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ST. AUGUSTINE OCEAN & RACQUET CLUB, INC., A CONDOMINIUM

[Note: As of 06/11/07 a Title Search *has* been done to verify the Documents]

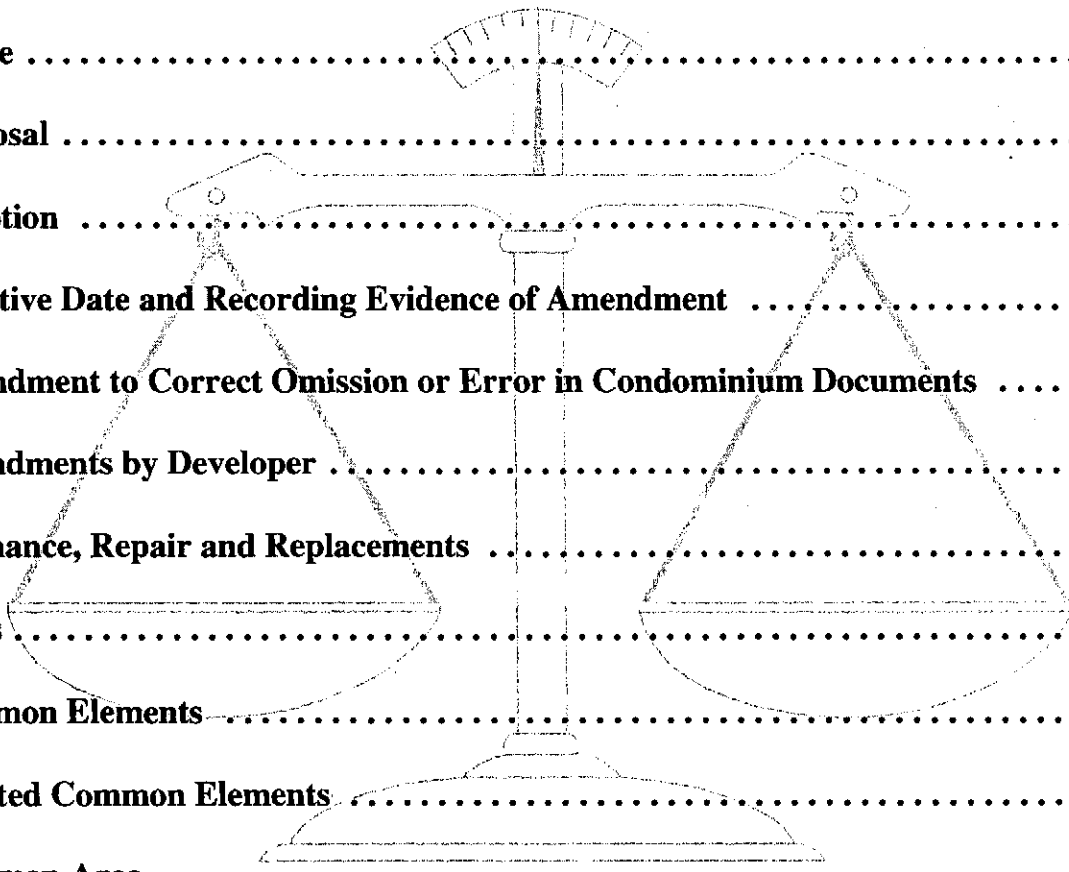
DECLARATION OF CONDOMINIUM FOR ST. AUGUSTINE OCEAN & RACQUET CLUB ONE, A CONDOMINIUM

(O.R. Book 551, Page 224, St. John's County, Florida, recorded on 09/02/82)

