **Association.** If costs of reconstruction and repair which are the responsibility of the Association are more than Fifty Thousand Dollars (\$50,000.00), then the sums paid upon assessments to meet such costs shall be deposited by the Association with the Insurance Trustee. In all other cases, the Association shall hold the sums paid upon such assessments and disburse the same in payment of the costs of reconstruction and repair.

15.7.2 **Unit Owner.** The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the unit owner, shall be paid by the Insurance Trustee to the unit owner or, if there is a mortgagee endorsement, then to the unit owner and the mortgagee jointly.

15.7.2.1 **Association - Lesser Damage.** If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than Fifty Thousand Dollars (\$50,000.00), then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

15.7.2.2 **Association - Major Damage.** If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is more than Fifty Thousand Dollars (\$50,000.00), then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an architect or engineer qualified to practice in the State of Florida and employed by the Association to supervise the work.

15.7.2.3 **Surplus.** It shall be presumed that the first monies

disbursed in payment of costs for reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the owner of the fund in the manner elsewhere stated.

15.7.2.4 Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by unit owners upon assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine the payee, nor the amount to be paid, nor to determine whether surplus funds to be distributed are less than the assessments paid by unit owners. Instead, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided, that when a mortgagee is herein required in this instrument to be named as payee, the Insurance Trustee shall also name the mortgagee as payee of any distribution of insurance proceeds to a unit owner and further provided that when the Association, or a mortgagee which is the beneficiary of an insurance policy the proceeds of which are included in the construction funds so requires, the approval of an architect named by the Association shall first be obtained by the Association upon disbursements in payment of costs of reconstruction and repair.

16. **ASSESSMENTS.** The Board of Directors shall from time to time, and at least annually, prepare and adopt a budget for the Condominium, determine the amount payable by the unit owners to meet the common expenses of the condominium and the unit rent due from each unit owner to the Santa Rosa County Beach Administration, an agency of Santa Rosa County, Florida, and allocate and assess such expenses among the unit owners in accordance with the provisions of

this Declaration and the Bylaws ("General Assessment"). The Board of Directors shall advise all unit owners promptly in writing of the amount of the General Assessment payable by each of them as determined by the Board of Directors as aforesaid. The budget for common expenses and the unit rent shall include the reserves required by law or determined appropriate by the Board of Directors, the costs of carrying out the powers and duties of the Association and any other expenses designated as common expenses by the Condominium Act, this Declaration, the Articles of Incorporation, the Bylaws, and applicable rules and regulations of the Association. Incidental income to the Association, if any, may be used to pay regular or extraordinary Association expenses and liabilities, to fund reserve accounts, or otherwise as the Board of Directors shall determine from time to time, and need not be restricted or accumulated. Any adopted budget for common expenses shall be subject to change by the Board of Directors, and the amount of the General Assessment shall be changed in accordance with such revised budget for common expenses to cover actual expenses at any time.

In addition to General Assessments, the Board of Directors may levy "Special Assessments" and "Capital Improvement Assessments" upon the following terms and conditions:

(a) "Special Assessments" shall mean or refer to amounts levied against each owner and such owner's unit, representing a portion of the costs incurred by the Association for specific purposes of a nonrecurring nature which are not in the nature of capital improvements.

(b) "Capital Improvement Assessments" shall mean and refer to amounts levied against each owner and such owner's unit, representing a portion of the costs incurred by the Association for the acquisition, installation, construction or replacement (as distinguished from maintenance, repairs and replacement) of any capital improvements located or to be located within the Common Elements.

(c) Special Assessments and Capital Improvement Assessments may be levied by the Board of Directors and shall be payable in lump sums or installments, in the discretion of the Board of Directors; provided that, if such Special Assessments and Capital Improvement Assessments, in the aggregate in any year, exceed \$5,000.00 or cause the total assessments levied to exceed 115% of assessments for the preceding calendar year, the Board of Directors must obtain approval of a majority of the record unit owners of the Caribbean

Resort Condominium, represented at a meeting duly called, noticed and held in accordance with the Bylaws and the Act. The General Assessments, Special Assessments and Capital Improvement Assessments, shall be collectively referred to hereinafter as the "assessments".

16.1 Share of Common Expenses and Unit Rent Payment. Each unit owner shall be liable for a proportionate share of the common expenses and shall be entitled to an undivided share of the common surplus, such shares being set forth in **Exhibit "B."** Each unit owner shall be responsible for the payment of a portion of the rent or lease payment which will be due pursuant to the provisions of the 99 year lease agreement, which lease or rent payments shall be payable to the Association for the benefit of the Santa Rosa County Beach Administration. The unit rent for each unit is, as of the date of recordation of this Declaration, \$250.00 per year. In the event a unit owner shall fail to pay his unit rent when due, the Association shall have a lien upon the Unit, as provided for in this Section 16, to the same extent and on the same conditions as it has for assessment for common expenses. A unit owner, regardless of how title is acquired, including, without limitation, a purchaser at a judicial sale, shall be liable for all assessments and unit rent coming due while he is the owner of a unit. Each assessment against a unit and all annual unit rent shall also be the personal obligation of the unit owner at the time the assessment fell due. Such personal obligation shall not pass to successors in title unless assumed by them, or required by applicable law.

16.2 Non Waiver. The liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by abandonment of the unit for which the assessment is made.

16.3 Interest; Application of Payment. Assessments and installments on such assessments paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall bear interest at the highest rate allowed by the laws of the State of Florida from the date when due, until paid. All payments upon account shall be first applied to interest and then to the assessment payment first due.

16.4 Lien for Assessments and for Unit Rent. The Association has a lien on each condominium unit to secure the payment of assessments and unit rent. Except as otherwise

provided, the lien is effective from and shall relate back to the recording of the original Declaration. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien in the public records of the county in which the condominium unit is located. Nothing in this Section 16.4 shall be construed to bestow upon any lien, mortgage or certified judgment of record on April 1, 1992, including the lien for unpaid assessments created herein, a priority which, by law, the lien, mortgage or judgment did not have before that date.

To be valid, the lien must state the description of the condominium unit, the name of the record owner, the name and address of the Association, the amount due, and the due dates. It must be executed and acknowledged by an officer or authorized agent of the Association. No such lien shall be effective longer than one (1) year after the claim of lien was recorded unless, within that time, an action to enforce the lien is commenced. The one (1) year period shall automatically be extended for any length of time during which the Association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the unit owner or any other person claiming an interest in the unit. The claim of lien shall secure all unpaid assessments and all unpaid unit rents, which are due and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a certificate of title, as well as interest and all reasonable attorneys' fees incurred by the Association incident to the collection process. Upon payment in full, the person making the payment is entitled to a recordable satisfaction of the lien. Any payment for unpaid assessments and unpaid unit rent not received by the Association within fifteen (15) days of the due date for payment shall be charged a late fee equal to five percent (5%) of the unpaid assessment.

16.5 Collection and Foreclosure. The Board of Directors may take such action as they deem necessary to collect assessments and unit rent due the Association, by personal action or by enforcing the foreclosing of said lien, and may settle and compromise same, if in the best interest 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 the Condominium Act. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an assessment lien, or unit rent 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, if the unit is rented or leased during the pendency of the foreclosure action, the Association is entitled to the appointment of a receiver to collect the rent, and the expenses of the receiver shall be paid by the party which does not prevail in the foreclosure action.

16.6 Liability of Mortgagee, Lienor, or Judicial Sale Purchaser for Assessment and Unit Rent. A unit owner, regardless of how his title has been acquired, including purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments and unit rent which became due while he is the unit owner. Additionally, a unit owner is jointly and severally liable with the previous owner for all unpaid assessments and all unpaid unit rent that came due up to the time of transfer of title. This liability is without prejudice to any right the owner may have to recover from the previous owner the amounts paid by the owner.

The liability of a first mortgagee or successor(s) or assignees who acquire title to a unit by foreclosure of or by deed in lieu of foreclosure for the unpaid assessments and unpaid unit rent that become due prior to the first mortgagee's acquisition of title is limited to the lesser of:

1. The unit's unpaid common expenses and regular periodic assessments which accrued or came due during the six (6) months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or
2. One percent (1%) of the original mortgage debt. The provisions of this subparagraph shall not apply unless the first mortgagee joined the Association as a defendant in the foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the first mortgagee.

The person acquiring title shall pay the amount owed to the Association within thirty (30) days after transfer of title. Failure to pay the full amount when due shall entitle the Association to record a claim of lien against the unit and proceed in the same manner as provided in this Section 16.6 for the collection of unpaid assessments.

16.7 Assignment of Claim of Lien Rights. Provided that the Association first

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

16.8 Unpaid Assessments and Unpaid Unit Rent - Certificate. Any unit owner shall have the right to require from the Association a certificate showing the amount of unpaid assessments and unpaid unit rent against him with respect to his condominium unit. The holder of a mortgage or other lien shall have the same right as to any condominium unit upon which it has a lien. Any person other than the owner who relies upon such certificate shall be protected thereby.

16.9 Priority of Lien. Any lien of the Association for common expenses, assessments, or unit rent payable or other charges on or after the date of recordation of the first mortgage on any unit shall be subordinated to the lien of the first mortgage, except to the extent and in the amounts required by Florida law.

16.10 Working Capital Fund. A working capital fund shall be established by the payment of each purchaser of two (2) months' maintenance charges for each unit. Each unit's share of the working capital fund will be collected and transferred to the Association at the time of closing of the sale of each unit and maintained in a segregated account for the use and benefit of the Association. The purpose of the working capital fund is to ensure that the Association Board of Directors will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Board of Directors. Amounts paid into the working capital fund are not advance payments of regular assessments but a separate and distinct payment of two (2) months' maintenance charges into the working capital fund. The working capital fund may not be used by the Developer.

17. COMPLIANCE AND DEFAULT. Each unit owner shall be governed by and shall comply with the terms of the Declaration, Articles of Incorporation, Bylaws, and rules and regulations adopted pursuant thereto, and said documents and rules and regulations as they may be amended from time to time. The failure of unit owners to comply therewith shall entitle the Association or other unit owners to the following relief in addition to the remedies provided by the Condominium Act:

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

17.2 Costs And Attorneys' Fees. In any proceeding arising because of an alleged failure of a unit owner or the Association to comply with the terms of the Declaration, Articles of Incorporation, the Bylaws and the rules and regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the court.

17.3 No Waiver of Rights. The failure of the Association or any unit owner to enforce a covenant, restriction or other provision of the Condominium Act, this Declaration, or any of the exhibits attached hereto, shall not constitute a waiver of the right to do so thereafter.

17.4 Fines. The Board of Directors of the Association may upon notice and hearing before the Board of Directors, fine, and charge any offending member a sum not to exceed One Hundred Dollars (\$100.00) for each infraction of the provisions of this Declaration, the Articles of Incorporation, Bylaws or rules and regulations of the Association. No fine shall constitute a lien against the unit. The provisions of this section shall not apply to unoccupied units.

18. AMENDMENT OF DECLARATION. Except as elsewhere provided otherwise, this Declaration may be amended in the following manner:

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

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

18.2.1 Not less than seventy-five percent (75%) of the votes of the entire

membership of the Board of Directors and by not less than seventy-five percent (75%) of the votes of the record owners of units of Caribbean Resort Condominium;
or

18.2.2 Not less than eighty percent (80%) of the votes of the record owners of units of Caribbean Resort Condominium;

provided, however, that (1) no amendment to this Declaration shall be made which affects any of the rights and privileges provided to the Developer as defined herein without the written consent of such Developer, and (2) no amendment may change the configuration or size of any condominium unit in any material fashion, materially alter or modify the appurtenances to the unit, or change the proportion or percentage by which the owner of the unit shares the common expenses and owns the common surplus unless the record owner of the unit and all record owners of liens on the unit join in the execution of the amendment and unless all the record owners of all other units approve the amendment. All amendments under this Section 18.2 shall be recorded and certified as required by the Condominium Act.

18.3 Resolution of Adoption for Errors or Omissions Not Materially Adversely Affecting Property Rights of the Unit Owners. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by members of the Association whenever it appears that there is a defect, an omission or error in this Declaration or any exhibit attached hereto, or amendment hereto, in accordance with the following procedure:

18.3.1 Not less than fifty percent (50%) of the votes of the entire membership of the Board of Directors and by not less than fifty percent (50%) of the votes of the record owners of units of Caribbean Resort Condominium.

18.3.2 Any amendment adopted pursuant to the provisions of Section 18.3 shall not materially adversely affect the property rights of unit owners.

18.3.3 Until the Developer has sold and conveyed all of the units in the condominium, any amendment adopted, pursuant to this Section 18.3, must be approved and consented to by the Developer.

This procedure as set forth in this Section 18.3 for amendment cannot be used if such an amendment would materially or adversely affect property rights of unit owners, unless the affected unit owners consent in writing. This Section 18.3 does not restrict the powers of the

Association to otherwise amend the Declaration, or other documentation, but authorizes a simple process of amendment requiring a lesser vote for the purpose of curing defects, omissions or errors when the property rights of unit owners are not materially or adversely affected.

18.4 Proviso. No amendment shall discriminate against any unit owner or against any unit, or class or group of units, unless the unit owners so affected and their first mortgagees shall consent; and no amendment shall change any unit or the share in the Common Elements and other of its appurtenances or increase the owner's share of the common expenses, except as hereinabove provided, unless the owner of the unit concerned and all such first mortgagees as first above recited, shall join in the execution of the amendment. Neither shall an amendment make any change in the section entitled "Insurance" nor in the section entitled "Reconstruction or Repair After Casualty" unless the record owners of all first mortgages upon the condominium shall join in the execution of the amendment; nor shall any amendment to this Declaration make any change which would in any way affect any of the rights, privileges, powers and options of the Developer unless the Developer shall join in the execution of such amendment.

18.5 Execution and Recording. A copy of each amendment shall be attached to or incorporated in a certificate certifying that the amendment was adopted, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be effective when such certificate is recorded in the public records of Santa Rosa County, Florida.

18.6 Amendments. The section entitled "Termination" concerning termination cannot be amended without consent of four-fifths (4/5) of all record unit owners and four-fifths (4/5) of all record owners of first mortgages upon condominium units.

19. **DEVELOPER'S UNITS AND PRIVILEGES.**

19.1 Developer. The Developer, at the time of filing of this Declaration, is the owner of the leasehold estate in the real property, individual units, and appurtenances comprising this condominium property. Therefore, the Developer, until all of the units have been sold and closed, shall be irrevocably empowered, notwithstanding anything herein to the contrary, to sell, lease or rent units to any person approved by the Developer, and shall have the exclusive right to use the Manager's Office, and the seven storage rooms that are Limited

Common Elements of units 1801, 1802 and 1803, respectively, for sales, management and storage purposes, at its sole discretion. Developer shall have the right to transact upon the condominium property any business necessary to consummate the sale of units, including, but not limited to, the right to maintain models, have signs, staff employees, maintain offices (including without limitation management offices), use the Common Elements, entertain prospective purchasers and show units. Any sales office, signs, fixtures or furnishings, or other tangible personal property belonging to the Developer shall not be considered Common Elements and shall remain the property of the Developer.

19.2 Amendment of Condominium Plans and Declaration. The Developer reserves the right to change the interior design and arrangement of all units and to otherwise make whatever changes it may deem necessary in the condominium drawings recorded herewith as **Exhibit "A"** and this Declaration until such time as fifty-one percent (51%) of the units have been sold and closed. The amendment reflecting such changes need only be executed by the Developer; provided, however, that no such amendment unilaterally approved by the Developer shall change the configuration or size of any unit in any material fashion, materially alter or modify the appurtenances to the unit, or change the proportion or percentage by which the unit owner shares the common expenses and owns the common surplus, unless such amendment is also approved by all of the record unit owners of Caribbean Resort Condominium, and unless the record owner of the unit and all record owners of liens on the unit join in the execution of the amendment.

19.3 Amendment. Notwithstanding anything herein to the contrary, the provisions of this Section 19 shall not be subject to any amendment until the Developer has sold and closed all of the units in the Condominium. In addition to any other method of amending this Declaration provided for elsewhere herein, Developer reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce

any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering unit ownerships, (iii) to bring this Declaration into compliance with the Condominium Act, (iv) to correct clerical or typographical errors in this Declaration or any exhibit hereto or any amendment thereto or (v) to make any other non-material change in this Declaration or any exhibit hereto or any amendment thereto. In furtherance of the foregoing, an irrevocable power coupled with an interest is hereby reserved and granted to the Developer to make or consent to a Special Amendment on behalf of each owner, the Association, mortgagee or other lienholder. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Developer to make, execute and record any such Special Amendment. The reserved rights of the Developer under this Article shall terminate ten (10) years from the date of recording of the Declaration, or at the time of the Developer's conveyance of the last unit, whichever occurs first.

19.4 Developer's Reservation of Right to Extend Common Elements to Other Real Property. Developer expressly reserves the right to extend the Common Elements and use of the Common Elements to other parties (including without limitation to the Developer itself and any purchasers of units from Developer) in the event that Developer purchases and develops a condominium upon real property adjacent to and in close proximity to the Condominium Property.

20. **TERMINATION.** The condominium may be terminated in the following manner, in addition to the manner provided in the Condominium Act:

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

20.2 Agreement. The condominium may be terminated by the approval, in writing, of all of the owners of the units therein and by all record owners of mortgages thereon, or in the alternative, if the proposed termination is submitted to a meeting of the members of the Association, the notice of which meeting gives notice of the proposed termination, and if the approval of not less than seventy-five percent (75%) of the record owners of units, and of the record owners of all mortgages upon the units, are obtained, in writing, not later than thirty (30) days from the date of such meeting, then the approving owners shall have an

option to buy all of the units of the other owners for the period ending on the sixtieth (60th) day from the date of such meeting. Such approvals shall be irrevocable until the expiration of the option and, if the option is exercised, the approval shall be irrevocable. Such option shall be upon the following terms:

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

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

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

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

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

20.4 Shares of Owners After Termination. After termination of the condominium, unit owners shall own the condominium property and all assets of the Association as tenants in common in undivided shares, and their respective mortgagees and lienors shall have

mortgages and liens upon the respective undivided shares of the unit owners. Such undivided shares of the unit owners shall be known as "termination shares" and shall be ascertained as follows:

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

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

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

21. **SEVERABILITY AND INVALIDITY.** The invalidity in whole or in part of any covenant or restriction, or any section, subsection, paragraph, subparagraph, sentence, clause, phrase or word, or other provision in this Declaration or the exhibits thereto including the Articles of Incorporation, Bylaws and Rules and Regulations of the Association shall not affect the validity of the remaining portions.

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

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

23. **RIGHT OF TRANSFER.** The right of a unit owner to sell, transfer or otherwise convey his unit shall not be subject to any right of first refusal or similar restriction; provided, however, no unit owner shall sell or lease or otherwise transfer his unit until and unless all assessments are paid, or the payment is provided for to the satisfaction of the Association. If a unit owner shall lease his unit, he shall remain liable for the performance of all agreements and covenants in the Declaration, and shall be liable for the violations by his lessee of any and all use restrictions.

23.1 Entire units, or portions thereof, may be leased by the unit owners; provided, however, that such lease and the rights of any tenant thereunder are hereby expressly subject to the provisions of the condominium documents and the power of the Association to prescribe reasonable rules and regulations relating to the lease and rental of units and to enforce the same directly against such tenant or other occupant by the exercise of such remedies as the Board of Directors of Association deems appropriate, including eviction; provided, however, that any rules or regulations promulgated by the Association shall not (i) set a minimum rental period of less than overnight or a maximum rental period, or (ii) materially limit the practicability of a unit owner to rent his unit. All leases or rental agreements must be in writing. Anything to the contrary notwithstanding, the Developer, and its assigns, retain the right to maintain sales offices, management offices, leasing and operations offices, and models on the condominium property as provided in Section 19 above.

24. **CONDEMNATION.** Any condemnation of any portion(s) of the Condominium Property shall be governed by the following provisions:

24.1 **Deposit of Certain Condemnation Awards with Insurance Trustee.** Condemnation awards pertaining to the taking of Common Elements shall be paid over by each unit owner to the Insurance Trustee for use as noted hereinafter in this Section. In the event the unit owner fails to turn over such award as required, the defaulting unit owner shall be charged the maximum interest which does not constitute usury under Florida law until such amount is fully paid. Condemnation awards pertaining to the condemnation of Units shall not be the property of the Association.

24.2 **Determination Whether to Continue Condominium.** Whether the condominium will be continued after condemnation will be determined in the manner provided for herein for determining whether damaged property will be reconstructed and repaired after casualty. For this purpose, the taking by eminent domain also shall be deemed to be a casualty.

24.3 **Disbursement of Funds.** If the condominium is terminated following a condemnation, the proceeds of the awards pertaining to the condemnation of Common Elements will

be deemed to be insurance proceeds and shall be owned and distributed in the manner provided with respect to the ownership and distribution of insurance proceeds if the condominium is terminated after a casualty. If the condominium is not terminated after condemnation, the size of the condominium will be reduced and the property damaged by the taking will be made usable in the manner provided below. The proceeds of any such awards shall be used for these purposes and shall be disbursed in the manner provided for disbursement of funds by the Insurance Trustee after a casualty, or as elsewhere in this Section specifically provided.

24.4 Condemnation of Common Elements. Awards for the taking of portions of the Common Elements shall be used to render the remaining portion of the Common Elements usable in the manner approved by the Board of Directors of the Association; provided, however, that if the cost of such work shall exceed the balance of the funds from the awards for the taking, the work shall be approved in the manner elsewhere required for capital improvements to the Common Elements. The balance of the awards for the taking of Common Elements, if any, shall be distributed, after adjustments to these shares on account of the condemnation in accordance with subparagraph 24.5.2, to each unit owner by check made payable jointly to such unit owner and its respective mortgagee(s), in accordance with the provisions of this Declaration.

24.5 Condemnation of a Unit. If there is a taking of a unit, the respective unit owner shall not be required to utilize any portion of the condemnation award with regard to reconstruction of the unit. Following such taking of a unit and the recording of a leasehold assignment to the condemning authority, (1) the affected unit owner shall no longer have an ownership interest in the unit or an undivided ownership interest in the Common Elements, and (2) such unit owner shall no longer be responsible for the payment of common expenses.

The following changes shall be made in the condominium following a taking as described in this Section:

24.5.1 Addition to Common Elements. The remaining portion of the unit, if any, shall become part of the Common Elements and shall be placed in a condition allowing, to the extent possible, for use by all of the unit owners in the manner approved by the Board of Directors.

24.5.2 Adjustment of Shares. The shares in the Common Elements, common expenses and common surplus appurtenant to the units that continue as part of the Condominium shall be adjusted to distribute the shares in the Common Elements, common expenses and Common Surplus among the reduced number of unit owners (and among reduced units). This distribution shall be determined by taking the fractional or percentage share of each unit owner in proportion to the number of units remaining in the Condominium.

24.5.3 Assessments. In the event the Association does not have the funds necessary to alter the remaining portion of the condemned unit for use as a part of the Common Elements, the additional funds for such purposes shall be raised by assessments against all of the unit owners who will continue as owners of units after the changes in the condominium effected by the taking. The assessments shall be made in proportion to the applicable percentage shares of those owners after all adjustments to such shares effected pursuant hereto by reason of the taking.

24.6 Amendment of Declaration. The changes in units, in the Common Elements and in the ownership of the Common Elements and share in the common expenses and common surplus that are effected by the taking shall be evidenced by an amendment to this Declaration that is only required to be approved by, and executed upon the direction of, a majority of all members of the Board of Directors.

25. **ADDITIONAL PROVISIONS**

25.1 Interpretation. The Board of Directors shall be responsible for interpreting the provisions hereof and of any of the exhibits attached hereto. Such interpretation shall be binding upon all parties unless wholly unreasonable. An opinion of legal counsel to the Association, or the legal counsel having drafted this Declaration, that any interpretation adopted by the Association is not unreasonable shall conclusively establish the validity of such interpretation.

25.2 Signature of President and Secretary. Wherever the signature of the President of the Association is required hereunder, the signature of a Vice-President may be substituted therefor, and, wherever the signature of the Secretary of the Association is required hereunder, the signature of an Assistant Secretary may be substituted therefor, provided that the same person may not execute any single instrument on behalf of the Association in 2 separate capacities.

25.3 Waiver. No provisions contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce the same, without regard to the number of violations or breaches which may occur.

25.4 Ratification. Each unit owner, by reason of having acquired ownership (whether by purchase, gift, operation of law or otherwise), and each occupant of a unit, by reason of his occupancy, shall be deemed to have acknowledged and agreed that all of the provisions of this Declaration, and the Articles of Incorporation, the Bylaws and applicable rules and regulations, are fair and reasonable in all material respects.

25.5 Gender; Plurality. For convenience and ease of reference, the third person singular impersonal form of pronoun "it" has been used herein without regard to the proper grammatical person or gender of the party being referred to. All such references shall be deemed to include the singular or plural person and the masculine, feminine or neuter gender, as required by the context.

25.6 Captions. The captions herein and in the exhibits annexed hereto are inserted only as a matter of convenience and for ease of reference and in no way define or limit the scope of the particular document or any provision thereof.

IN WITNESS WHEREOF, the Developer has executed this Declaration the day and year first above written.

Signed, sealed and delivered
in the presence of:

W. M. TEAM, INC., a Florida
Corporation

Name: James S. Campbell
Name: James M. Weber

By: [Signature]
Don R. Morgan
Its Vice President

[Corporate Seal]

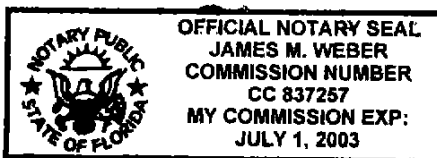


STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 22nd day of July, 1999, by Don R. Morgan, as Vice President of W. M. Team, Inc., a Florida Corporation, on behalf of the corporation. He is personally known to me or produced a Florida drivers license as identification, and did not take an oath.

(Notarial Seal)

James M. Weber
Print Name of Notary James M. Weber
My Commission Expires: July 1, 2003
Commission Number: CC 837257
My Commission Expires: _____



JOINDER BY SANTA ROSA COUNTY, FLORIDA

STATE OF FLORIDA

COUNTY OF SANTA ROSA

KNOW ALL MEN BY THESE PRESENTS, that Santa Rosa County, Florida, as Lessor, through its agent, the Santa Rosa Beach Administration, under that certain Restated and Amended Lease Agreement between Santa Rosa County Beach Administration and Walter J. Smith, as Lessee, dated April 19, 1979, and recorded in Official Records Book 1321, at Pages 576 through 589 of the public records of Escambia County, Florida, as amended by Amendment to Lease dated October 30, 1980, and recorded in Official Records Book 1548, at Pages 990 and 991 of the public records of Escambia County, Florida, hereinafter referred to as the "Lease", and pursuant to the provisions of Chapter 718, Florida Statutes, which requires that all persons or entities having record title to an interest in the land being submitted to condominium ownership join in the execution of the Declaration of Condominium, does hereby join in the Declaration of Condominium of Caribbean Resort Condominium, Navarre Beach, Florida, dated July __, 1999, for that purpose only, and assumes no liability of any kind or nature arising from any cause whatsoever, but joins in this Declaration for the sole purpose of subjecting the leasehold estate in the land described herein to the condominium form of leasehold ownership for and during the remainder of the 99 years as provided for in the Lease, and any extension thereof. Nothing herein shall affect or alter or in anyway change any provision of the Lease or Santa Rosa County, Florida's right to receive rent, and the Condominium will automatically terminate upon the termination of the Lease (or the last renewal term thereof, if renewable), and Santa Rosa County, Florida retains all of its rights and remedies pursuant to the Lease.

IN WITNESS WHEREOF, Santa Rosa County, Florida has hereunto set its hand and seal this 22nd day of July, 1999.

Signed, sealed and delivered in the presence of:

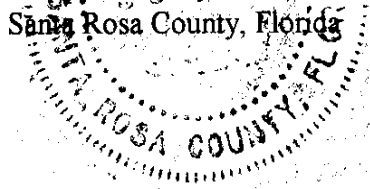
Sign: Mary Beth Anderson
Print: Mary Beth Anderson

Sign: Michelle Parker
Print: Michelle Parker

SANTA ROSA COUNTY, FLORIDA, a Political Subdivision of the State of Florida

By: [Signature]
Chairman or Vice Chairman of the Board of County Commissioners

ATTEST: [Signature]
Clerk or Deputy Clerk of the Circuit Court/Clerk or Deputy Clerk of the Board of County Commissioners of Santa Rosa County, Florida



JOINDER OF MORTGAGEE

First American Bank of Pensacola, N. A., the owner and holder of that certain Mortgage, Assignment of Rents, and Security Agreement from W. M. Team, Inc., dated February 27, 1998, and recorded in Official Records Book 1671, at Page 1262, together with UCC-1 Financing Statement recorded in Official Records Book 1671, at Page 1284, and re-recorded in Official Records Book 1690, at Page 602, as amended in Official Records Book 1690, at Page 607, together with an Assignment of Loan Documents recorded in Official Records Book 1720, at Page 1541, with all recording references being to the public records of Santa Rosa County, Florida, which Mortgage covers the following described leasehold estate real property, to-wit:

THE LEGAL DESCRIPTION OF THE LEASEHOLD ESTATE IS SET FORTH IN THE DECLARATION OF CONDOMINIUM OF CARIBBEAN RESORT CONDOMINIUM TO WHICH THIS JOINDER IS ATTACHED,

and pursuant to the provisions of Chapter 718, Florida Statutes, which requires that all persons or entities having any record interest in any mortgage encumbering the interest in land or leasehold estate being submitted to condominium ownership must join in or consent to the execution of the Declaration, does hereby join in and consent to the Declaration of Condominium of Caribbean Resort Condominium, for the purpose of subjecting the leasehold estate in the land described therein to condominium form of ownership.

IN WITNESS WHEREOF, this Joinder has been executed this 27th day of July, 1999.

FIRST AMERICAN BANK OF PENSACOLA,
N. A.

By: W E Bassett
William E. Bassett
Senior Vice President
33 West Garden Street
Pensacola, Florida 32501

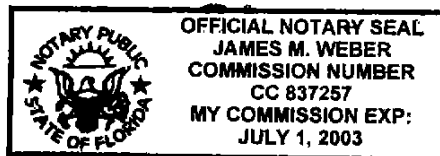
(Corporate Seal)

STATE OF FLORIDA

COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 27th day of July, 1999, by William E. Bassett, as Senior Vice President of First American Bank of Pensacola, N. A., a National Banking Corporation, on behalf of the corporation. He is personally known to me or he produced a Florida drivers license as identification.

James M. Weber
Notary Public, State of Florida
at Large
My Commission Expires: July 1, 2003



**EXHIBIT "A"
TO DECLARATION OF
CONDOMINIUM**

DESCRIPTION

CARIBBEAN RESORT CONDOMINIUM

(THE SURVEY, SITE PLAN, FLOOR PLANS,
AND GRAPHIC DRAWINGS ARE ALSO FILED
AT PAGE(S) 18 (18 Sheets) OF CONDOMINIUM
~~PLAT~~ BOOK I, OF THE PUBLIC RECORDS OF
SANTA ROSA COUNTY, FLORIDA.)

CARIBBEAN RESORT CONDOMINIUM

(OVERALL LEASEHOLD ESTATE PROPERTY LEGAL DESCRIPTION)

A portion of Lots 11 and 12, First Addition to Navarre Beach (Subdivision), Commercial Section 1, as recorded in Plat Book 5, Page 95, Escambia County, Florida, being more particularly described as follows:

Beginning at the Northwest corner of Lot 12 of the aforementioned Subdivision, go thence North 79°10'33" East along the southerly right-of-way of Gulf Boulevard (120' R/W as it exists in 1981), a distance of 33.00 feet; thence departing said right-of-way, South 10°49'27" East, 150.00 feet; thence North 79°10'33" East, 167.00 feet; thence South 10°49'27" East, 256.60 feet; thence South 79°10'33" West, 58.20 feet; thence South 10°49'27" East, 266.46 feet to a point near the approximate mean high water line (M.H.W.L.) of the Gulf of Mexico; thence meander South 76°17'57" West along said M.H.W.L., 141.98 feet to a point of intersection with the West line of the aforementioned Lot 12; thence departing the M.H.W.L., proceed North 10°49'27" West along said West line of Lot 12, 680.19 feet to the Point of Beginning. Containing 2.17 acres, more or less.

Subject to an ingress/egress easement described as follows: The West 33.00 feet of the North 120.00 feet of Lot 12, 1st Addition to Navarre Beach (Subdivision), Commercial Section 1, as recorded in Plat Book 5, Page 95, Escambia County, Florida.

THE ABOVE LEASEHOLD ESTATE PROPERTY IS NOW LYING AND BEING IN SANTA ROSA COUNTY, FLORIDA, BY VIRTUE OF A CHANGE IN BOUNDARY LINE BETWEEN ESCAMBIA COUNTY AND SANTA ROSA COUNTY, STATE OF FLORIDA.

NINETY-NINE YEAR LEASE

A 99-year leasehold estate in the above described real property created by that certain Restated and Amended Lease Agreement between Santa Rosa County Beach Administration, an agency of Santa Rosa County, Florida, as Lessor, and Walter J. Smith, as Lessee, dated April 19, 1979, and recorded in Official Records Book 1321, at Page 576 through 589 of the public records of Escambia County, Florida, as amended by Amendment to Leases between Santa Rosa County, as Lessor, and Walter J. Smith and Garlena C. Smith, as Lessee, dated October 30, 1980, and recorded in Official Records Book 1548, Page 99, of the public records of Escambia County, Florida. The 99-year leasehold estate commenced on May 7, 1968.

Narrative Description

CARIBBEAN RESORT CONDOMINIUM

Caribbean Resort Condominium contains one high-rise building consisting of a ground floor level and eighteen (18) living floor levels. The Condominium contains a total of fifty-four (54) residential units. Two elevators are to be provided.

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

Reference should be made to the site plan, floor plans, and building elevation set forth in this exhibit.

There are three (3) residential units on each of the eighteen (18) living floor levels. Each unit is completely contained within one floor level. For living floor levels 1 through 9, inclusive, the first digit in each unit number designates the floor on which the unit is located, and the last digit designates the location of the unit on that particular floor. For living floor levels 10 through 18, inclusive, the first two digits in each unit number designates the floor on which the unit is located, and the last digit designates the location of the unit on that particular floor. For example, all units on the fifth floor begin with the digit 5, and all units on the twelfth floor begin with the digits 12. The unit numbers for the units on the easterly side of the building end in the digit 1. The unit number for all middle units ends with the digit 2. The unit number for all units on the westerly side of the building end with the digit 3. The unit numbers, unit types, and numbers of bathrooms and bedrooms in each unit are set forth below as follows:

Unit No.	Type	# of Bedrooms	# of Baths	Unit No.	Type	# of Bedrooms	# of Baths
101	C	3	3	1001	C	3	3
102	A	3	2	1002	A	3	2
103	C	3	3	1003	C	3	3
201	C	3	3	1101	C	3	3
202	A	3	2	1102	A	3	2
203	C	3	3	1103	C	3	3
301	C	3	3	1201	C	3	3
302	A	3	2	1202	B	3	3
303	C	3	3	1203	C	3	3
401	C	3	3	1301	C	3	3
402	A	3	2	1302	B	3	3
403	C	3	3	1303	C	3	3
501	C	3	3	1401	C	3	3
502	A	3	2	1402	B	3	3
503	C	3	3	1403	C	3	3
601	C	3	3	1501	C	3	3
602	A	3	2	1502	B	3	3
603	C	3	3	1503	C	3	3
701	C	3	3	1601	C	3	3
702	A	3	2	1602	B	3	3
703	C	3	3	1603	C	3	3
801	C	3	3	1701	C	3	3
802	A	3	2	1702	B	3	3
803	C	3	3	1703	C	3	3
901	C	3	3	1801	PH East	3	3
902	A	3	2	1802	B	3	3
903	C	3	3	1803	PH West	3	3

EXHIBIT "A" CONTINUED

SURVEY AND
SURVEYOR'S CERTIFICATE

CARIBBEAN RESORT CONDOMINIUM

(THE SURVEY, SITE PLAN, FLOOR PLANS,
AND GRAPHIC DRAWINGS ARE ALSO FILED
AT PAGE(S) 18 (18 Sheets) OF CONDOMINIUM
~~PLAT~~ BOOK I, OF THE PUBLIC RECORDS OF
SANTA ROSA COUNTY, FLORIDA.)

SURVEYOR'S CERTIFICATE

The undersigned, a land surveyor duly authorized to practice under the laws of the State of Florida, hereby certifies that the construction of the improvements is substantially complete so that the material, i.e., Exhibit "A", all of which is an exhibit annexed to and made a part of the Declaration of Condominium of Caribbean Resort Condominium, Navarre Beach, Florida, together with the provisions of the Declaration describing the Condominium Property as it relates to matters of survey, is an accurate representation of the location and dimensions of the improvements, and are in sufficient detail to identify the common elements and each unit and their relative locations and approximate dimensions, and that the identification, location and dimensions of the common elements and of each unit can be determined from these materials.

Dated this 13TH day of JULY, 1999.

CHOCTAW ENGINEERING, INC.,
Registered Florida Land Surveyors

By: *J. A. Probst*
Surveyor
State Survey No.: 4450

EXHIBIT "A" CONTINUED

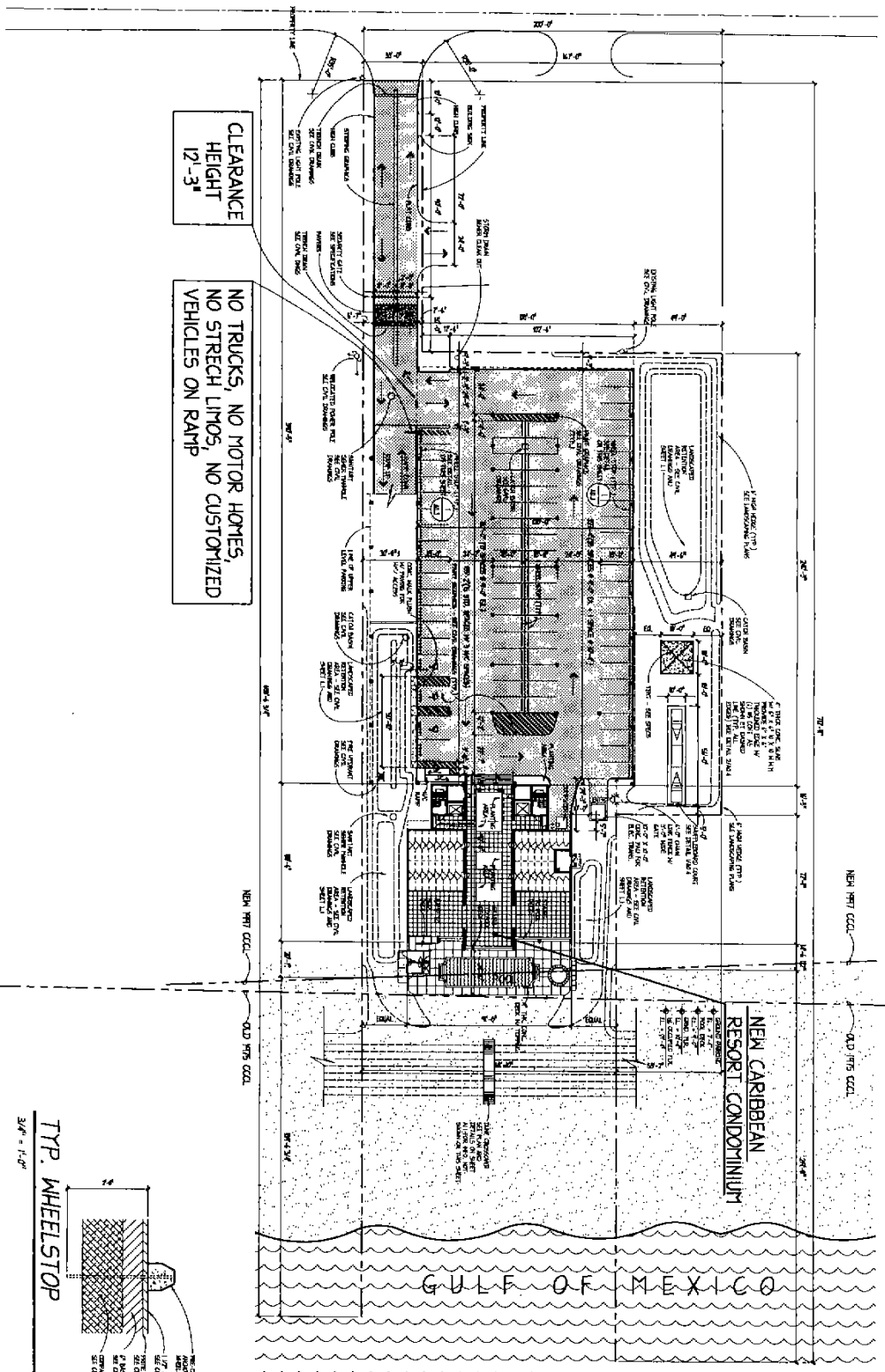
SITE PLAN,
FLOOR PLANS,
AND GRAPHIC DRAWINGS

CARIBBEAN RESORT CONDOMINIUM

(THE SURVEY, SITE PLAN, FLOOR PLANS,
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SANTA ROSA COUNTY, FLORIDA.)

ANY MODIFICATIONS TO THESE PLANS OR RE-USE OF THESE PLANS MUST BE APPROVED BY AND SIGNED BY THE ARCHITECT.

GULF BOULEVARD

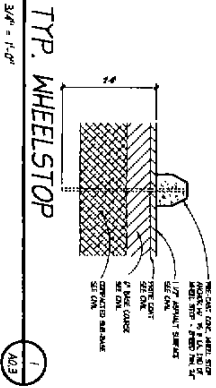


CLEARANCE HEIGHT 12'-3"

NO TRUCKS, NO MOTOR HOMES, NO STRECH LIMOS, NO CUSTOMIZED VEHICLES ON RAMP

SITE PLAN

11 - 30'-0"
See Landscape Plan on sheet L.1 for plantings not shown on this sheet.



LAND USAGE

CONDOMINIUM LOT SIZE 2.18 ACRES
CONDOMINIUM FOOTPRINT 6,825 S.F. (71.8 % OF SITE)
54 UNITS (2.5 PARKING SPACES PER UNIT)
11 - 3 BDRM / 2 BATH UNITS
43 - 3 BDRM / 3 BATH LOCK-OUT UNITS
54 UNITS PROVIDED (136 SPACES PROVIDED)

SITE INFORMATION

PARKING
57 UPPER LEVEL PARKING SPACES
2 UPPER LEVEL H/C PARKING SPACES
74 GROUND LEVEL STANDARD PARKING SPACES
3 GROUND LEVEL H/C PARKING SPACES
136 TOTAL PARKING SPACES (135 REQUIRED)

SITE AMENITIES

LANDSCAPED SWIMMING POOL AND DECK
LANDSCAPED RETENTION POND AREAS
TENNIS COURT ON UPPER PARKING LEVEL
SHUFFLE BOARD COURT
SECURITY GATE
INDIVIDUAL STORAGE FOR EACH UNIT
EXERCISE ROOM W/ SAUNA

CA 99001 6/23/93 CONSTRUCTION 1-DWG 07/23/99 11:34

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THE LRWM TEAM

CARIBBEAN RESORT CONDOMINIUM

NAVARRE BEACH, FLORIDA

<p>THE LRWM TEAM MORAN STEINER ASSOC, AIA DAN MORAN, AIA P.O. BOX 884, TAMPA, FL 33601 TEL: 813 288 4750 FAX: 813 288 4749 WWW.LRWM.COM</p>		<p>DE WALLACE CONSTRUCTION CORP. DE WALLACE P.O. BOX 884, TAMPA, FL 33601 TEL: 813 288 4750 FAX: 813 288 4749</p>		<p>REVISION: REV #2 10/22/97 REV #1 10/31/97 REV #4 4/1/98 REV #5 5/10/98</p>	<p>DRAWN BY: J.H.A. DATE: 10/17/97 PROJECT NO: 402</p>
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SHEET NO.
A0.3

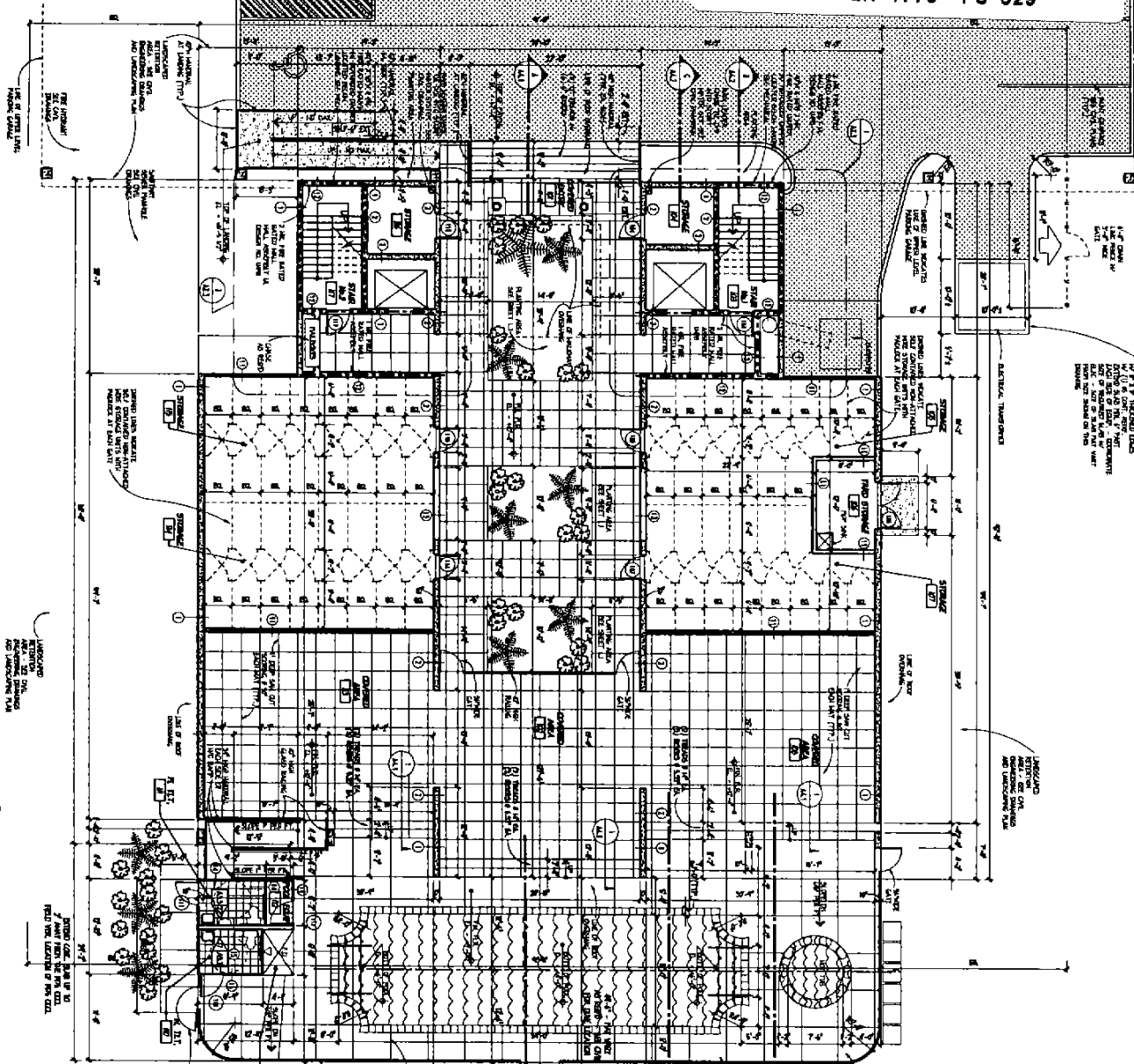
The leasehold estate in the land and all the improvements on the ground level are part of the Common Elements, except that the 54 wire enclosed storage areas and the designated parking spaces are limited common elements.