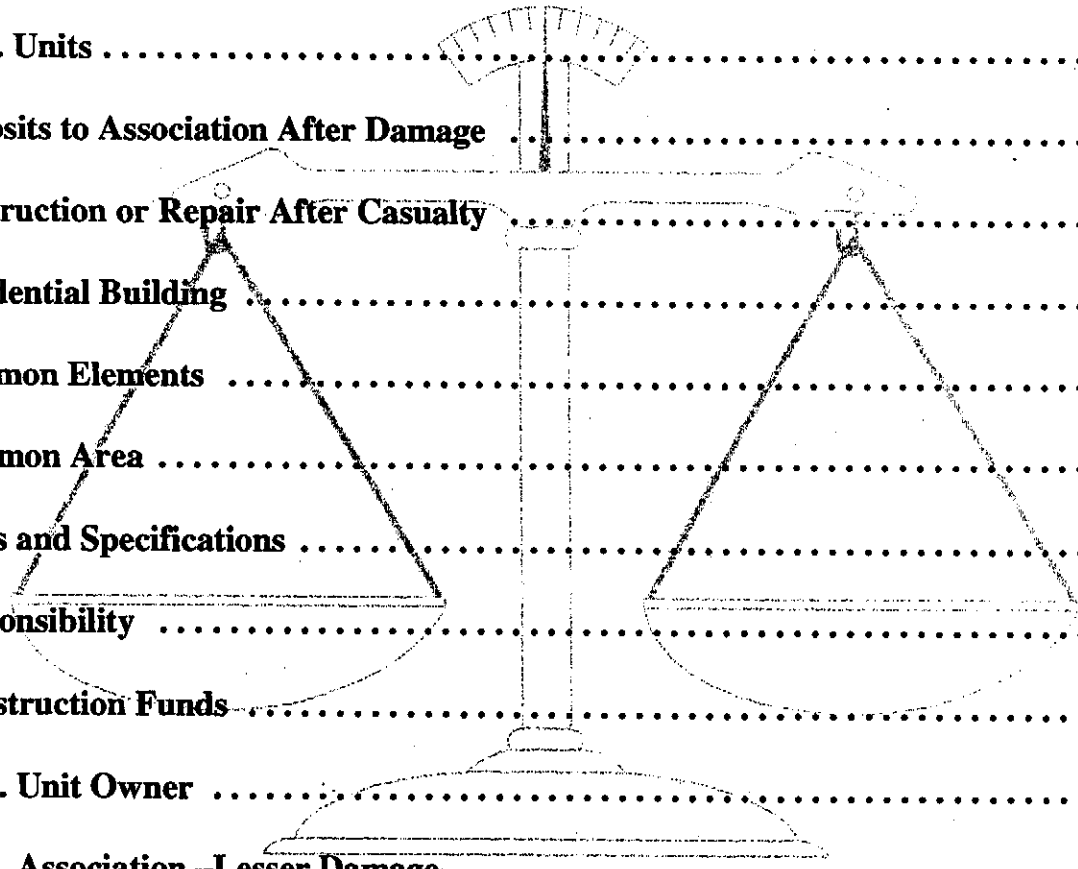
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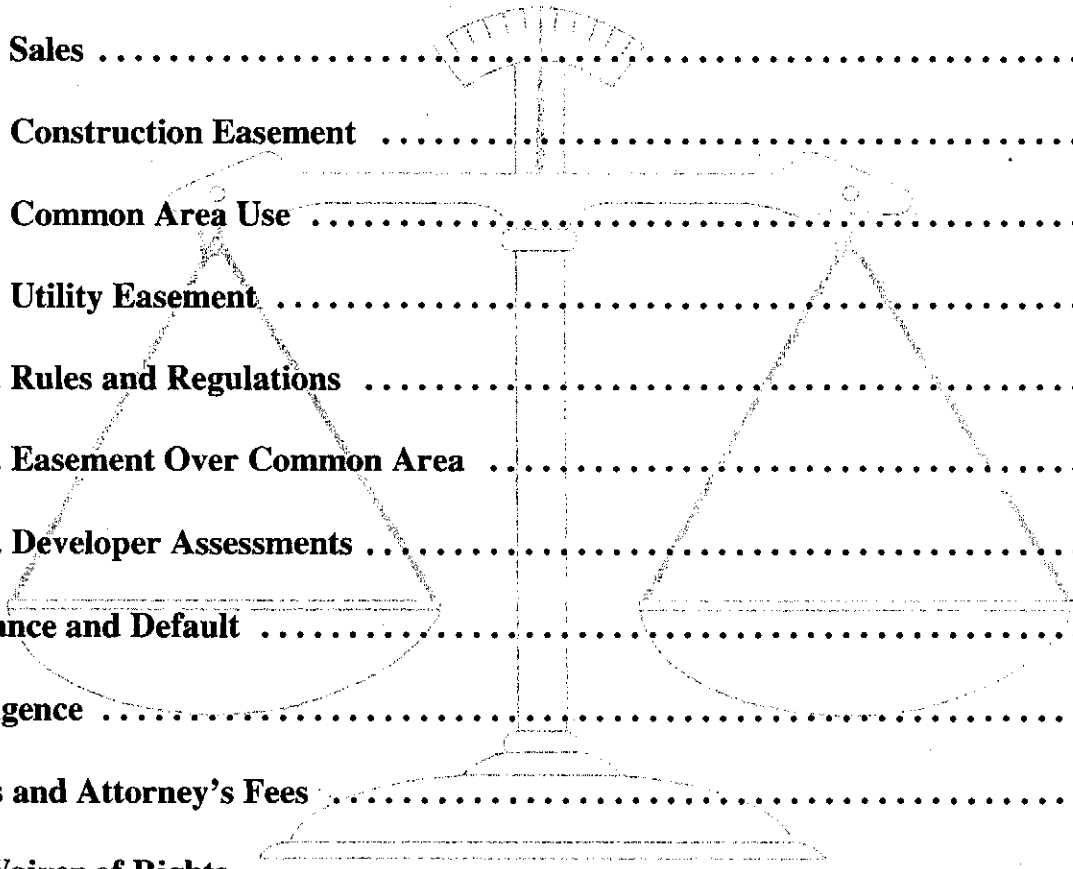
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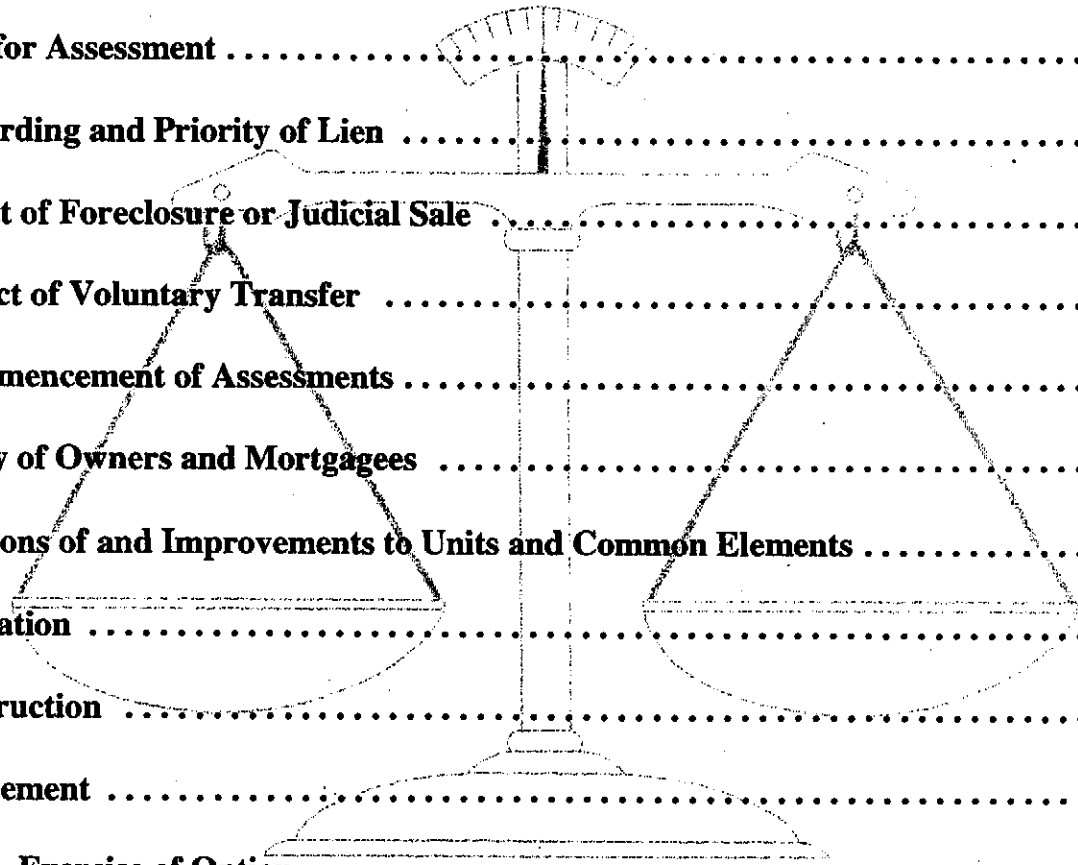
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 CONDOMINIUM ASSOCIATION, INC. PHASES I, II AND III**
 (O.R. Book 824, Page 1509, St. John's County, Florida, recorded on 07/03/89)