ANY MODIFICATIONS TO THESE PLANS OR RE-USE OF THESE PLANS MUST BE

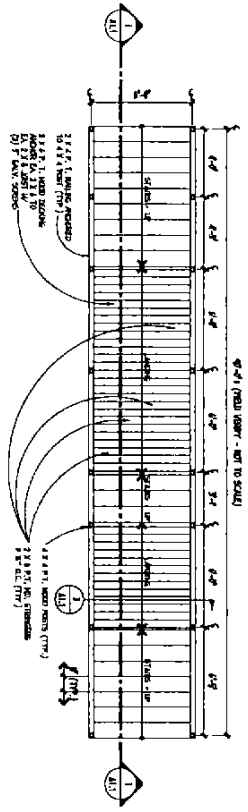
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RIGHTS

GROUND FLOOR PLAN
1/8" = 1'-0"



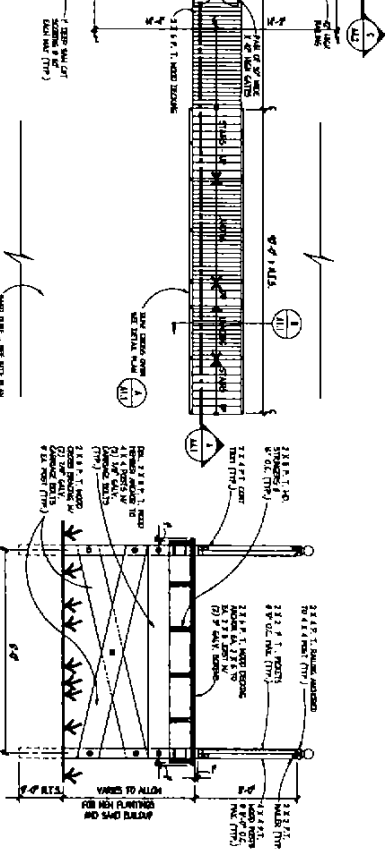
DUNE CROSSOVER PLAN
1/8" = 1'-0"



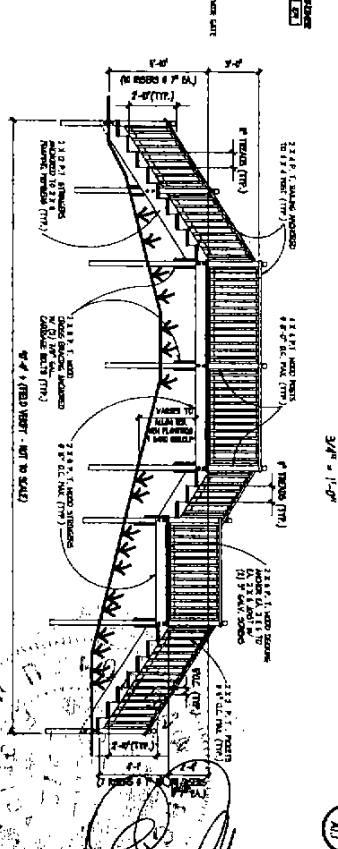
DUNE CROSSOVER GENERAL NOTE:

1. ALL DIMENSIONS SHALL BE IN FEET, UNLESS OTHERWISE INDICATED.
2. ALL DIMENSIONS SHALL BE MEASURED TO THE CENTERLINE OF THE WALKWAY.
3. ALL DIMENSIONS SHALL BE MEASURED TO THE CENTERLINE OF THE WALKWAY.
4. ALL DIMENSIONS SHALL BE MEASURED TO THE CENTERLINE OF THE WALKWAY.
5. ALL DIMENSIONS SHALL BE MEASURED TO THE CENTERLINE OF THE WALKWAY.
6. ALL DIMENSIONS SHALL BE MEASURED TO THE CENTERLINE OF THE WALKWAY.
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8. ALL DIMENSIONS SHALL BE MEASURED TO THE CENTERLINE OF THE WALKWAY.
9. ALL DIMENSIONS SHALL BE MEASURED TO THE CENTERLINE OF THE WALKWAY.
10. ALL DIMENSIONS SHALL BE MEASURED TO THE CENTERLINE OF THE WALKWAY.

TYP. DUNE CROSSOVER
3/8" = 1'-0"



DUNE CROSSOVER SECTION
1/8" = 1'-0"



NOTE: Field verify and adjust slabs as req'd to accommodate sand dune configuration and new plantings.

CARIBBEAN RESORT CONDOMINIUM
NAVARRE BEACH, FLORIDA

MORROW STRONG ASSOC. AIA
DON MORROW, AIA
P. O. BOX 1000, JACKSONVILLE, FL 32202
TELEPHONE 904-251-1111
FAX 904-251-1112

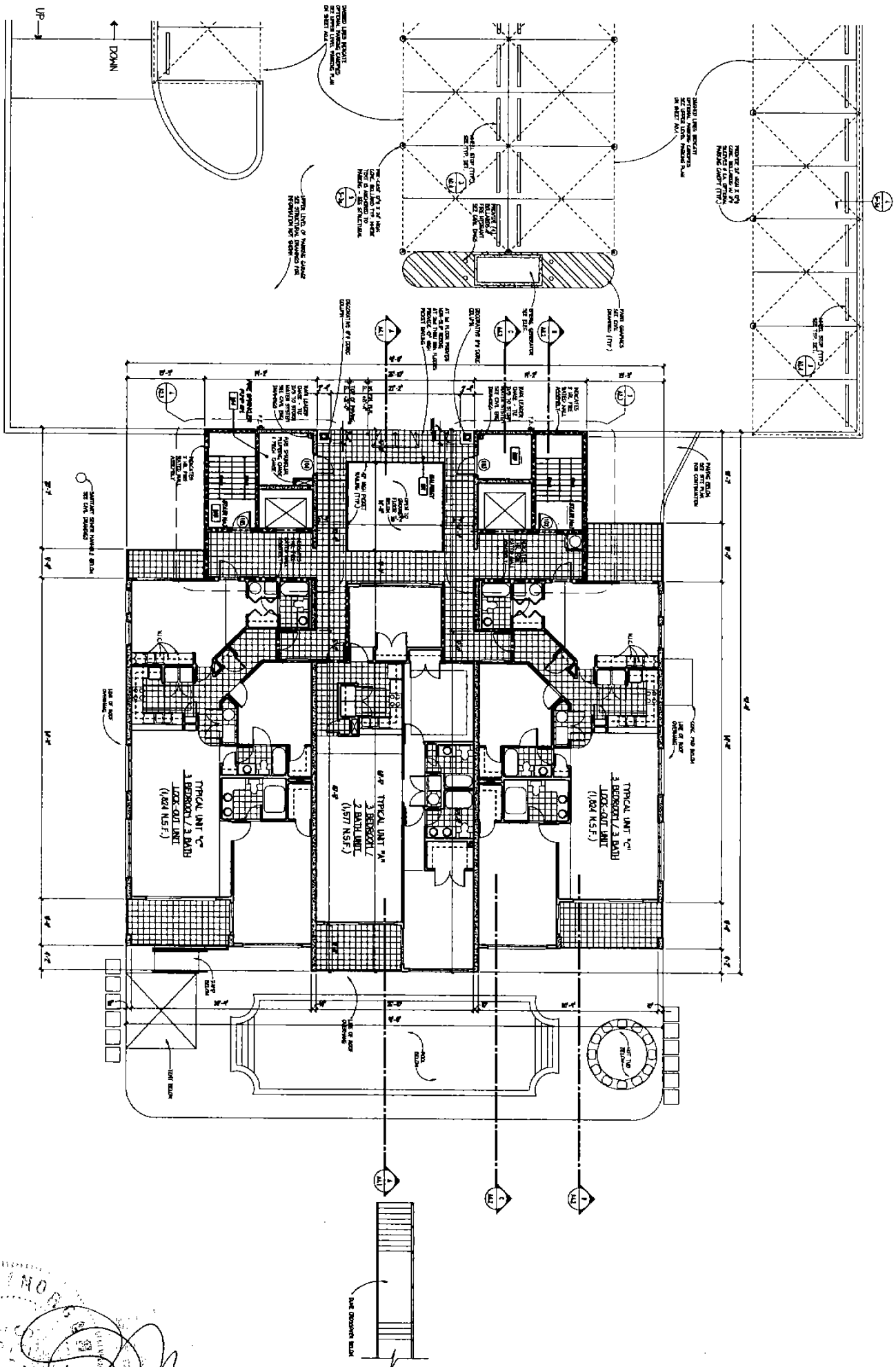
DE WALLACE CONTRACTOR CO.
D.L. WALLACE
P. O. BOX 1000, JACKSONVILLE, FL 32202
TELEPHONE 904-251-1111
FAX 904-251-1112

REVISION:	DRAWN BY:
REV 02 05/01/97	J.L.A.
REV 03 05/01/97	DATE:
REV 04 04/16/98	5/20/98
REV 05 04/22/98	PROJECT NO:
	625

SHEET NO. A11

The leasehold estate in the land and all the improvements on the ground level are part of the Common Elements, except that the 54 wire enclosed storage areas and the designated parking spaces are limited common elements.

C:\9801\9823\CONDOMIN\9823A1-2 11/06/98 12:01



1st THRU 11th FLOOR PLANS



Handwritten signature and circular stamp of the architect, including the text 'CONDOMINIO' and 'RECORD'.

CARIBBEAN RESORT CONDOMINIUM

NAVARRE BEACH, FLORIDA

MICHAEL STUBBS ARCHITECT, AIA
 6000 SEVENHILLS AVENUE
 P.O. BOX 100000, MIAMI, FL 33108-0000
 TELEPHONE 305-441-1000 FAX 305-441-1001
 WWW.MSTUBBS.COM

DE WALLACE CONSTRUCTION CORP.
 D.A. WALLACE
 P.O. BOX 1000, ALABAMA, AL 36501
 TELEPHONE 205-441-1000 FAX 205-441-1001

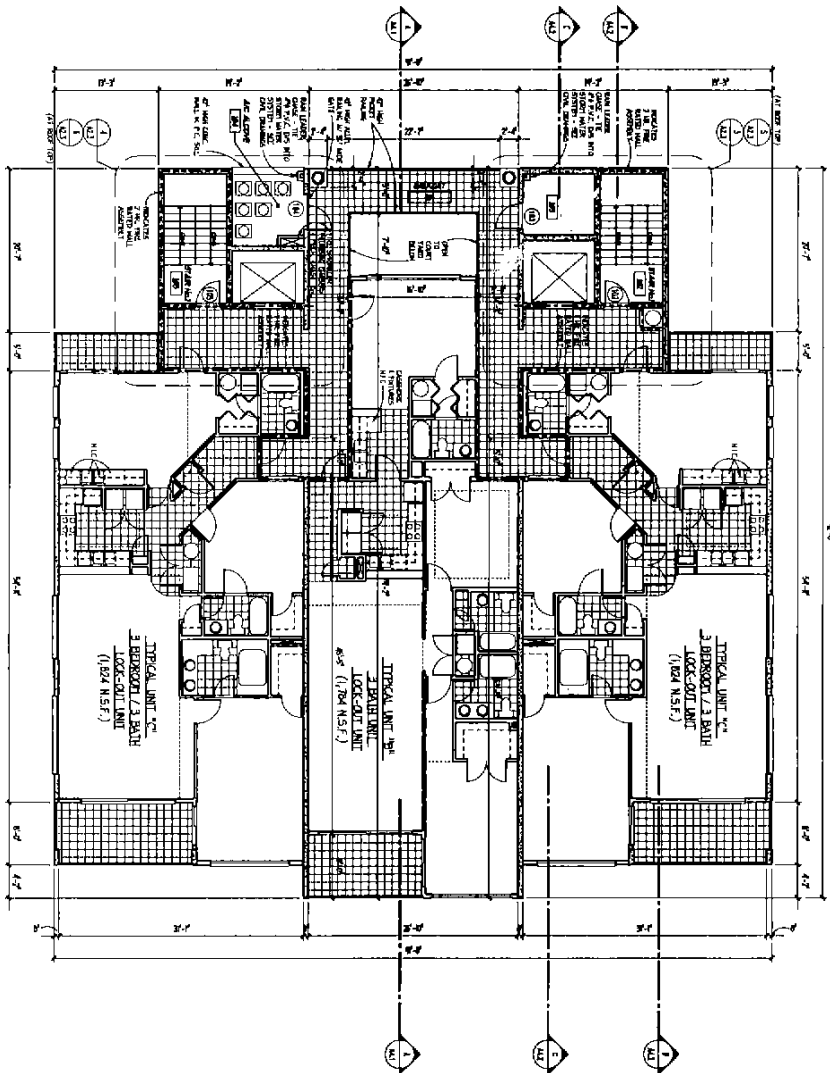
REVISION:	DRAWN BY:
REV #1 10/10/97	JPLA
REV #2 10/25/97	DATE:
REV #3 4/1/98	3/3/98
REV #4 5/12/98	PROJECT NO:
	1625

SHEET NO. A12

Each Unit has a balcony and heating and air conditioning equipment serving only that Unit, which are Limited Common Elements.

ANY MODIFICATIONS TO THESE PLANS OR RE-USE OF THESE PLANS MUST BE APPROVED BY AND SIGNED BY THE ARCHITECT.

C:\9801\9823\CONTRAC\9823A1-3 11/06/98 13:25



12th THRU 11th FLOOR PLANS



[Handwritten Signature]
FORGET
 THE LRWM TEAM
CARIBBEAN RESORT CONDOMINIUM
 NAYARRE BEACH, FLORIDA

SHEET NO.
A13

THE LRWM TEAM

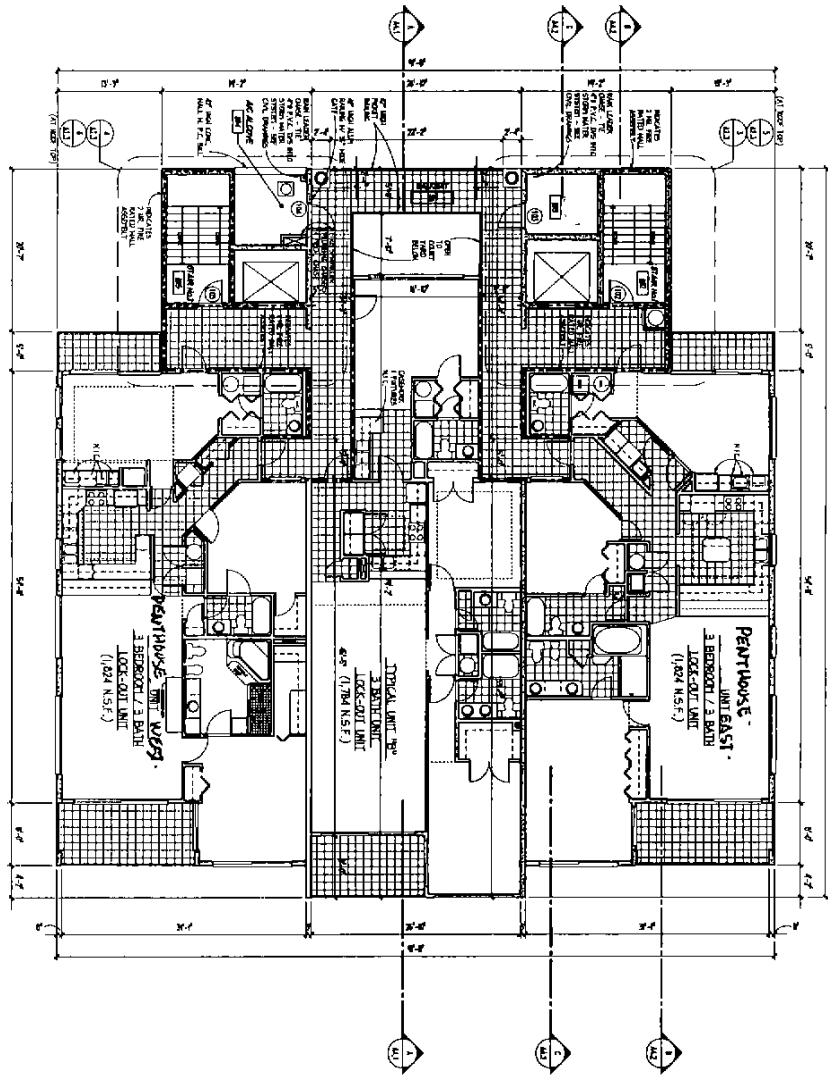
MCBRIDE STEWART ASSOC, AIA
 DON NEWMAN, AIA
 D.E. WALLACE CONSTRUCTION CORP.
 D.E. WALLACE
 P.O. BOX 998, ALABAMA, FL, 32003
 TELEPHONE 904-233-2200 FAX 904-233-2207
 E-MAIL: dnewman@mcbride.com

REVISION:	DRAWN BY:
REV #2 06/01/97	J.M.A.
REV #3 05/01/97	DATE:
REV #4 04/96	2/28/96
REV #5 5/22/96	PROJECT NO.:
	9625

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18th Floor Plan



[Handwritten signature]

THE LRWM TEAM

CARIBBEAN RESORT CONDOMINIUM
NAVARRE BEACH, FLORIDA

THE LRWM TEAM

MORAN STRONG ASSOC. AIA
DON KERRMAN, AIA
D.E. WALLACE CONSTRUCTION CORP.
D.E. WALLACE
P.O. BOX 998, PALM BEACH, FL 33480
TELEPHONE 561-833-0101 FAX 561-833-0102
© 1998, Construction

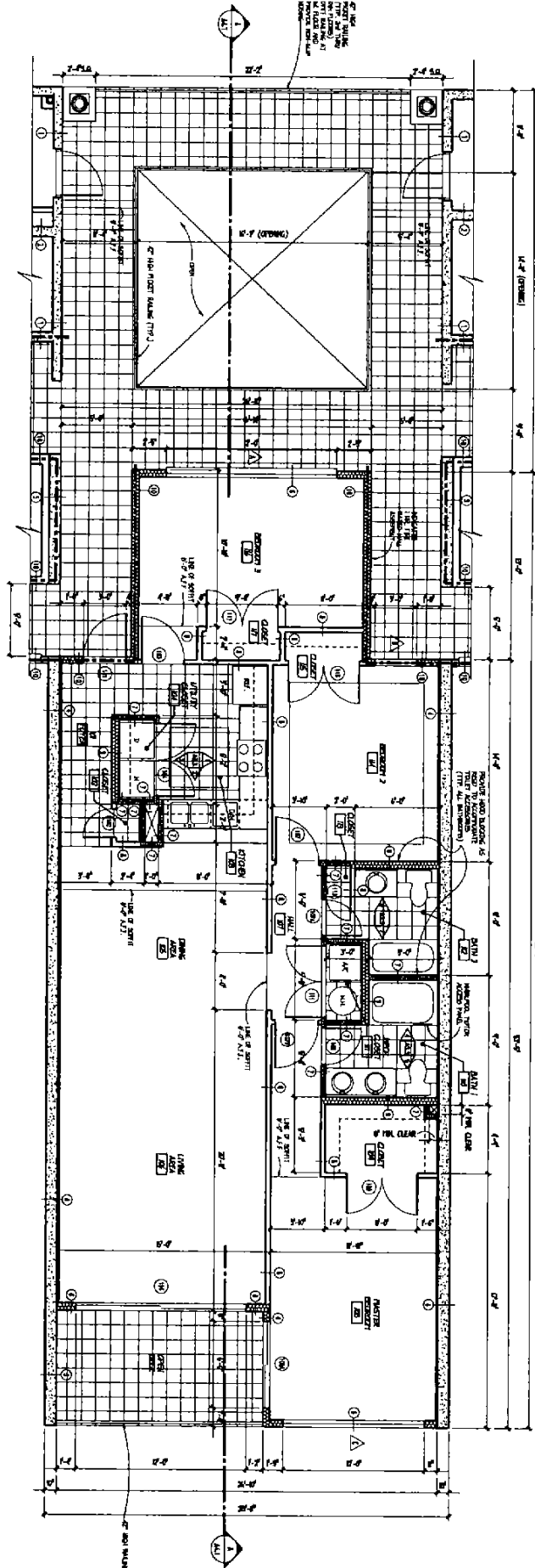
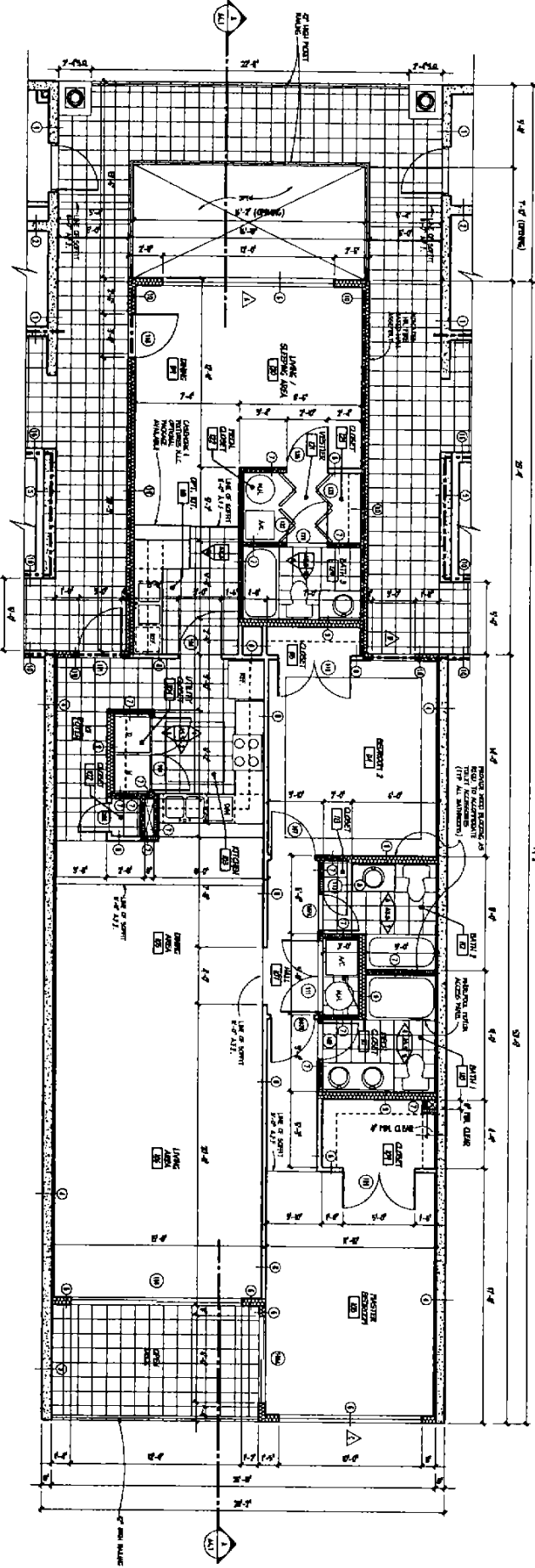
REVISION:	DRAWN BY:
REV #1 10/24/97	J.T.A.
REV #2 10/24/97	DATE:
REV #3 11/17/97	3/3/98
REV #4 4/17/98	PROJECT NO.:
REV #5 5/12/98	1625

SHEET NO.
A13A

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CS 0800 (REV) CONTRACT NO. 9829245-1 04/16/98 11:35



CARIBBEAN RESORT CONDOMINIUM
NAVARRE BEACH, FLORIDA

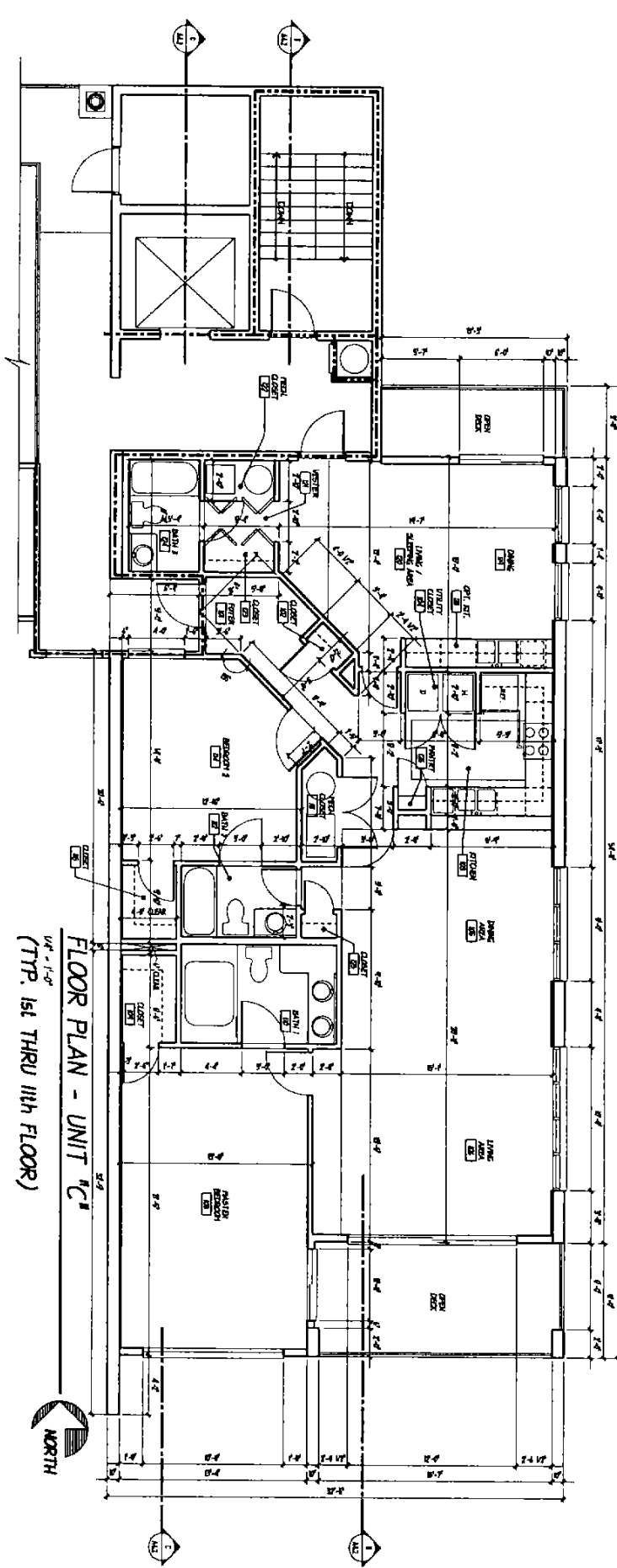
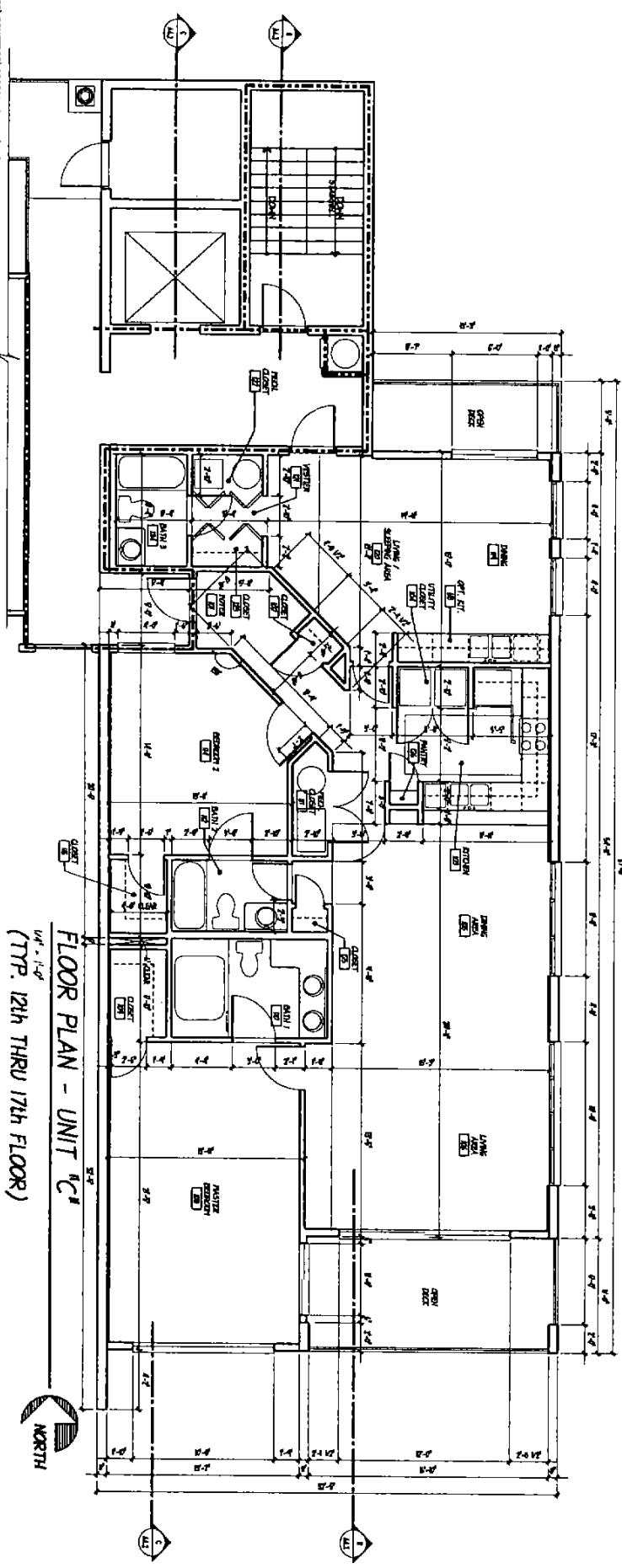
A21

MORRIS STRONG ARCH. AIA 200 NORTON AVE. P.O. BOX 988888 MIAMI BEACH, FLORIDA 33158-8888 TEL: 305-441-1111 FAX: 305-441-1111	DE WALLACE CONSTRUCTION CORP. 614 WALLACE P.O. BOX 988888 MIAMI BEACH, FLORIDA 33158-8888 TEL: 305-441-1111 FAX: 305-441-1111	REVISION: REV #2 10/24/97 REV #3 10/24/97 REV #4 11/4/98 REV #5 12/12/98	DRAWN BY: JJA DATE: 3/3/98 PROJECT NO: 425
---	---	--	---

The balcony area contiguous to and serving only that Unit, and the heating and air conditioning equipment serving only that Unit are Limited Common Elements. Except for the Limited Common Elements, all improvements on each floor that are not included within a Unit are Common Elements.

ANY MODIFICATIONS TO THESE PLANS OR RE-USE OF THESE PLANS MUST BE APP

CS 9600 9623 CONSTRUCTION 9623A-2 11/06/98 1126



A22

CARIBBEAN RESORT CONDOMINIUM

NAVARRE BEACH, FLORIDA

MONDAY STRONG ASSOC. AIA
DON MONDAY AIA
1. A. BISHOP DR. STERLING HEIGHTS, MI 48315
TELEPHONE 313-477-1101 FAX 313-477-1102
E-MAIL: dmonday@monday.com

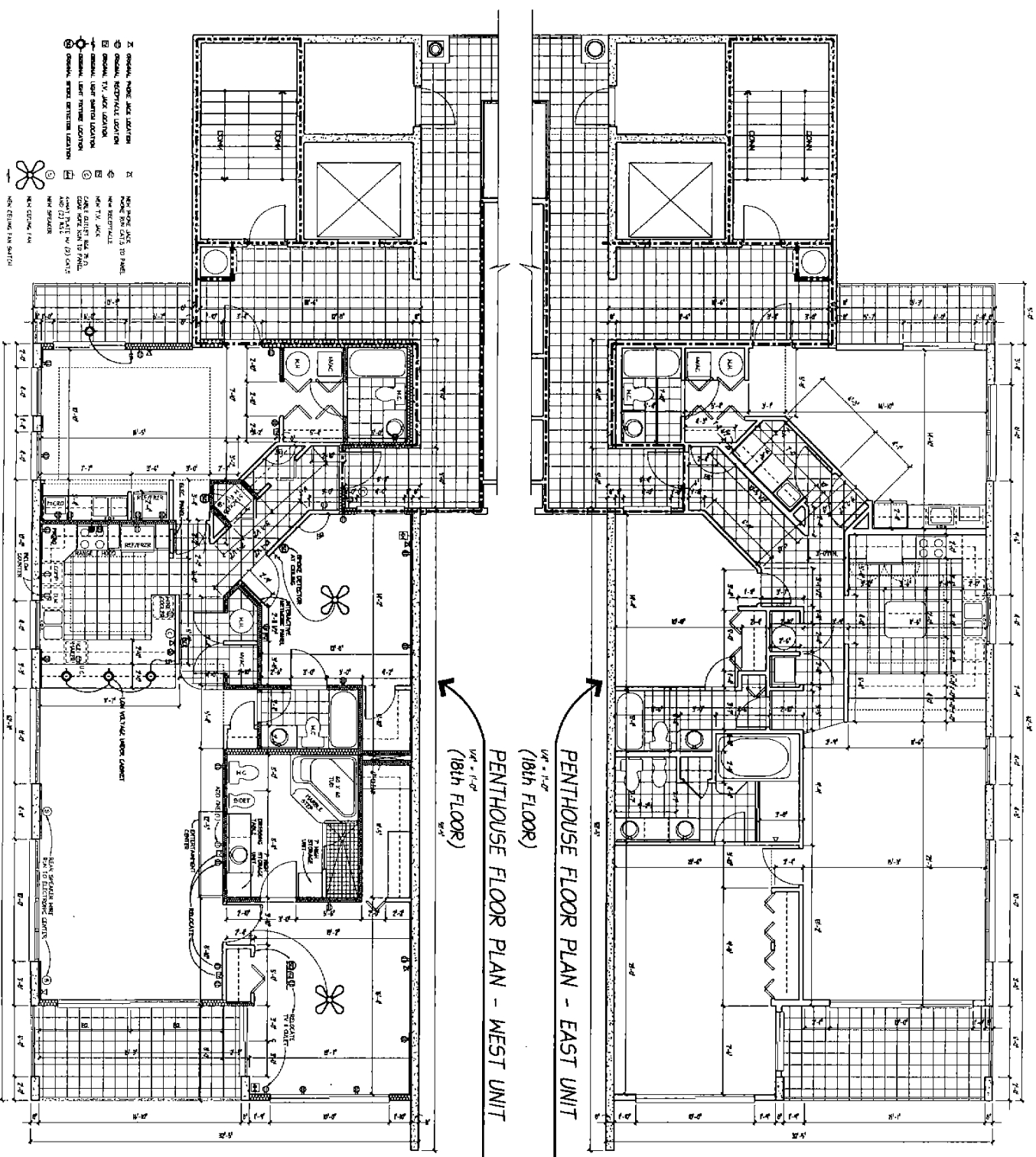
DE WALLACE CONSULTING CORP.
DE WALLACE
1. A. ONE ONE ALABAMA, FL 32201
TELEPHONE 386-456-0000 FAX 386-456-0001

REVISION	DRAWN BY:
REV #2 20/0/97	JILA
REV #3 02/0/97	DATE:
REV #4 4/0/98	3/9/98
REV #5 5/2/98	PROJECT NO:
	425

The balcony area contiguous to and serving only that Unit, and the heating and air conditioning equipment serving only that Unit are Limited Common Elements. Except for the Limited Common Elements, all improvements on each floor that are not included within a Unit are Common Elements.

ANY MODIFICATIONS TO THESE PLANS OR RE-USE OF THESE PLANS MUST BE APPROVED BY AND SIGNED BY THE ARCHITECT.

C:\JARD\8623\CONSTRUC\8623C-4-11/17/98-1821



PENTHOUSE FLOOR PLAN - WEST UNIT
(18th FLOOR)

PENTHOUSE FLOOR PLAN - EAST UNIT
(18th FLOOR)



[Handwritten signature]

THE LRWM TEAM

CARIBBEAN RESORT CONDOMINIUM
NAVARRE BEACH, FLORIDA

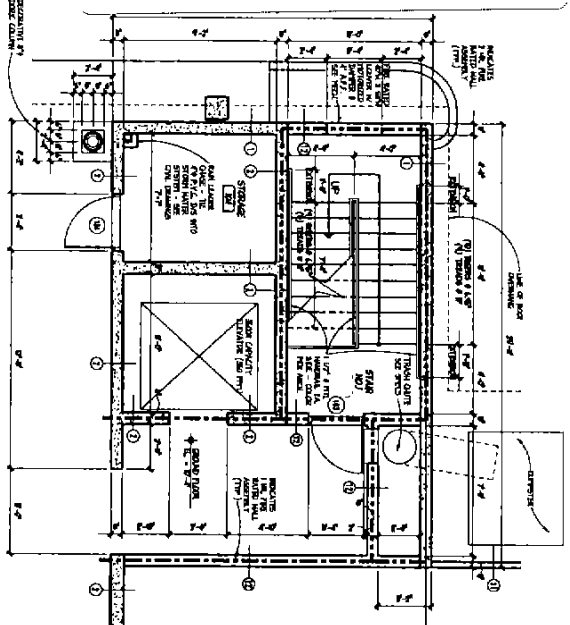
SHEET NO.
A24

THE LRWM TEAM
 LARRY R. WILSON, ARCHITECT, AIA
 DON MORGAN, AIA
 DE WILLYE RESTORATION CORP.
 DE WILLYE
 P.O. BOX 804, ALABAMA, A, 36504
 WILLYE RESTORATION CORP. 1000 1/2 BAY STREET
 S.W., ALABAMA, A 36504

REVISION:	DRAWN BY:
REV 02 12/20/97	JHA
REV 03 01/20/98	DATE:
REV 04 04/09/98	3/1/98
REV 05 5/27/98	PROJECT NO.
	925

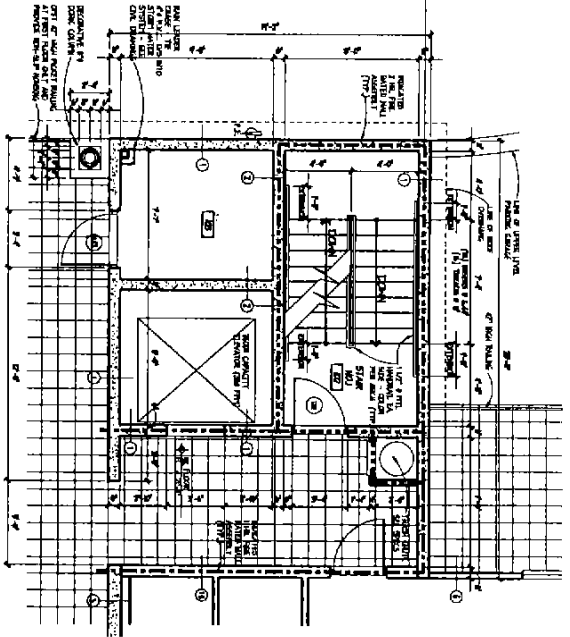
COPYRIGHT © 1998 WILLYE RESTORATION CORP.

ANY MODIFICATIONS TO THESE PLANS OR RE-USE OF THESE PLANS MUST BE APP



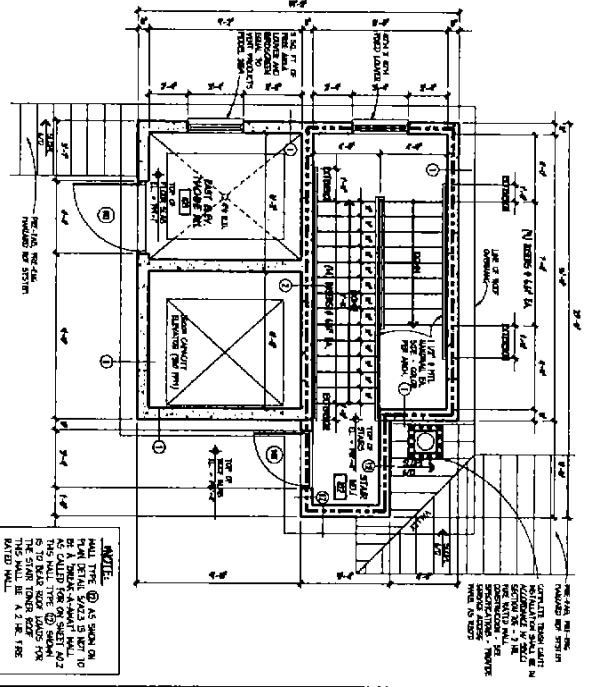
EAST STAIR / ELEVATOR
TOWER PLAN DETAIL

1/4" = 1'-0"
GROUND FLOOR LEVEL



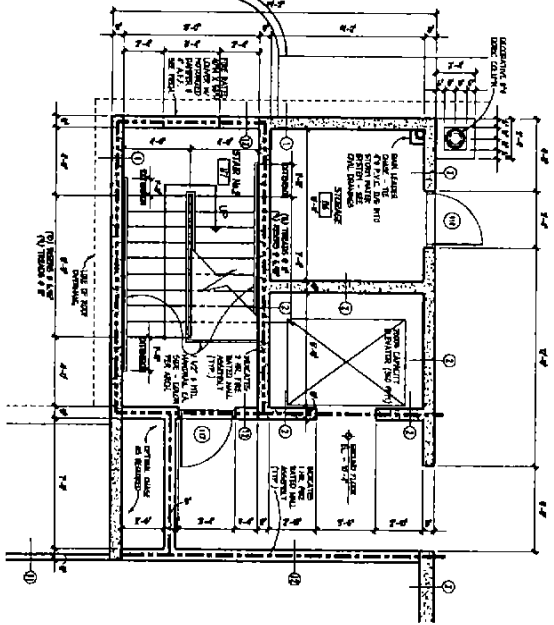
EAST STAIR / ELEVATOR
TOWER PLAN DETAIL

1/4" = 1'-0"
1st THRU 18th FLOORS



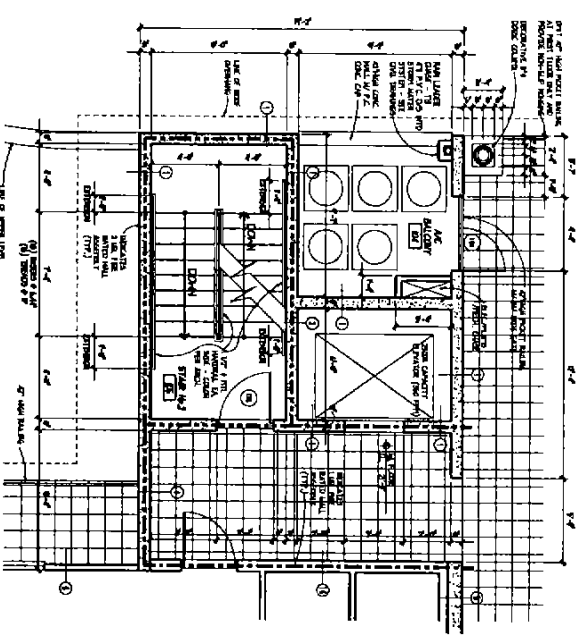
EAST STAIR / ELEVATOR
TOWER PLAN DETAIL

1/4" = 1'-0"
ROOF TOP



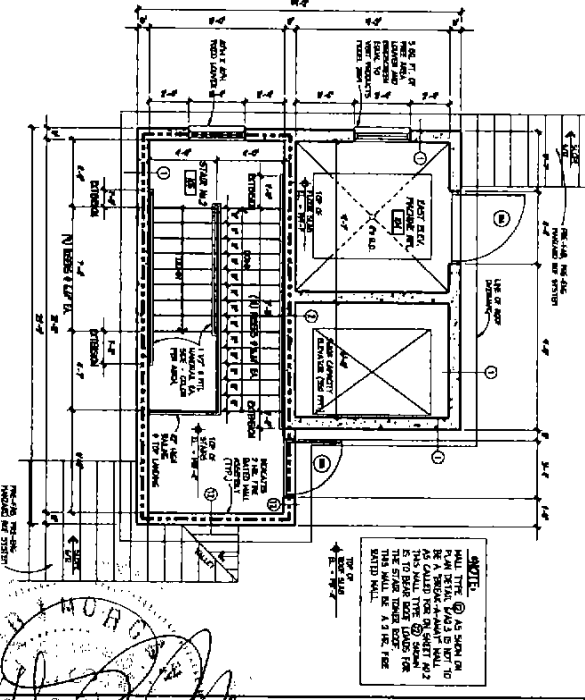
WEST STAIR / ELEVATOR
TOWER PLAN DETAIL

1/4" = 1'-0"
GROUND FLOOR LEVEL



WEST STAIR / ELEVATOR
TOWER PLAN DETAIL

1/4" = 1'-0"
3rd THRU 18th FLOORS



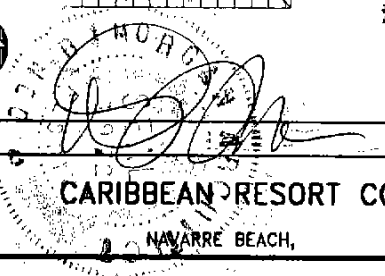
WEST STAIR / ELEVATOR
TOWER PLAN DETAIL

1/4" = 1'-0"
ROOF TOP



NOTE: ALL THE (1) AS SHOWN ON THIS SHEET ARE TO BE A STAIN-RESISTANT WALL. THE STAIR TOWER SHALL BE TO HAVE STAIN RESISTANT WALLS. A 3/4" X 1/2" BRICK SHALL BE USED.

NOTE: ALL THE (2) AS SHOWN ON THIS SHEET ARE TO BE A STAIN-RESISTANT WALL. THE STAIR TOWER SHALL BE TO HAVE STAIN RESISTANT WALLS. A 3/4" X 1/2" BRICK SHALL BE USED.



CARIBBEAN RESORT CONDOMINIUM
NAVARRE BEACH, FLORIDA

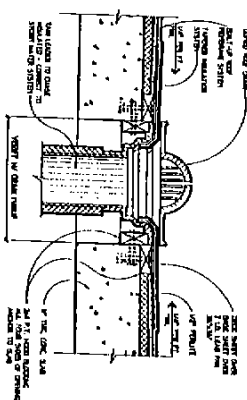
MORAN ENGINEERING, AIA DEN MOBILE, ALA. P.O. BOX 601 BENTON ROAD, MOBILE, ALA. 36601 TELEPHONE 937-6700 FAX 937-6700	DE WALLACE CONSTRUCTION CORP. THE WALLAGE P.O. BOX 101 ALABAMA, ALA. 36501 TELEPHONE 937-6700 FAX 937-6700
---	---

REVISIONS	DRAWN BY:
REV #1 10/20/97	J.L.A.
REV #2 10/21/97	DATE:
REV #4 4/1/98	3/30/98
REV #5 5/22/98	PROJECT NO:
	423

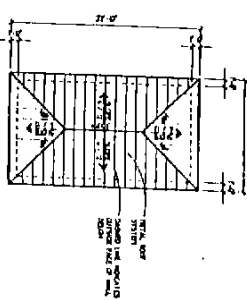
All portions of the Stairs/Elevator/Tower are Common Elements.

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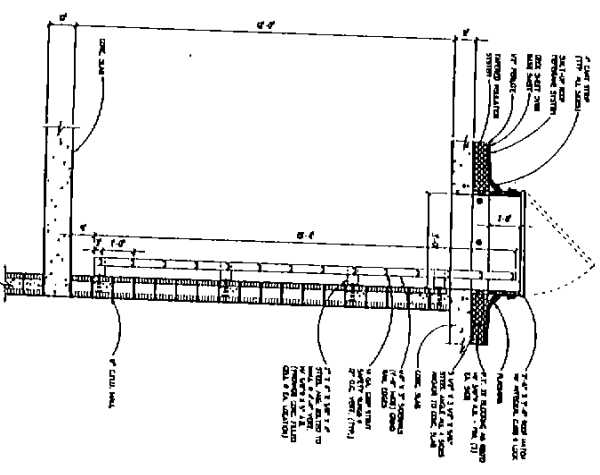
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A23



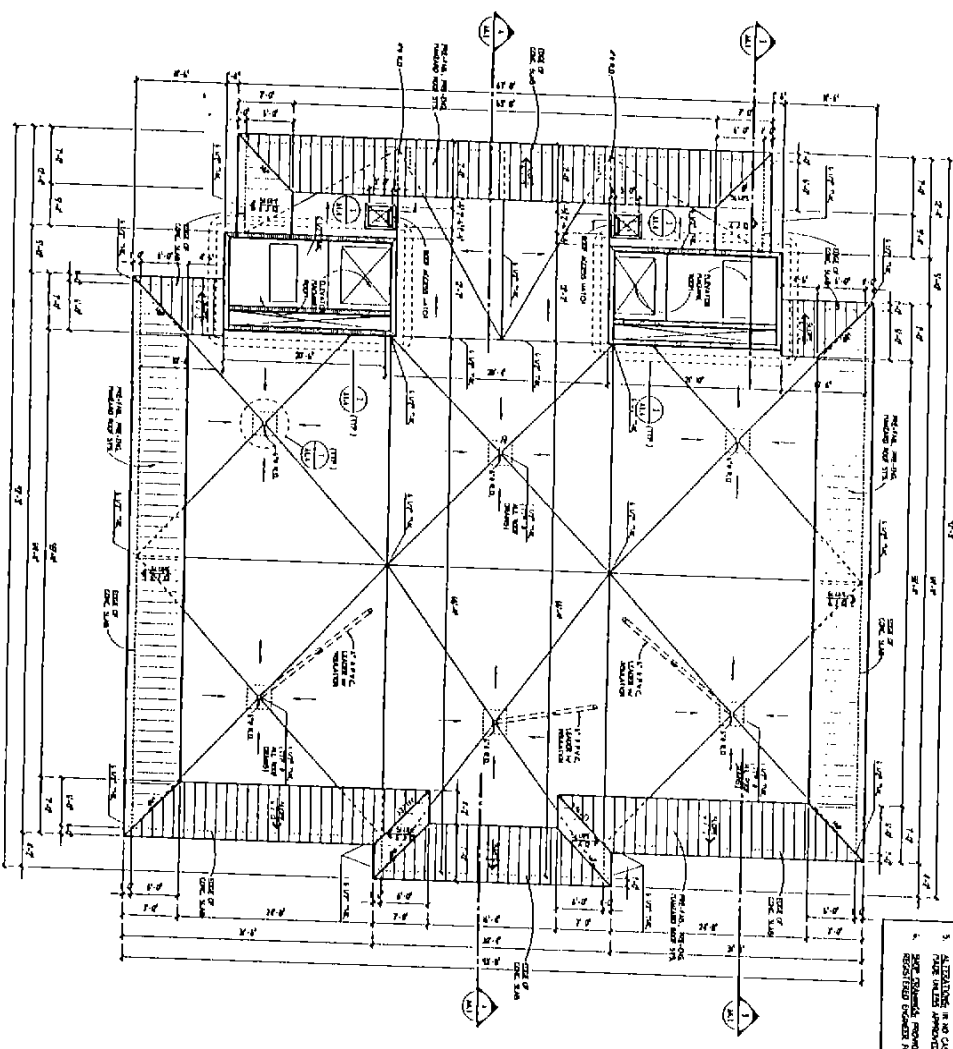
TYP. ROOF DRAIN DETAIL
1/8" = 1'-0"
NOTE: SEE ROOF PLAN FOR SIZE AND LOCATION OF ROOF DRAIN LEADERS



TYP. ELEV. MECH. ROOF
1/8" = 1'-0"



LADDER/ROOF HATCH DETAIL
1/8" = 1'-0"



ROOF PLAN
1/8" = 1'-0"
NORTH

GENERAL NOTES

- CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL STRUCTURAL ELEMENTS AND MATERIALS TO BE INSTALLED IN THE ROOF AS SHOWN ON THE DRAWINGS.
- CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL STRUCTURAL ELEMENTS AND MATERIALS TO BE INSTALLED IN THE ROOF AS SHOWN ON THE DRAWINGS.
- CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL STRUCTURAL ELEMENTS AND MATERIALS TO BE INSTALLED IN THE ROOF AS SHOWN ON THE DRAWINGS.
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- CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL STRUCTURAL ELEMENTS AND MATERIALS TO BE INSTALLED IN THE ROOF AS SHOWN ON THE DRAWINGS.
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- CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL STRUCTURAL ELEMENTS AND MATERIALS TO BE INSTALLED IN THE ROOF AS SHOWN ON THE DRAWINGS.

ROOF LOADS

DEAD LOAD
LIVE LOAD
WIND LOAD
ICE LOAD

PRELIMINARY DRAWING - NOT FOR CONSTRUCTION

CARIBBEAN RESORT CONDOMINIUM ASSOCIATION
CARIBBEAN RESORT CONDOMINIUM
NAVARRE BEACH, FLORIDA

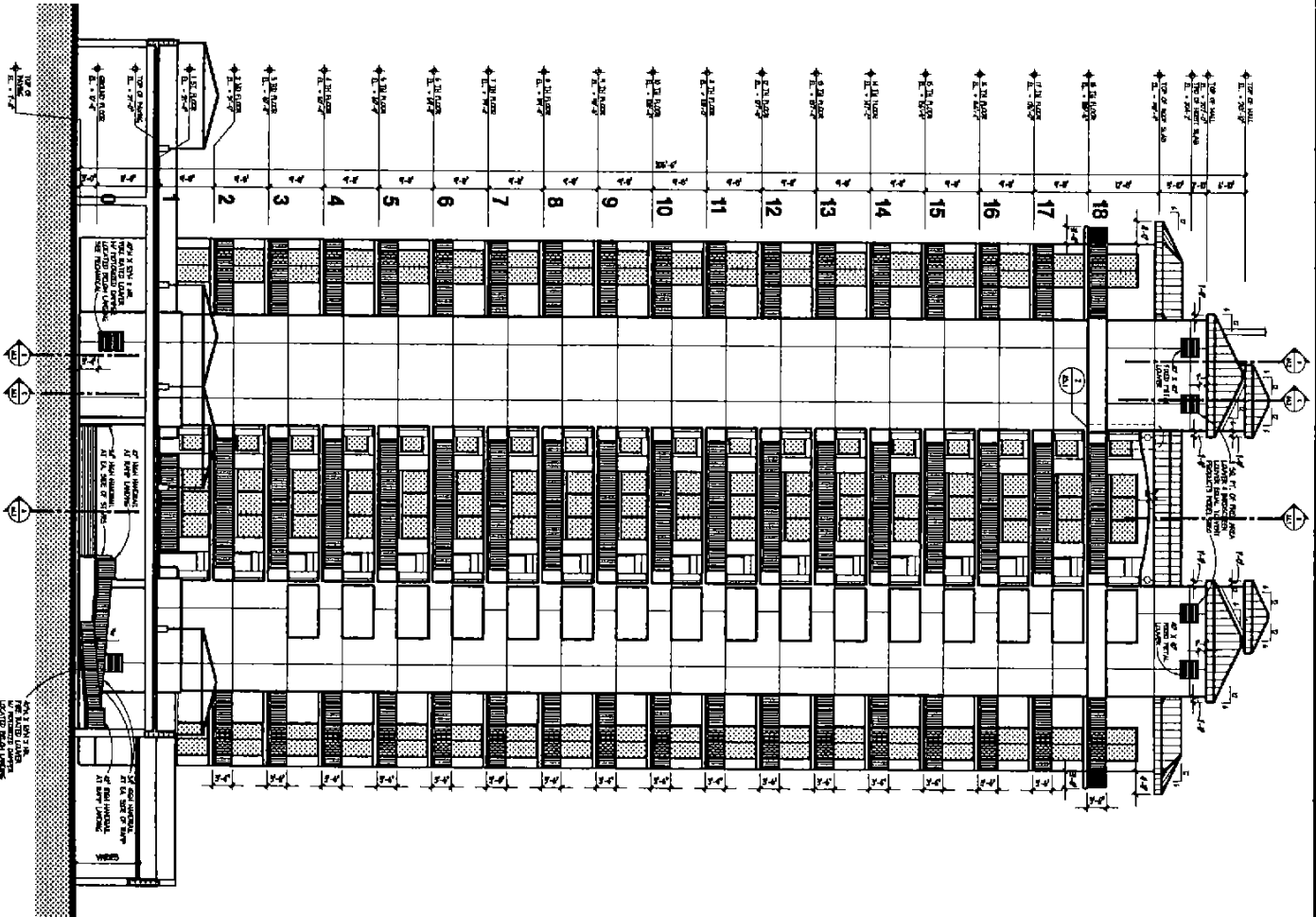
MERRIN BISHOP ARCH, LLC
DA WALLACE CONSTRUCTION CORP.
DRAWN BY: [Signature]
DATE: [Date]
PROJECT FILE: [Number]
COMPUTER FILE: [Number]

All components of the roof are Common Elements.

C:\1800\9423\CONDO\CONDO-11/06/95 10:53

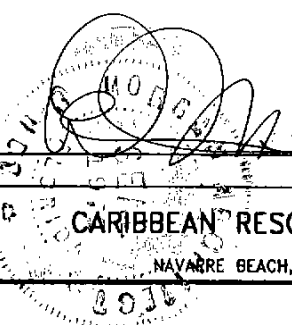
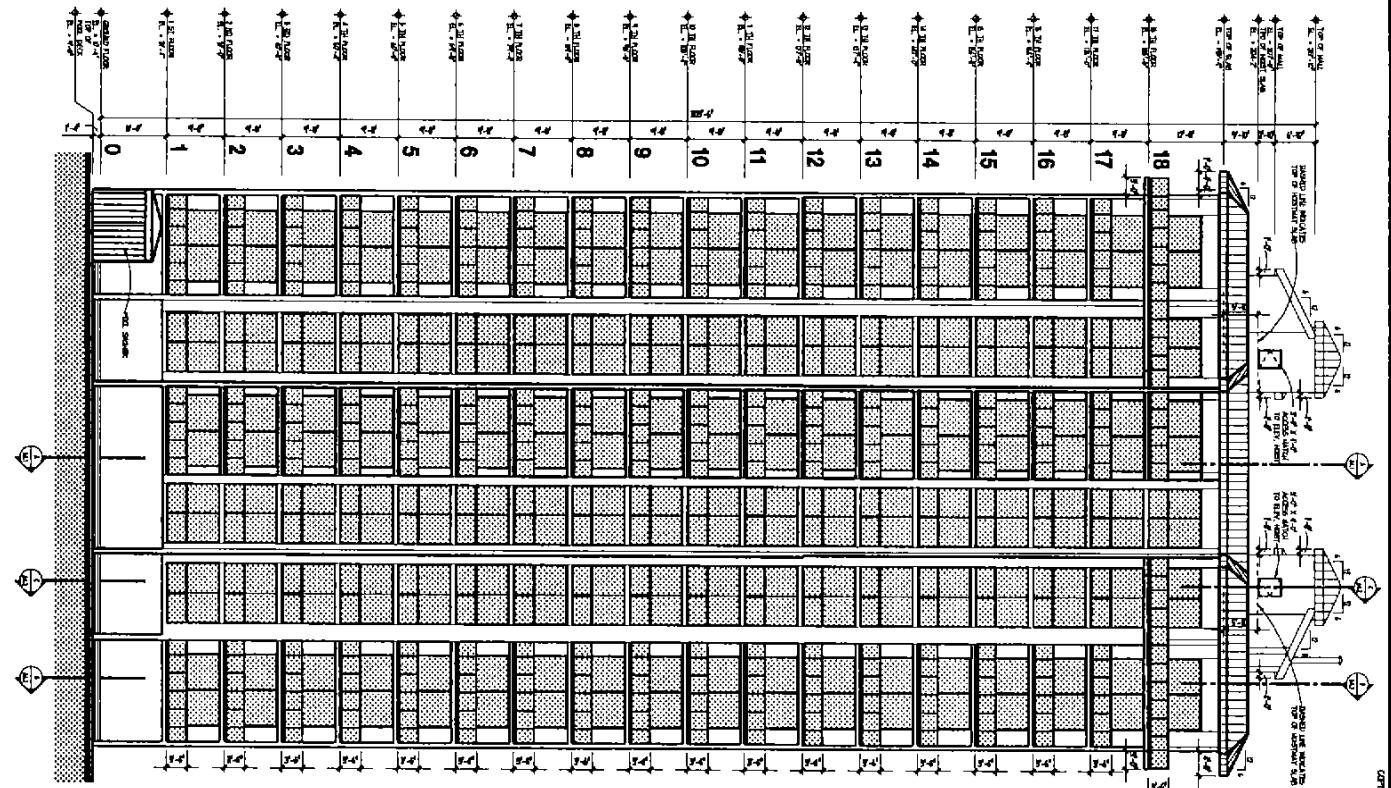
NORTH ELEVATION

REV. 1-79



SOUTH ELEVATION

REV. 1-79



CARIBBEAN RESORT CONDOMINIUM

NAVARE BEACH, FLORIDA

SHEET NO. A31

MEMPHIS ENGINEERING ASSOCIATES, AIA
 1200 MEMPHIS AVE.
 P.O. BOX 1000 MEMPHIS, TN 38101
 (615) 276-4700 FAX (615) 276-4707

D.E. WALLACE CONSTRUCTION CORP.
 D.E. WALLACE
 P.O. BOX 500 PALM BEACH, FL 33402
 (407) 833-1100 FAX (407) 833-1100

REVISION:	DRAWN BY:
REV #2 12/15/97	J.H.A.
REV #3 03/01/97	DATE:
REV #4 4/5/98	3/26/98
REV #5 5/22/98	PROJECT NO:
	625

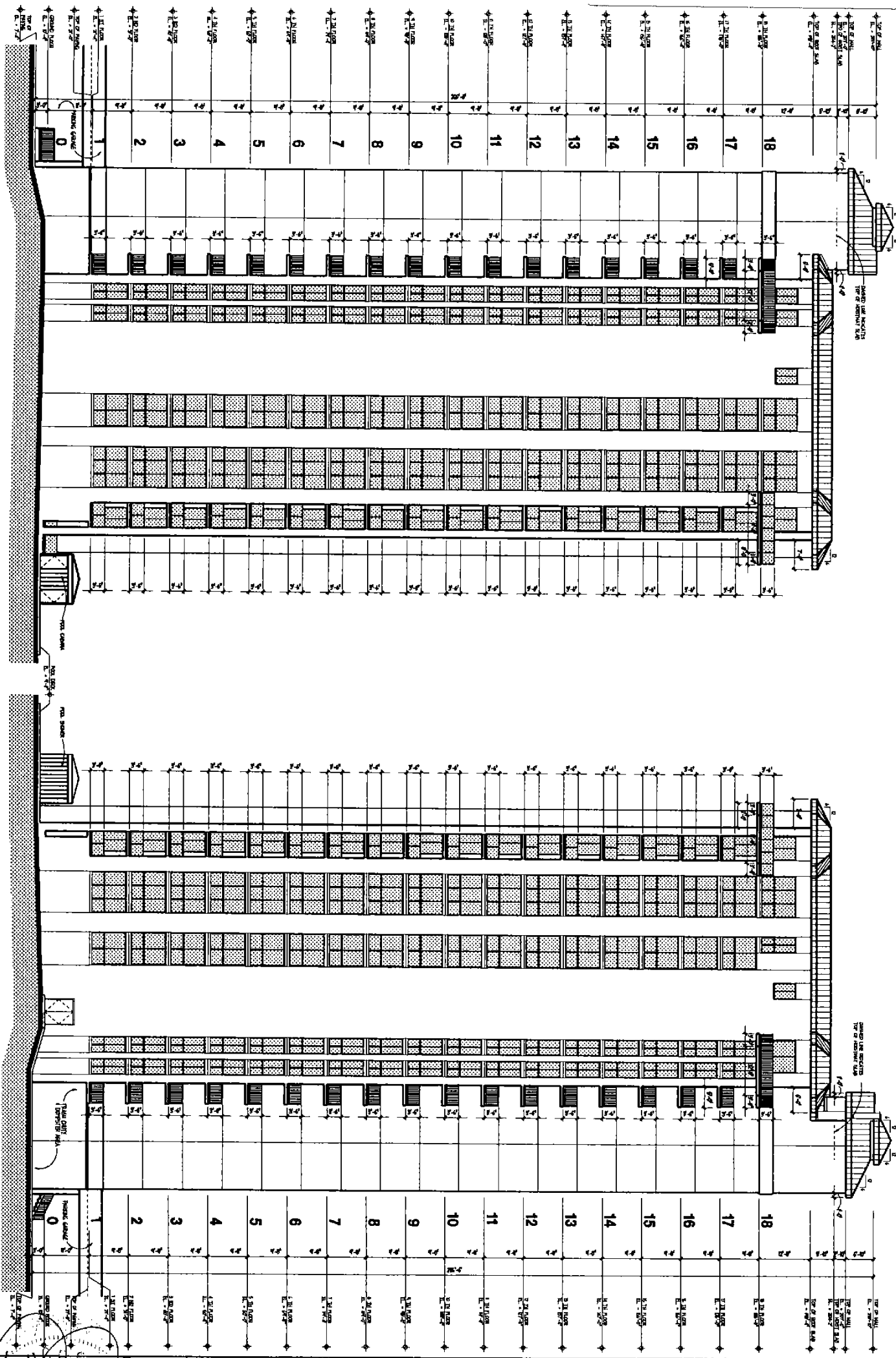
CONTRACT NO. 95-00000-0000

ANY MODIFICATIONS TO THESE PLANS OR RE-USE OF THESE PLANS MUST BE APPROVED BY THE ARCHITECT

C:\ARCHIT\9825\CONSTRUC\0825A-2 11/06/98 11:15

WEST ELEVATION
SCALE: 1/4" = 1'-0"

EAST ELEVATION
SCALE: 1/4" = 1'-0"



A32

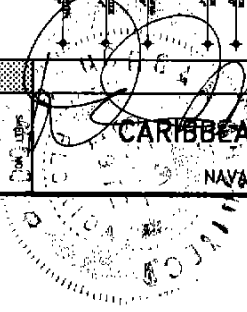
CARIBBEAN RESORT CONDOMINIUM

NAVARRE BEACH, FLORIDA

SEBRON FURBER ASSOC. AIA
FOR SEBRON, AIA
P. O. BOX 200, SEBRON, FLORIDA 32082
TELEPHONE 904-997-1111 FAX 904-997-1112

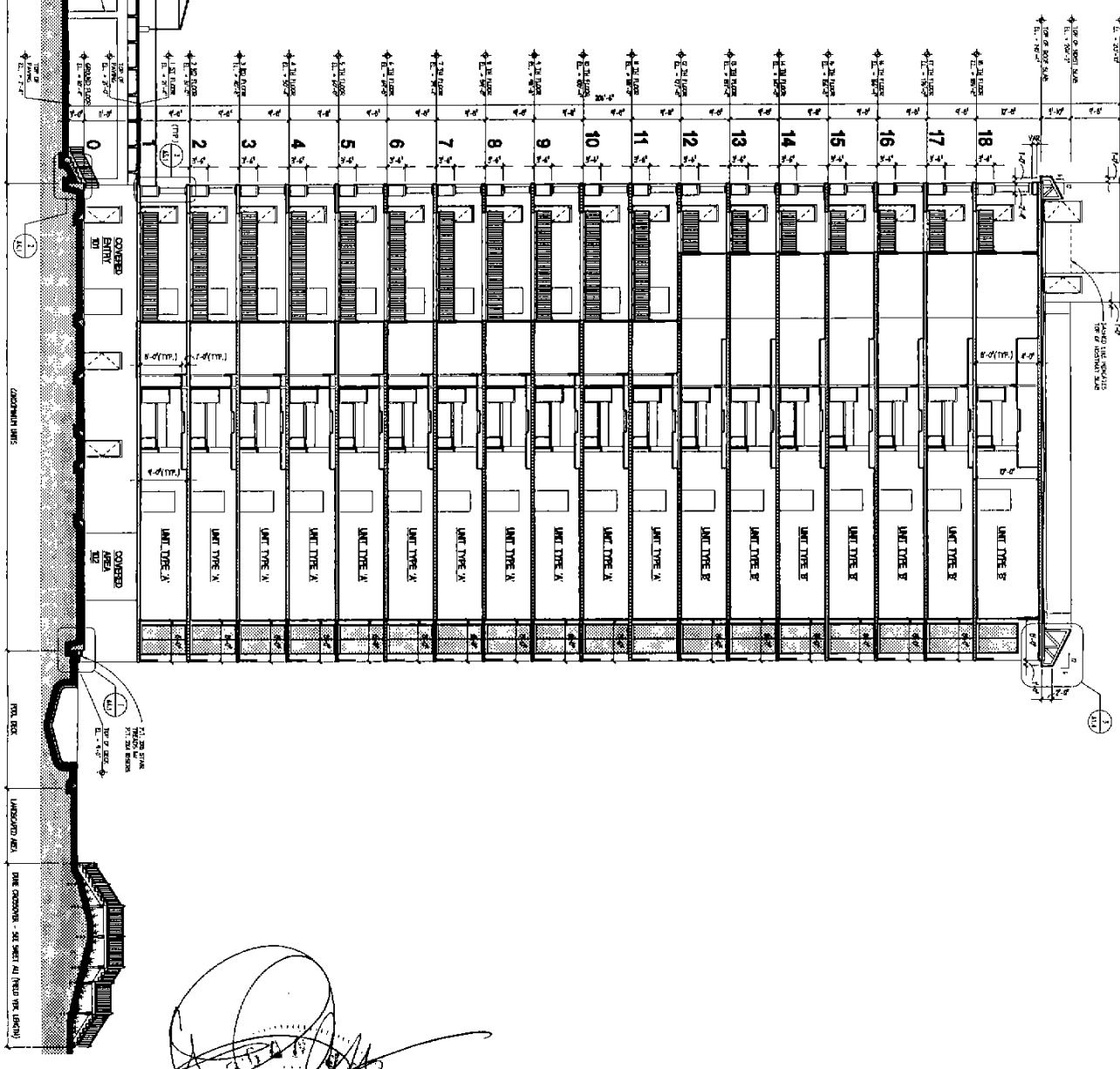
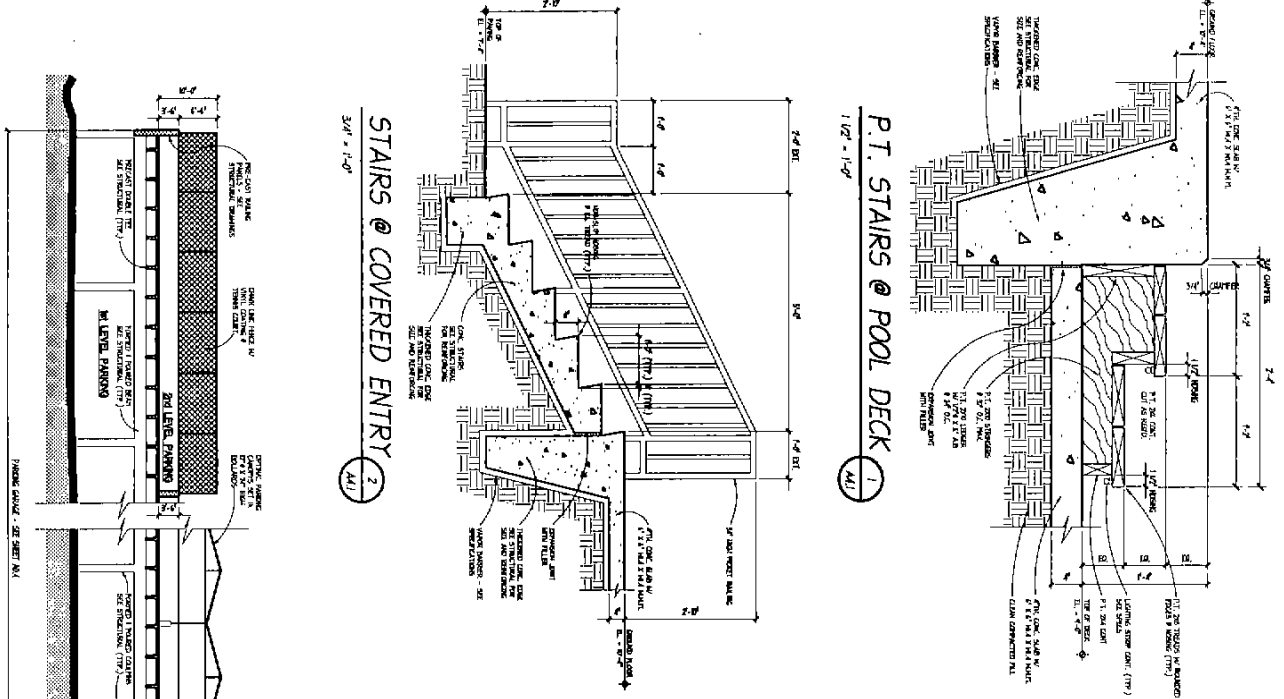
DE WALLACE CONSTRUCTION CORP.
R.E. WALLACE
P. O. BOX 100, SEBRON, FLORIDA 32082
TELEPHONE 904-997-1111 FAX 904-997-1112

REVISION:	DRAWN BY:
REV # 10/24/97	LJFA
REV # 10/24/97	DATE:
REV # 11/18/98	3/25/98
REV # 5/12/98	PROJECT NO:
	425



ANY MODIFICATIONS TO THESE PLANS OR RE-USE OF THESE PLANS MUST BE APPROVED BY AND SIGNED BY THE ARCHITECT.

C:\9800\9823\CONSTRUC\9823M-1 01/14/99 09:14



[Handwritten Signature]

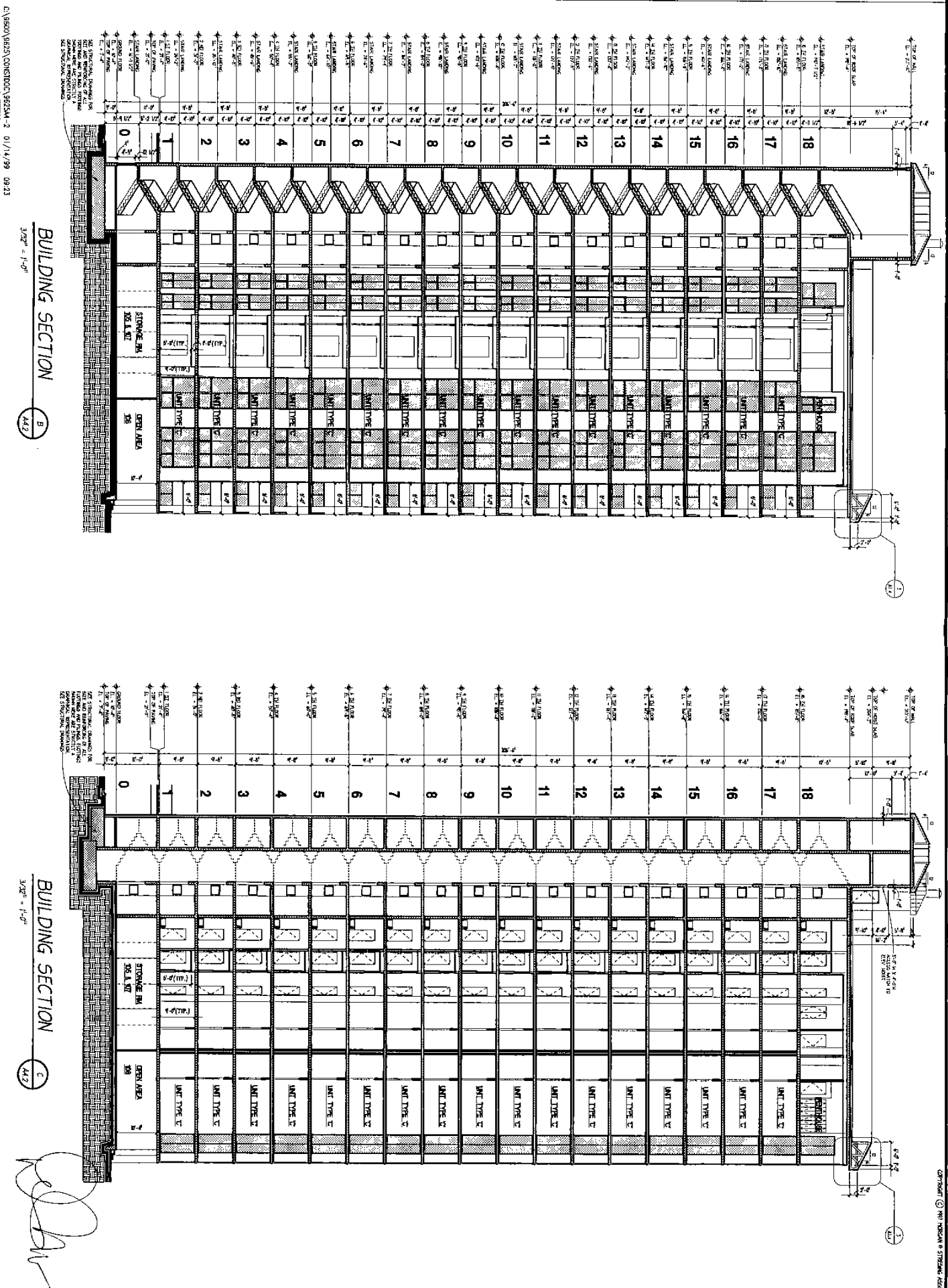
THE LRWM TEAM
CARIBBEAN RESORT CONDOMINIUM
 NAVARBE BEACH, FLORIDA

THE LRWM TEAM MORGAN STEINBERG ASSOC., AIA DON MORGAN, AIA P. O. BOX 888888 MIAMI BEACH, FL 33188 TELEPHONE 305 673 7200 FAX 305 673 7200		DL WALLACE CONSTRUCTION CORP. DE. WALLACE P. O. BOX 988 ALACHUA, FL 32010 TELEPHONE 904 884 7300 FAX 904 884 7300	
REVISION: REV #2 10/2/97 REV #3 10/24/97 REV #4 4/10/98 REV #5 5/12/98	DRAWN BY: J.H.A. DATE: 3/21/98 PROJECT NO: 926		

SHEET NO.
A41

CONTRACT # 9817300000 & 9817300001

ANY MODIFICATIONS TO THESE PLANS OR RE-USE OF THESE PLANS MUST BE APPROVED BY AND SIGNED BY THE ARCHITECT.

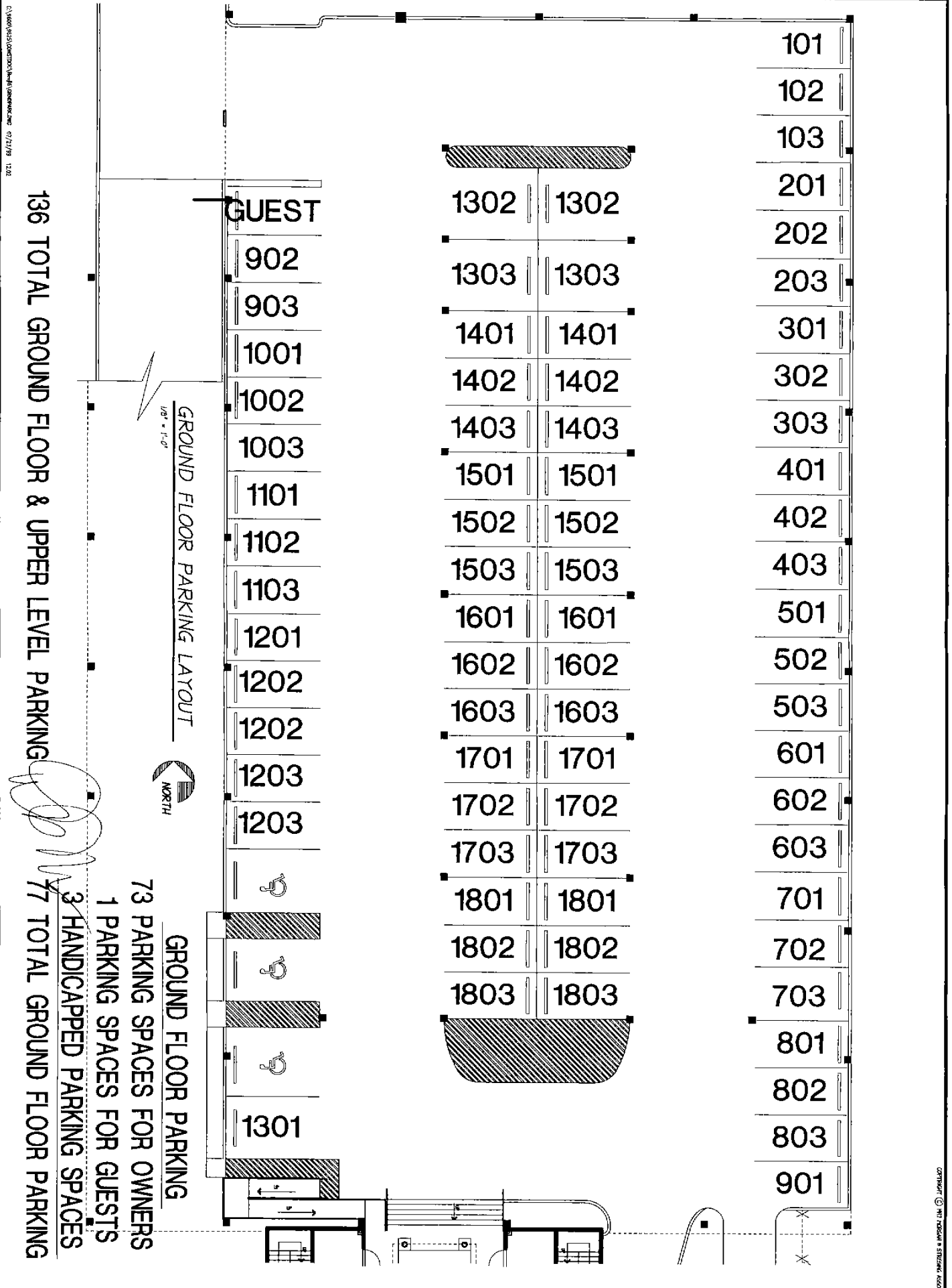


SHEET NO. A4.2	THE WM TEAM CARIBBEAN RESORT CONDOMINIUM NAVARRE BEACH, FLORIDA	THE WM TEAM MORRIS STEINBOCK ASSOC., AIA ION MORRIS AIA P.O. BOX 600, WASHINGTON BEACH, FL 32168 TELEPHONE 386-339-3300 FAX 386-339-3301 E-MAIL: MORRIS@STEINBOCK.COM	DE WALLACE CONSTRUCTORS CORP. DE WALLACE P.O. BOX 900, ALABAMA, FL 32008 TELEPHONE 386-339-3300 FAX 386-339-3301	REVISION: REV #2 10/26/97 REV #3 10/26/97 REV #4 11/27/97 REV #5 5/12/98	DRAWN BY: LISA DATE: 10/26/97 PROJECT NO: 925
		THE WM TEAM		REV #6 10/26/97 REV #7 10/26/97 REV #8 10/26/97 REV #9 10/26/97	PROJECT NO: 925

[Handwritten Signature]

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ANY MODIFICATIONS TO THESE PLANS OR RE-USE OF THESE PLANS MUST BE APPROVED BY AND SIGNED BY THE ARCHITECT.



136 TOTAL GROUND FLOOR & UPPER LEVEL PARKING

73 PARKING SPACES FOR OWNERS
1 PARKING SPACES FOR GUESTS
3 HANDICAPPED PARKING SPACES
77 TOTAL GROUND FLOOR PARKING

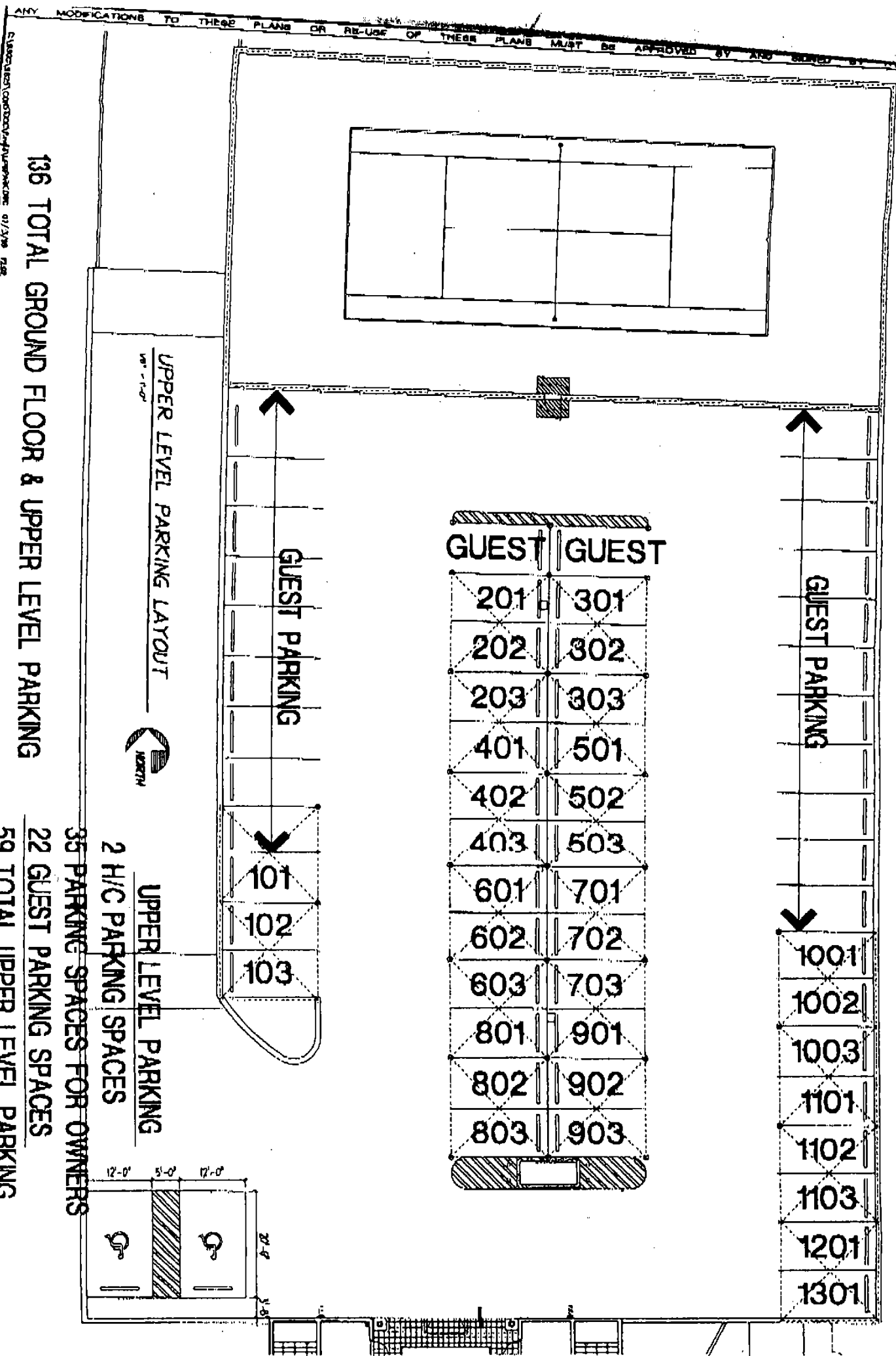
GROUND FLOOR PARKING LAYOUT
1/8" = 1'-0"



GROUND FLOOR PARKING

SHEET NO.	THE WM TEAM		THE WM TEAM MOWEN STRONG ASSOC. AIA FOR MOWEN AIA P.O. BOX 500, TAMPA, FL 33601 TEL: 813 281-0000 FAX: 813 281-0000 © M.S.E. 1998		DE WALLACE CONSTRUCTION CORP. DE WALLACE P.O. BOX 100, ALABAMA, FL 32008 TELEPHONE 904 664 1111 FAX 904 664 1111		REVISION: REV 01 10/25/02 REV 02 11/15/02 REV 03 1/17/03	DRAWN BY: LPA DATE: 3/3/03 PROJECT NO: 905
	CARIBBEAN RESORT CONDOMINIUM NAVARRE BEACH, FLORIDA							

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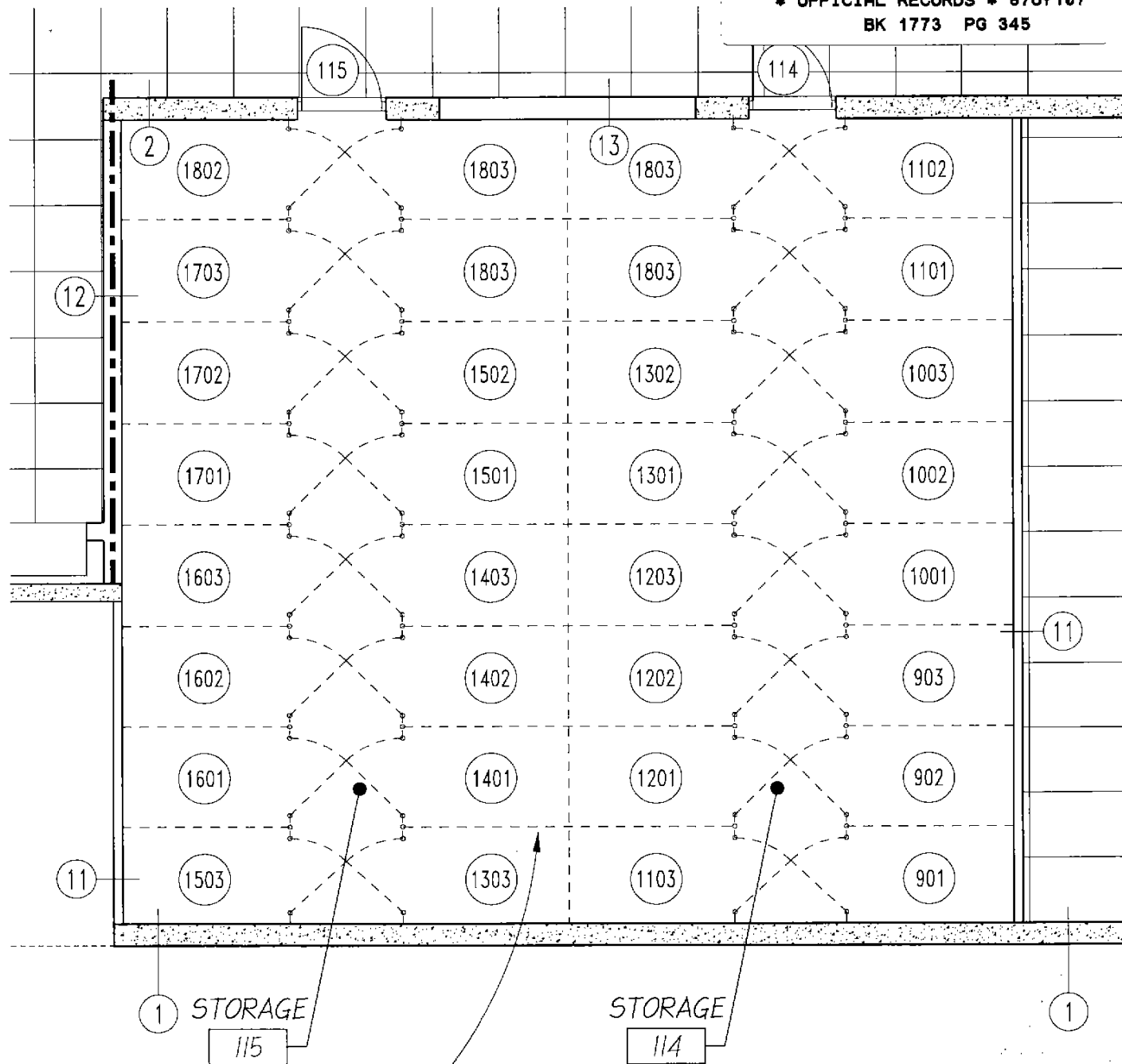


THE WM TEAM

CARIBBEAN RESORT CONDOMINIUM
NAVARRE BEACH, FLORIDA

THE WM TEAM
 12' 0" 5' 0" 12' 0" 20' 0" 1' 6"
 12' 0" 5' 0" 12' 0" 20' 0" 1' 6"
 12' 0" 5' 0" 12' 0" 20' 0" 1' 6"

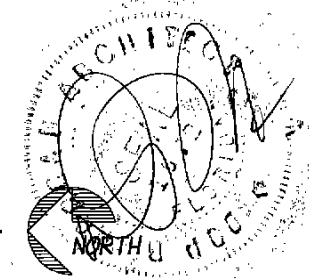
REVISION	DATE	BY
REV. 1	1/1/00	JWA
REV. 2	1/1/00	JWA
REV. 3	1/1/00	JWA
REV. 4	1/1/00	JWA
REV. 5	1/1/00	JWA



DASHED LINES INDICATE
SELF CONTAINED NON-ATTACHED
WIRE STORAGE UNITS WITH
PADLOCK AT EACH GATE

WEST WIRE CAGE LOCKERS PLAN

3/16" = 1'-0"



<p>THE WM TEAM</p> <p>CARIBBEAN RESORT CONDOMINIUM</p> <p>NAVARRE BEACH, FLORIDA</p>		<p>WEST WIRE CAGE PLAN DRAWING</p> <p>THE WM TEAM</p> <p>MORGAN STRONG ASSOC. AIA DON MORGAN, AIA. P. O. BOX 904, SEVENTH BEACH, FL 32909 TELEPHONE 321-474-1942 FAX 321-474-0977 E-MAIL: mstron@earthlink.net</p> <p>D.E. WALLACE CONSTRUCTION CORP. D.E. WALLACE P. O. BOX 904, NAVARRE, FL 32558 TELEPHONE 904-462-8794 FAX 904-462-0740</p>		<p>DRAWN BY: C.A.D.</p> <p>DATE: 7/26/98</p> <p>PROJECT FILE: 362</p> <p>COMPUTER FILE: C270701.DWG</p>	<p>SHEET NO.</p> <p>WEST</p> <p>OF</p>
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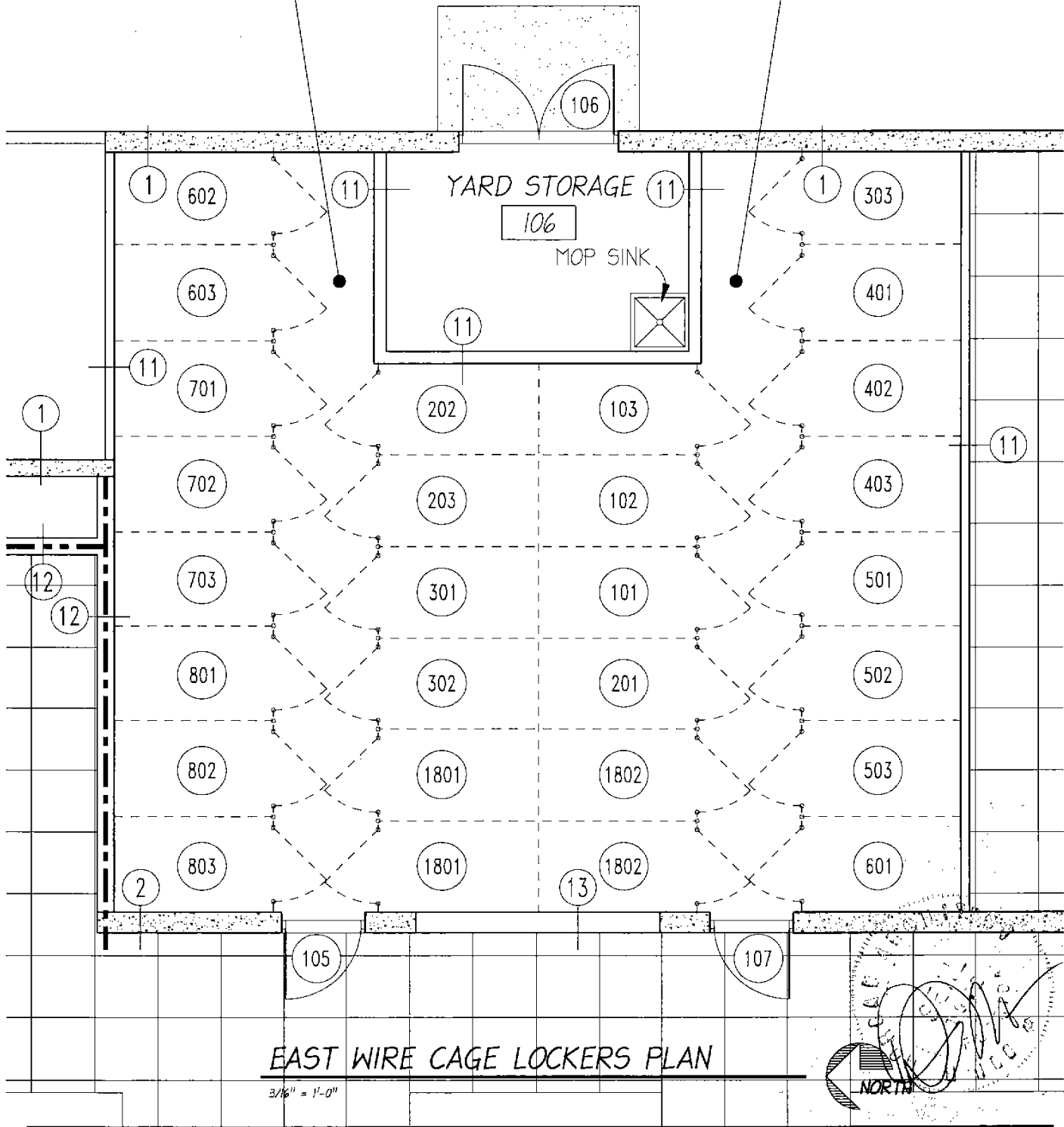
STORAGE

105

DASHED LINES INDICATE
SELF CONTAINED NON-ATTACHED
WIRE STORAGE UNITS WITH
PADLOCK AT EACH GATE

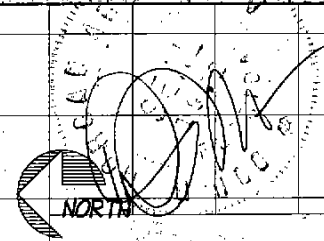
STORAGE

107



EAST WIRE CAGE LOCKERS PLAN

3/16" = 1'-0"



<p>THE ... WM TEAM</p> <p>CARIBBEAN RESORT CONDOMINIUM</p> <p>NAVARRE BEACH, FLORIDA</p>		<p>EAST WIRE CAGE PLAN DRAWING</p> <p>THE ... WM TEAM</p> <p>MORGAN STRIBING ASSOC, AIA DON MORGAN AIA P. O. DRAWING 2816, BOYDTON, HESFORD, FL 32909 TELEPHONE (888) 476-0281 FAX (888) 476-0277 E-MAIL: dmorgan@wmteam.com</p> <p>D.E. WALLACE CONSTRUCTION CORP. D.E. WALLACE P. O. BOX 990, ALAGARA, FL 32909 TELEPHONE (804) 482-8741 FAX (804) 482-9144</p>		<p>DRAWN BY: C.A.B.</p> <p>DATE: 7/26/99</p> <p>PROJECT FILE: 602</p> <p>COMPUTER FILE: COMPUTER FILE</p>	<p>SHEET NO. EAST</p> <p>OF</p>
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EXHIBIT "B"
TO DECLARATION

SCHEDULE OF SHARES

Schedule of Shares

CARIBBEAN RESORT CONDOMINIUM

SCHEDULE OF SHARES IN THE COMMON EXPENSE, COMMON SURPLUS, AND OWNERSHIP OF THE COMMON ELEMENTS

TYPE	UNDIVIDED SHARE
Each of the 54 condominium units	1/54 undivided share for each unit

The percentage of common expense, common surplus, and ownership of the common elements shall be determined on a per unit basis. There are fifty-four (54) units within the Condominium, for which this Declaration of Condominium has been recorded submitting said units to condominium ownership. Each unit owner within said condominium shall be required to pay one fifty-fourth (1/54) of the expenses of the Association. In addition, each unit owner will also have a one fifty-fourth (1/54) interest in the Association properties.

EXHIBIT "C"
TO DECLARATION

ARTICLES
OF
INCORPORATION

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of CARIBBEAN RESORT CONDOMINIUM ASSOCIATION OF NAVARRE BEACH, INC., a Florida corporation, filed on August 26, 1997, as shown by the records of this office.

The document number of this corporation is N97000004861.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Twenty-seventh day of August, 1997



CR2EO22 (2-95)

Sandra B. Northam
Secretary of State

FILED

97 AUG 26 PM 1: 23

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

**ARTICLES OF INCORPORATION OF
CARIBBEAN RESORT CONDOMINIUM
ASSOCIATION OF NAVARRE BEACH, INC.**

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

ARTICLE I

NAME AND ADDRESS. The name of the corporation shall be "Caribbean Resort Condominium Association of Navarre Beach, Inc. (the "Association"), and the street address of its initial principal office is 8477 Gulf Boulevard, Navarre Beach, Florida, 32566.

ARTICLE II

PURPOSE. The purpose for which the Association is organized is as follows:

A. To provide an entity pursuant to the Condominium Act, which is Chapter 718, *Florida Statutes*, 1995, for the operation, management, maintenance and control of Caribbean Resort Condominium, and

B. To provide an entity to operate, manage, maintain and control all or such parts thereof of the real property located in Santa Rosa County, Florida, described on **Exhibit A** hereto together with the recreational, greenspace, ingress and egress, parking, utilities and other related amenities as may be from time to time constructed thereon, all as more particularly described in the Declaration of Condominium (the "Common Elements"). The Association shall make no distribution of income to its members, directors or officers.

ARTICLE III

SUBMISSION TO JURISDICTION. A condominium shall be deemed to be submitted to the jurisdiction of the Association if the declaration of condominium of the condominium provides that the operation of the condominium shall be by the Association.

ARTICLE IV

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

A. The Association shall have all the common law and statutory powers of a corporation not for profit not in conflict with the terms of these Articles or the declaration of condominium of any condominium operated by the Association.

B. The Association shall have all the powers and duties set forth in these Articles and the declaration of condominium of any condominium operated by the Association and in the Condominium Act except where the Act allows limitations by these Articles or the declaration of condominium of any condominium operated by the Association and all of the powers and duties reasonably necessary to operate condominiums pursuant to the declaration of condominium of any condominium operated by the Association and as it may be amended from time to time, including but not limited to the following:

1. To hold title to and own leasehold estate, fee simple or other lesser interest in real, personal or mixed property, wherever situated, including units in any condominium operated by the Association, and to lease, mortgage and convey same.
2. To make and collect assessments against the members as unit owners to defray the costs, expenses and losses of any condominium operated by the Association or any costs, expenses or losses of the Association related to the Common Elements and to defray the costs, expenses and losses of any other business, enterprise, venture or property interest of the Association.
3. To use the proceeds of the assessments in the exercise of these powers and duties.
4. To maintain, repair, replace and operate the property of any condominium operated by the Association, the Common Elements or any other property of the Association.
5. To purchase insurance upon the property of any condominium operated by the Association, the Common Elements or the other property of the Association and insurance for the protection of the Association and its members.
6. To reconstruct improvements after casualty and to further improve the property of any condominium operated by the Association, the Common Elements or any other property of the Association.
7. To make and amend reasonable regulations respecting the use of the property of any condominium operated by the Association, the Common Elements or the other property of the Association.
8. To enforce by legal means the provisions of the Condominium Act, the declaration of condominium of any condominium operated by the Association, these Articles, the Bylaws of the Association and rules and regulations for the use of the property

of any condominium operated by the Association, the Common Elements or the other property of the Association.

9. To contract for the management of the Association, the Common Elements, any condominium operated by the Association or any portion thereof, and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the declaration of condominium of any condominium operated by the Association to have approval of the Board of Directors or the membership of the Association.

10. To contract with the Developer, its successors and assigns, and any of the partners of the Developer, their officers, directors, partners or shareholders.

11. To acquire fee simple title to, to lease, acquire memberships or acquire other possessory or use interest in and to operate lands and facilities, including but not limited to the Common Elements, whether or not contiguous to the lands of any condominium operated by the Association, intended to provide for the enjoyment, recreation or other use or benefit of the members, or a substantial number of the members, of the Association.

12. To determine which persons, in addition to the unit owners and their successors and assigns, shall be entitled to use the Common Elements including all fees, charges and other terms and conditions relating to such use and to enter into such agreements as may be necessary or incidental thereto.

13. To employ personnel to perform the services required for the proper operation, management, maintenance or control of the Association, any condominium operated by the Association, the Common Elements, or any other property of the Association.

14. To hire attorneys or other professionals for the purpose of bringing legal action or enforcing rights in the name of and on behalf of the members of the Association where such actions or rights are common to all members, or a substantial number of the members; and to bring such action in the name of and on behalf of the members.

C. All funds and the title of all properties acquired by the Association and their proceeds shall be held in trust for the members in accordance with the provisions of the declaration of condominium of any condominium operated by the Association and by the Bylaws of the Association.

ARTICLE V

A. MEMBERS.

1. The members of the Association shall consist of all of the record owners of

units in the condominium submitted to the jurisdiction of the Association and after termination of any such condominium, shall consist of those who are members at the time of such termination and their successors and assigns.

2. A change of membership in the Association shall be established by recording in the public records of Santa Rosa County, Florida, a deed or other instrument establishing a record title to a unit in the condominium operated by the Association and the delivery to the Association of a certified copy of such instrument. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated.

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

4. The owner of each unit in the condominium operated by the Association shall be entitled to at least one (1) vote as a member of the Association. The exact number of votes to be cast and the manner of exercising voting rights shall be determined by the Bylaws of the Association.

ARTICLE VI

DIRECTORS.

A. The affairs of the Association will be managed by a Board consisting of not less than three (3) nor more than seven (7) directors who shall be designated or elected as hereinafter set forth. Directors need not be members of the Association.

B. The names and addresses of the members of the first Board of Directors who have been designated as such by the Developer and who shall hold office until their successors are designated or elected as herein provided and have qualified or until removed as herein provided are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Donald E. Wallace	12805 Northwest 146th Place Alachua, Florida 32615
Don R. Morgan	8014 Highway 100 East Keystone Heights, Florida 32656
Julee Vance	P. O. Drawer 1208 Keystone Heights, Florida 32656

Until unit owners other than the Developer are entitled to elect members of the Board of Directors, the members of the Board of Directors shall be designated by the Developer and may be changed from time to time as the Developer, in its sole discretion, may determine.

C. Until unit owners other than the Developer are entitled to elect at least a majority of the Board of Directors, the Board of Directors shall consist of three (3) members. The first election of Directors shall not be held until required by the Condominium Act, including Section 718.301 (1) (a) - (e) thereof, or until the Developer elects to terminate its control of the Association. The provisions of Section.718.301 (1) (a) - (e) are set forth in Article D. below.

D .Section 718. 301 (1) (a-e) of the Condominium Act provides as follows:
"718.301 Transfer of association control.

(1) When unit owners other than the developer own 15 percent or more of the units in a condominium that will be operated ultimately by an association, the unit owners other than the developer shall be entitled to elect no less than one-third of the members of the board of administration of the association. Unit owners other than the developer are entitled to elect not less than a majority of the members of the board of administration of an association:

(a) Three years after 50 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;

(b) Three months after 90 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;

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

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

(e) Seven years after recordation of the declaration of condominium; or, in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to §718.403, 7 years after recordation of the declaration creating the initial phase, whichever occurs first. The developer is entitled to elect at least one member of the board of administration of an association as long as the developer holds for sale in the ordinary course of business at least 5 percent, in condominiums with fewer

than 500 units, and 2 percent, in condominiums with more than 500 units, of the units in a condominium operated by the association. Following the time the developer relinquishes control of the association, the developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the association or selecting the majority members of the board of administration.”

E. Beginning with the election at which unit owners other than the Developer are entitled to elect at least a majority of the Board of Directors, the affairs of the Association will be managed by a Board consisting of not less than three (3) nor more than seven (7) directors. After unit owners other than the Developer are entitled to elect a majority of the members of the Board of Directors, directors of the Association shall be elected at the annual meeting of the members in the manner determined by the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.

ARTICLE VII

OFFICERS. The affairs of the Association shall be administered by the officers designated in the Bylaws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall until serve their successors are designated by the Board of Directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Donald E. Wallace, President	12805 Northwest 146th Place Alachua, Florida 32615
Don R. Morgan, Vice President	8014 Highway 100 East Keystone Heights, Florida 32656
Julee Vance Secretary/Treasurer	P. O. Drawer 1208 Keystone Heights, Florida 32656

ARTICLE VIII

INDEMNIFICATION. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer

at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all of the rights to which such director or officer may be entitled. The directors shall be authorized to purchase directors and officers liability insurance providing coverage to the officers and directors of the Association at the expense of the Association.

ARTICLE IX

Bylaws. The first Bylaws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by the Bylaws.

ARTICLE X

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

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

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

C. Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members without approval in writing by all members and the joinder of all record owners of mortgages upon any condominium operated by the Association.

D. Provided, further, that no amendment shall abridge, limit or alter the rights reserved by or granted to the Developer, its successors or assigns, or any successor developer, by these Articles or Bylaws without the prior written consent of the Developer, its successors or assigns, or a successor developer.

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

ARTICLE XI

TERM. The term of the Association shall be perpetual.

ARTICLE XII

SUBSCRIBERS. The name and address of the subscriber to these Articles of Incorporation is as follows:

<u>NAME</u>	<u>ADDRESS</u>
James M. Weber	Beggs & Lane 3 West Garden Street, 7th Floor Pensacola, Florida 32501

ARTICLE XIII

APPOINTMENT OF REGISTERED AGENT AND OFFICE. James S. Campbell is hereby appointed to serve as Registered Agent of the Association. The street address of the Registered Office of the Registered Agent is Beggs & Lane, 3 West Garden Street, 7th Floor, Pensacola, Florida.

ARTICLE XIV

DISPOSITION. Upon dissolution of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same those to which they were required to be devoted by the Association. In the event that such dedication is refused, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association.

No disposition of Caribbean Resort Condominium Association of Navarre Beach, Inc., properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded declaration of condominium for any condominium operated by the Association, unless made in accordance with the provisions of any applicable declaration.

IN WITNESS WHEREOF, the subscriber has affixed his signature this 18th day of June,
1997.

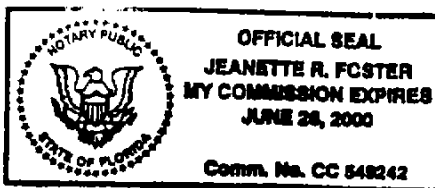
James M. Weber
James M. Weber

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 18th day of June, 1997, by James M. Weber, who is personally known to me or who has produced a Florida Driver's License as identification.

NOTARY SEAL MUST BE AFFIXED

Jeanette R. Foster
Notary Public
Jeanette R. Foster
My Commission Expires: _____
Commission Number: CC 548242
My Commission Expires: 6/28/2000



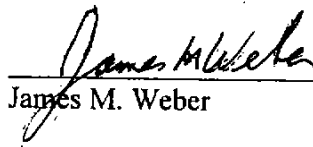
CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE SERVICE OF PROCESS WITHIN THIS STATE, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED.

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

First -- That Caribbean Resort Condominium Association of Navarre Beach, Inc. desiring to organize under the laws of the State of Florida with its principal office, as indicated in the Bylaws in the City of Navarre Beach, County of Santa Rosa, State of Florida, has named James M. Weber, located at 3 West Garden Street, 7th Floor, City of Pensacola City, County of Escambia, State of Florida, as its agent to accept service of process within this state.

ACKNOWLEDGMENT:

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


James M. Weber

FILED
97 AUG 26 PM 1:23
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

EXHIBIT "D"
TO PROSPECTUS

BY-LAWS

**BYLAWS OF
CARIBBEAN RESORT CONDOMINIUM
ASSOCIATION OF NAVARRE BEACH, INC.**

A corporation not-for-profit
under the laws of the State of Florida

1. **Purpose.** These are the Bylaws of Caribbean Resort Condominium Association of Navarre Beach, Inc., a corporation not-for-profit under the laws of the State of Florida (the "Association"). The Association has been organized for the purpose of (a) providing for the operation, management, maintenance, control and administration of CARIBBEAN RESORT CONDOMINIUM, which has been submitted to the jurisdiction of the Association, and with regard to such condominium, the legal entity created pursuant to Chapter 718, *Florida Statutes*, 1997 (the "Condominium Act"), and (b) providing an entity to operate, manage, maintain, control and administer all or such parts thereof of the leasehold estate real property located in Santa Rosa County, Florida described as Common Elements and Limited Common Elements in the Declaration of Condominium ("Declaration") together with the recreational, greenspace, ingress and egress, parking and related amenities as may be from time to time constructed thereon.

2. **Offices.** The initial office of the Association shall be at 8477 Gulf Boulevard, Navarre Beach, Florida, 32566. The Association Board of Directors may from time to time designate a different location for the Association office.

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

4. **Seal.** The seal of the corporation shall bear the name of the Association, the word "Florida" and the words "corporation not-for-profit," and the year of incorporation, "1997," an impression of which is as follows:

5. **Members Meetings.** The annual meeting of members shall be held each year at the office of the corporation, or such other place as is designated by the Board of Directors, on a date during the months of September, October, November or December as from time to time determined by the Board of Directors. The Members may transact at the annual members meeting any business

authorized to be transacted by the Members. After the termination of the Development Period, the business of the annual Members meeting shall include election of directors.

6. **Special Meetings.** Special meetings shall be held whenever allowed by the Condominium Act or called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members holding ten percent (10%) of the voting interests of the entire membership.

7. **Notice.** Notice of all members meetings stating the time and place and identifying each agenda item for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be posted at a conspicuous place designated by the Board of Directors on the condominium property at least fourteen (14) continuous days preceding the meeting and shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered in accordance with this provision, to each unit owner at the address last furnished to the Association. Notice of meeting may be waived before the meetings.

8. **Quorum.** A quorum of members meetings shall consist of persons holding one-third of the voting interests of the entire membership. The acts approved by a majority of the voting interests present at a meeting at which a quorum is present shall constitute the act of the members, except when approval by a greater voting interest is required by the Declaration of Condominium of the condominium operated by the Association, the Articles of Incorporation of the Association or these Bylaws. In determining whether a quorum is present, proxies may be counted as voting interests present.

9. **Members Vote.** At any meeting of the members, the voting interest of each Unit shall be entitled to cast one (1) vote for each condominium unit he owns, which shall not be cumulative.

10. **Multiple Ownership.**

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

b. Notwithstanding the provisions of Subparagraph (a) of this Paragraph 10, whenever any Unit is owned by a husband and wife they may, but shall not be required to, designate a Voting Member. In the event a Voting Certificate designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote.

(1) Where both husband and wife are present at a meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Unit owned by them. In the event they are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

(2) Where only one (1) spouse is present at a meeting, the spouse present may cast their voting interest without establishing the concurrence of the other spouse, absent any prior written notice to the contrary to the Association by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, their voting interest shall not be considered.

(3) Where neither spouse is present, the person designated in a proxy or Voting Certificate signed by either spouse may cast the voting interest, absent any prior written notice to the contrary to the Association by the other spouse or the

designation of a different Voting Member by the other spouse, In the event of prior written notice to the contrary to the Association or the designation of a different voting Member by the other spouse, the voting interest shall not be considered.

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

a. Unit owners may not vote by general proxy, but may vote by limited proxy in the following instances:

- (1) to waive financial statement requirements,
- (2) to waive or reduce reserves,
- (3) to amend the Declaration, Articles of Incorporation or the Bylaws, and
- (4) for any other matter which requires a vote of the unit owners.

b. Unit owners may not vote by limited or general proxy in the election of members of the Board of Directors.

c. General proxies may be used for other matters for which limited proxies are not required and may also be used in voting for non-substantial changes to items for which a limited proxy is required and given.

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

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

- a. Election of chairman at meeting.
- b. Call of the roll and certifying of proxies.
- c. Proof of notice of meeting or waiver of notice.
- d. Reading and disposal of any unapproved minutes.
- e. Report of officers.

- f. Report of committees.
- g. Election of inspectors of an election.
- h. Election of directors.
- i. Unfinished business.
- j. New business.
- k. Adjournment.

14. **Reservation of Control by Developer.** Subject to the provisions of Florida Statutes Section 718.112(2)(d)4, which are controlling, and only to the extent and for the period permitted by the Condominium Act including Section 718.301 thereof, or until the Developer or any subsequent developer elects to terminate their control of the Association and the condominiums operated by it, whichever occurs first, the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors. During the time the majority of the directors serving on the Board of Directors are appointees of the Developer, the Developer reserves the right to chair or designate a representative to chair meeting(s) of members.

15. **Number of Directors.** The affairs of the Association shall be managed by a Board of Directors of three (3) directors until such time as unit owners other than the Developer are entitled to elect a majority of the Board of Directors. At such time as unit owners other than the Developer are entitled to elect a majority of the Board of Directors, the Board of Directors shall consist of three (3) to seven (7) members.

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

- a. Election of directors shall be held at the annual members meeting.
- b. The election shall be by secret ballot or voting machine and by a plurality of the voting interests. The owner of each Unit shall be entitled to cast a vote for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting. Proxies shall in no event be used in electing the Board of Directors, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise.
- c. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, whether by separate association mailing or included in another association mailing or delivery including regularly published newsletters, to each unit owner entitled to

a vote, a notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate for the Board of Directors must give written notice to the Association not less than forty (40) days before a scheduled election. Not less than thirty (30) days before the election meeting, together with the written notice and agenda as set forth in subparagraph (7), the Association shall then mail or deliver a second notice of the election to all unit owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8½ inches by 11 inches, which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the Association. However, the Association has no liability for the contents of the information sheets prepared by the candidates. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least twenty percent (20%) of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors. No unit owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. A unit owner who needs assistance in casting the ballot for the reasons stated in Section 101.051, *Florida Statutes*, may obtain assistance in casting the ballot. Any unit owner violating this provision may be fined by the Association in accordance with Section 718.303., *Florida Statutes*. The regular election shall occur on the date of the annual meeting. Notwithstanding the provisions of this subparagraph, an election and balloting are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the Board of Directors.

d. Subject to the provisions of 718.301, any member of the Board of Directors may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the unit owners to recall a member or members of the Board of Directors may be called by ten (10%) percent of the voting interest giving notice of the meeting as required for a meeting of unit owners, and the notice shall state the purpose of the meeting.

(1) If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall shall be effective as provided herein. The Board of Directors

shall duly notice and hold a Board of Directors meeting within 5 full business days of the adjournment of the unit owner meeting to recall one or more Board of Directors members. At the meeting, the Board of Directors shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the Board of Directors within 5 full business days any and all records and property of the Association in their possession, or shall proceed as set forth in Paragraph 3.

(2) If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized by chapter 48 of the Florida Rules of Civil Procedure. The Board of Directors shall duly notice and hold a meeting of the Board of Directors within 5 full business days after receipt of the agreement in writing. At the meeting, the Board of Directors shall either certify the written agreement to recall a member or members of the Board of Directors, in which case such member or members shall be recalled effective immediately and shall turn over to the Board of Directors within 5 full business days any and all records and property of the Association in their possession, or proceed as described in Paragraph 3.

(3) If the Board of Directors determines not to certify the written agreement to recall a member or members of the Board of Directors, or does not certify the recall by a vote at a meeting, the Board of Directors shall, within 5 business days after the meeting, file with the division a petition for arbitration pursuant to the procedures of Section 718.1255. For purposes of this section, the unit owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the Board of Directors, the recall will be effective upon mailing of the final order of arbitration upon the Association. If the Association fails to comply with the order of the arbitrator, the division may take action pursuant to Section 718.501, *Florida Statutes*. Any member or members so recalled shall deliver to the Board of Directors any and all records of the Association

in their possession within 5 full business days of the effective date of the recall.

e. Provided, however, that notwithstanding the provision in these Bylaws for the election of directors and the provision for directors terms, nothing herein shall serve to eliminate the Developer's reserved right to retain control of the Association after a majority of the Units are sold.

17. **Director's Term.** The four (4) directors receiving the greatest number of votes during the first election in which unit owners other than the Developer elect a majority of the Board of Directors shall serve a term of two (2) years and the other three (3) directors elected at that election shall serve a term of one (1) year. All other directors shall serve a term of two (2) years. The terms of each director's service shall extend until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

18. **Director's Organizational Meeting.** The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be affixed by the directors at the meeting at which they were elected. Adequate notice of the organizational meeting shall be necessary pursuant to Article 21 of these Bylaws.

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

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

21. **Notice of Meetings of the Board of Directors.** Adequate notice of all meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the condominium property at least 48 continuous hours preceding the meeting except in an emergency. Written notice of any meeting at which non-emergency special assessments, or at which an amendment to rules regarding use of Units will be proposed, discussed or approved, shall be mailed or delivered to the unit owners at least 14 days prior to the meeting, and shall be posted in a conspicuous place on the condominium property at least 14 continuous days

preceding the meeting. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the secretary and filed among the official records of the Association. Notice of any meeting in which regular assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessment.

22. **Open Meetings and Records.** Meetings of the Board of Directors shall be open to all unit owners. Minutes of all meetings of the members or the Board of Directors shall be kept in a book available for inspection by condominium unit owners or their authorized representatives, and Board members at any reasonable time. Said minutes shall be retained for a period of not less than seven (7) years.

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

24. **Quorum.** A quorum at director's meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors as required by the Declaration of Condominium of the condominium operated by the Association, the Articles of Incorporation of the Association and these Bylaws.

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

26. **Director Action.**

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

b. **Consent.** A director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting

in respect thereto because of an asserted conflict of interest. Directors may not vote by proxy or by secret ballot at Board of Directors meetings. A vote or abstention for each member present shall be recorded in the minutes.

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

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

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

29. **Directors Compensation.** Directors fees or other compensation, if any, shall be determined by a majority of the voting interests.

30. **Powers and Duties of the Board of Directors.** All of the powers and duties of the Association existing under the Condominium Act, the Declaration of Condominium of the condominium operated by the Association, the Articles of Incorporation of the Association and these Bylaws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees subject only to the approval by the voting interests when such approval is specifically required.

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

as the Board of Directors shall find to be necessary or convenient to manage the affairs of the Association.

32. **President.** The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the members from time to time, as he in his discretion may determine appropriate, to assist in the conduct of the affairs of the Association. After transfer of control of the Association to unit owners other than the Developer has occurred, the President shall appoint a standing budget committee for CARIBBEAN RESORT CONDOMINIUM, the majority of the membership of which shall be comprised of owners of Units in CARIBBEAN RESORT CONDOMINIUM. The President, on behalf of the Board of Directors, shall provide the budget committee a copy of the annual budget (or any amendment thereto or any special assessment proposal made in addition to the annual budget) proposed or to be proposed for adoption and shall solicit the budget committee's comments and recommendations regarding the budget; such comments and recommendations shall be submitted for consideration along with the budget itself to the Board of Directors or membership, as the case may be, when the budget is voted on for approval.

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

34. **Secretary.** The Secretary shall keep the minutes of all proceedings of the directors and the members in a businesslike manner and available for inspection by condominium unit owners and directors at all reasonable times. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

35. **Treasurer.** The Treasurer shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the books of the Association

in accordance with good accounting practices; he shall submit treasurer's reports to the Board of Directors at reasonable intervals; he shall make the treasurer's records available for inspection by directors or members at reasonable times; and he shall perform all other duties incident to the office of treasurer.

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

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

a. **Classification of Receipts and Expenditures.** The receipts and expenditures of the Association shall be divided into two (2) general classifications. one general classification shall be for receipts and expenditures arising out of the use, ownership or maintenance of the Common Elements or other similar receipts or expenditures received or incurred for the benefit of all owners served by the Common Elements or for the benefit of all members of the Association. The second general classification shall be for receipts and expenditures specific to one of the condominiums or other developments served by the Association, such as the maintenance, repair or replacement of the Common Elements of a condominium. The second general classification shall be further divided into separate classifications, one such classification for each of the condominiums or other developments served by the Association. Any decision by the Board of Directors determining the classification of a particular receipt or expenditure shall be final.

b. **Budgets.** The Board of Directors shall adopt a budget for each fiscal year for each condominium or other development served by the Association and for the Association. The budget for the Association shall include the estimated receipts and expenditures arising out of the use, ownership, operation and maintenance of the Common Elements as set forth

in the Declaration. All budgets adopted by the Board of Directors shall include the estimated funds required to defray the common expenses and to provide and maintain funds according to good accounting practices by accounts and expense classifications including, if applicable, but not limited to the following:

- (1) Administration of the Association
- (2) Management fee
- (3) Maintenance
- (4) Common Elements expense for recreational and other commonly used facilities
- (5) Taxes upon Association Property, if any
- (6) Annual lease or rental payment due the Santa Rosa County Beach

Administration

- (7) Insurance
- (8) Security provisions
- (9) Other expenses
- (10) Operating Capital
- (11) Reserves (In addition to annual operating expenses, each budget shall include reserve accounts for capital expenditures and deferred maintenance. The accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing. Reserve funds shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. This subparagraph shall not apply to budgets in which the members of the Association have, by a vote of the majority of the total voting interests voting in person or by limited proxy at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subparagraph).
- (12) Fees payable to Division, if any
- (13) Betterments (Betterments shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will

be a part of the Common Elements of the condominium or the property of the Association.)

(14) Operations (Operations shall include the gross revenues, if any, from the use of the Common Elements or other property owned by the Association and only the additional direct expense required by the revenue producing operation. Any surplus from such operations shall be used to reduce the assessments in the year following the year in which the surplus is realized. Any losses from such operation shall be met by assessments in the year following the year in which the loss is realized, unless funds cannot be adequately and timely raised in such fashion, in which event the required funds shall be provided by special assessment.)

c. Adoption of Budgets. A copy of each proposed annual budget of common expenses shall be mailed to the unit owners affected by the budget not less than fourteen (14) days prior to the meeting at which the budget will be considered, together with a notice of that meeting. The unit owner shall be given written notice of the time and place at which such meeting of the Board of Directors to consider the budget shall be held, and such meeting shall be open to the unit owners. If an adopted budget requires assessment against the unit owners in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of the assessments for the preceding year, the Board of Directors, upon written application of ten percent (10%) of the voting interests affected by the budget to the Board of Directors, shall call a special meeting of such unit owners within thirty (30) days, upon not less than ten (10) days written notice to each such unit owner affected by the budget. At the special meeting, unit owners affected by the budget shall consider and enact a budget upon vote of two-thirds (2/3) of the voting interests affected by the budget in question.

In any event, the Board of Directors may propose a budget to the unit owners at a meeting of the members or in writing, and if the budget or proposed budget is approved by the voting interests affected by the budget at the meeting or by a majority of all voting interests affected by the budget in question in writing, without a meeting, the budget so approved shall be adopted. If a meeting of the unit owners affected by a budget has been called and a quorum of those unit owners affected by the budget in question is not attained

or a substitute budget is not adopted, the budget adopted by the Board of Directors shall go into effect as scheduled.

In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium or development property, as the case may be, anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the condominium or development property, as the case may be, shall be excluded from the computation. However, as long as the Developer is in control of the Board of Directors, the Board of Directors shall not impose an assessment for any year greater than one hundred fifteen (115%) of the prior fiscal or calendar year's assessment without approval of a majority of all voting interests affected by the particular budget.

d. Assessments. The Board of Directors shall make assessments against each Unit for its share of the items of each budget in an amount not less than required to provide funds in advance for payment of all the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred ("General Assessments"). The assessments shall be made at least monthly in advance and shall be due in equal, monthly installments on the first day of each month for which the assessments are made. If a monthly assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and such monthly assessments shall be due on the first day of each month until changed by an amended assessment. In the event the monthly assessment shall be insufficient in the judgment of the Board of Directors, the Board of Directors shall amend each budget and shall make amended assessments in sufficient amounts to meet the expenses; provided, however, that any account of an amended budget that exceeds the limit upon increases shall be subject to approval of membership of the Association affected by that particular budget as previously required in these Bylaws.

e. Reserves. If a meeting of the unit owners affected by a budget has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect.

38. **Special Assessments and Capital Improvement Assessments.** In addition to General Assessments, the Board of Directors may levy "Special Assessments" and "Capital Improvement Assessments" upon the following terms and conditions:

(a) "Special Assessments" shall mean or refer to amounts levied against each owner and such owner's unit, representing a portion of the costs incurred by the Association for specific purposes of a nonrecurring nature which are not in the nature of capital improvements.

(b) "Capital Improvement Assessments" shall mean and refer to amounts levied against each owner and such owner's unit, representing a portion of the costs incurred by the Association for the acquisition, installation, construction or replacement (as distinguished from maintenance, repairs and replacement) of any capital improvements located or to be located within the Common Elements.

(c) Special Assessments and Capital Improvement Assessments may be levied by the Board of Directors and shall be payable in lump sums or installments, in the discretion of the Board of Directors; provided that, if such Special Assessments and Capital Improvement Assessments, in the aggregate in any year, exceed \$5,000.00 or cause the total assessments levied to exceed 115% of assessments for the preceding calendar year, the Board of Directors must obtain approval of a majority of the record owners of the Common Elements of Caribbean Resort Condominium, represented at a meeting duly called, noticed and held in accordance with the Bylaws and the Act. The General Assessments, Special Assessments and Capital Improvement Assessments shall be collectively referred to hereinafter as the "assessments".

39. **Depository.** The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the monies from such accounts shall be withdrawn only by checks signed by such persons as are authorized by the directors.

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

41. **Official Records:**

a. From the inception of the Association, the Association shall maintain a copy of each of the following, where applicable, which shall constitute the official records of the Association:

(1) The plans, permits, warranties, and other items provided by the Developer pursuant to Section 718.301(4);

(2) A photocopy of the recorded Declaration of each condominium operated by the Association and all amendments thereto; (3) A photocopy of the recorded Bylaws of the Association and all amendments thereto;

(3) A certified copy of the Articles of Incorporation of the Association or other documents creating the Association and all amendments thereto;

(4) A copy of the current rules of the Association;

(5) A book or books containing the minutes of all meetings of the Association, of the Board of Directors, and of unit owners, which minutes shall be retained for a period of not less than seven (7) years;

(6) A current roster of all unit owners, their mailing addresses, Unit identifications, voting certifications and if known, telephone numbers;

(7) All current insurance policies of the Association and condominiums operated by the Association;

(8) A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the unit owners have an obligation or responsibility;

(9) Bills of sale or transfer for all property owned by the Association;

(10) Accounting records for the Association and separate accounting records for any other condominium it operates according to good accounting practices. All accounting records shall be maintained for a period of not less than seven (7) years. The accounting records shall include, but are not limited to:

(i) Accurate, itemized, and detailed records of all receipts and expenditures.

(ii) A current account and a monthly, bimonthly, or quarterly statement of the account for each Unit designating the name of the unit owner, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

(iii) All audits, reviews, accounting statements, and financial

reports of the Association or condominium.

(iv) All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one (1) year.

(11) Ballots, sign-in sheets, voting proxies, and all other papers relating to elections, which shall be maintained for a period of one (1) year from the date of the election, vote, or meeting to which the document relates.

(12) All rental records when the Association is acting as agent for the rental of condominium units.

(13) A copy of the current Question and Answer Sheet as described in Section 718.504, *Florida Statutes*.

(14) All other records of the Association not specifically included in the foregoing which are related to the operation of the Association.

b. The official records of the Association shall be maintained in the county in which the condominium is located or within twenty-five (25) miles of the property if maintained in another county.

c. The official records of the Association are open to inspection by any Association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies at the reasonable expense, if any of the Association member. The Association may adopt reasonable rules regarding the frequency, time, location, notice and manner of record inspection and copying. The failure of an Association to provide the records within ten (10) working days after receipt of a written request shall create a rebuttable presumption that the Association willfully failed to comply with this paragraph. A unit owner who is denied access to official records is entitled to the actual damages or minimum damages for the Association's willful failure to comply with this paragraph. The minimum damages shall be \$50.00 per calendar day up to ten (10) days, the calculation to begin on the eleventh working day after receipt of the written request. Failure to permit inspection of the Association records as provided herein entitles any person prevailing in an enforcement action to recover reasonable attorneys' fees from the person in control of the records who, directly or indirectly,

knowingly denied access to the records for inspection. The Association shall maintain an adequate number of copies of the Declaration, Articles of Incorporation, Bylaws, and rules, and all amendments to each of the foregoing, as well as the Question and Answer Sheet provided for in Section 718.504, *Florida Statutes*, on the condominium property to ensure their availability to unit owners and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the same.

d. The Association shall prepare a Question and Answer Sheet as described in Section 718.504, *Florida Statutes*, and shall update it annually.

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

- a. Costs for security;
- b. Professional and management fees and expenses;
- c. Taxes;
- d. Costs for recreational facilities;
- e. Expenses for refuse collection and utility services;
- f. Expenses for lawn care;
- g. Costs for building maintenance and repair;
- h. Insurance costs;
- i. Administrative and salary expenses; and
- j. Reserves for capital expenditures, deferred maintenance, and any other category for which the Association maintains a reserve account or accounts.

43. **Fidelity Bonds.** The Association shall obtain and maintain Fidelity bonding of all persons who control or disburse funds of the Association in the principal sum of not less than \$10,000 for each such person; provided, however, if the Association's annual gross receipts exceeds \$100,000 but do not exceed \$300,000, then the amount of such fidelity bonding shall be in the principal sum of not less than \$30,000; and further provided, that if the Association's annual gross

receipts exceeds \$300,000, then the amount of such fidelity bonding shall be in the principal sum of not less than \$50,000. The Association shall bear the cost of bonding. However, in the case of a person providing management services to the Association and required to be licensed pursuant to §468.432, Florida Statute, the cost of bonding may be reimbursed by the Association; all such persons providing management services to an Association shall provide the Association with a certificate of insurance evidencing compliance with this paragraph.

44. **Fines.** In addition to all remedies provided in the Declaration of Condominium of the condominium operated by the Association, the Articles or these Bylaws, the Board of Directors of the Association may, upon reasonable notice of not less than 14 days and an opportunity for hearing, fine and charge any offending member a sum not to exceed One Hundred Dollars (\$100.00) for each infraction of the provisions of said Declaration, Articles, Bylaws or reasonable rules and regulations of the Association. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000.00. No fine may be levied except after giving reasonable notice and opportunity for a hearing to the unit owner and, if applicable, its licensee or invitee. The hearing must be held before a committee of other unit owners. If the committee does not agree with the fine, the fine may not be levied.

The Notice shall include the following:

- a. Statement of date, time and place of hearing.
- b. Statement of provisions allegedly violated (Declaration, Bylaws, Rules) and
- c. Short and plain statement of the matters asserted by the Association.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence and to provide written or oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the committee. If the committee agrees with the fine, the Board of Directors shall receive the report of the committee and if the Board approves the recommendation of the committee, the Board of Directors may levy the fine. No fines shall become a lien against the Unit. The provisions of this paragraph shall not apply to unoccupied units.

45. **Transfer Fee.** No fee shall be charged by the Association in connection with a transfer, lease, sale or sublease of a condominium unit which is subject to approval of the

Association or its Board of Directors, in excess of the expenditures reasonably required for the transfer or sale, and this expense shall not exceed \$50.00. No charge shall be made in connection with an extension or renewal of a lease.

46. **Amendments.** In addition to any other method provided under the Declaration or Articles of Incorporation, these Bylaws may be amended in the following manner:

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

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

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

(2) Until the transfer of control from the Developer to unit owners other than the Developer, by two-thirds (2/3) of the directors.

c. No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and the words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlying and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language:

“Substantial rewording of Bylaw. See Bylaw _ for present text.”

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

47. **Alternate Dispute Resolution; Voluntary Mediation; Mandatory Non-binding Arbitration, Voluntary Arbitration.**

a. Definitions. As used in this section, the term "dispute" means any disagreement between two or more parties that involves:

(1) The authority of the Board of Directors, under any law or association document to:

(i) Require any owner to take any action, or not to take any action, involving that owner's Unit.

(ii) Alter or add to a common area or element.

(2) The failure of a governing body, when required by law or an association document to:

(i) Properly conduct elections.

(ii) Give adequate notice of meetings or other actions.

(iii) Properly conduct meetings.

(iv) Allow inspection of books and records.

"Dispute" does not include any disagreement that primarily involves title to any unit or common element; the interpretation or enforcement of any warranty; or the levy of a fee or assessment, or the collection of any assessment levied against a party.

b. Voluntary Mediation. Voluntary mediation through Citizen Dispute Settlement Centers as provided for in F.S. 44.201 is encouraged.

c. Mandatory Non-binding Arbitration Of Disputes. The Division of Florida Land Sales, Condominiums, and Mobile Homes of the Department of Business and Professional Regulation shall employ full-time arbitrators to conduct the arbitration hearings. The department shall promulgate rules of procedure to govern such arbitration hearings. The decision of an arbitrator shall be final; however, such a decision shall not be deemed final agency action. Nothing in this provision shall be construed to foreclose parties from proceeding in a trial de novo. If such judicial proceedings are initiated, the final decision of the arbitrator shall be admissible in evidence.

(1) Prior to the institution of court litigation, the parties to a dispute shall petition the division for non-binding arbitration. Arbitration shall be conducted according to rules promulgated by the division. The filing of a petition for arbitration shall toll the applicable statute of limitations.

(2) At the request of any party to the arbitration, such arbitrator shall issue subpoenas for the attendance of witnesses and the production of books, records, documents, and other evidence and any party on whose behalf a subpoena is issued may apply to the court for orders compelling such attendance and production. Subpoenas shall be served and shall be enforceable in the manner provided by law.

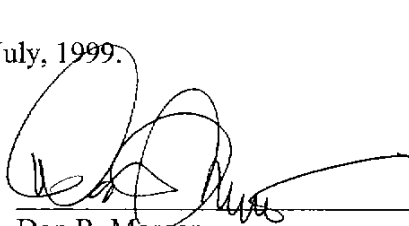
(3) The arbitration decision shall be presented to the parties in writing. An arbitration decision shall be final if a complaint for a trial de novo is not filed in a court of competent jurisdiction within 30 days. The right to file for a trial de novo entitles the parties to file a complaint in the appropriate trial court for a judicial resolution of the dispute. The prevailing party may be awarded reasonable attorneys' fees.

(4) The party who files a complaint for a trial de novo shall be assessed the other party's arbitration costs, court costs, and other reasonable costs, including attorneys' fees, investigation expenses, and expenses for expert or other testimony or evidence incurred after the arbitration hearing if the judgment upon the trial de novo is not more favorable than the arbitration decision. If the judgment is more favorable, the party who filed a complaint for trial de novo shall be awarded reasonable court costs and attorneys' fees.

(5) Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in the circuit court for the circuit in which the arbitration took place. A petition may not be granted unless the time for appeal by the filing of complaint for trial de novo has expired. If a complaint for trial de novo has been filed, a petition may not be granted with respect to an arbitration award that has been stayed.

48. **Execution and Recording.** A copy of each amendment shall be attached to or incorporated in a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and Bylaws, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be valid and effective when such certificate, with a copy of the amendment attached thereto or incorporated therein, is recorded in the public records of Santa Rosa County, Florida.

The foregoing was adopted as the Bylaws of Caribbean Resort Condominium Association of Navarre Beach, Inc., a corporation under the laws of the State of Florida, at the first meeting of the Board of Directors on the 22nd day of July, 1999.



Don R. Morgan
Vice President
Caribbean Resort Condominium Association
of Navarre Beach, Inc.