**AMENDMENT NUMBER ONE TO DECLARATION OF CONDOMINIUM
 ST. AUGUSTINE OCEAN & RACQUET CLUB CONDOMINIUM
 ASSOCIATION, INC. PHASES I, II AND III**
 (O.R. Book 733, Page 0282, St. John's County, Florida, recorded on 01/27/87)

FOURTH AMENDMENT TO DECLARATION OF CONDOMINIUM OF ST. AUGUSTINE OCEAN & RACQUET CLUB ONE, A CONDOMINIUM
(O.R. Book 1185, Page 331, St. John's County, Florida, recorded on 07/23/96)

FIFTH AMENDMENT TO DECLARATION OF CONDOMINIUM OF ST. AUGUSTINE OCEAN & RACQUET CLUB ONE, A CONDOMINIUM
(O.R. Book 1185, Page 327, St. John's County, Florida, recorded on 07/23/96)

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SEVENTH AMENDMENT TO DECLARATION OF CONDOMINIUM OF ST. AUGUSTINE OCEAN & RACQUET CLUB, INC., A CONDOMINIUM
(O.R. Book 2637, Page 1519, St. John's County, Florida, recorded on 02/06/06)

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(Filed with the Secretary of State on 09/17/81)

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(Dated August 1997)**

**OCEAN & RACQUET CLUB CONDOMINIUM ASSOCIATION, INC.
RULES REGARDING UNIT OWNER PARTICIPATION AT
ASSOCIATION MEETINGS
(Dated August 1997)**

**OCEAN & RACQUET CLUB CONDOMINIUM ASSOCIATION, INC. A
RESOLUTION OF THE BOARD OF DIRECTORS REGULATING USE OF
COMMON PARKING AREAS
(Appears to be unrecorded)**

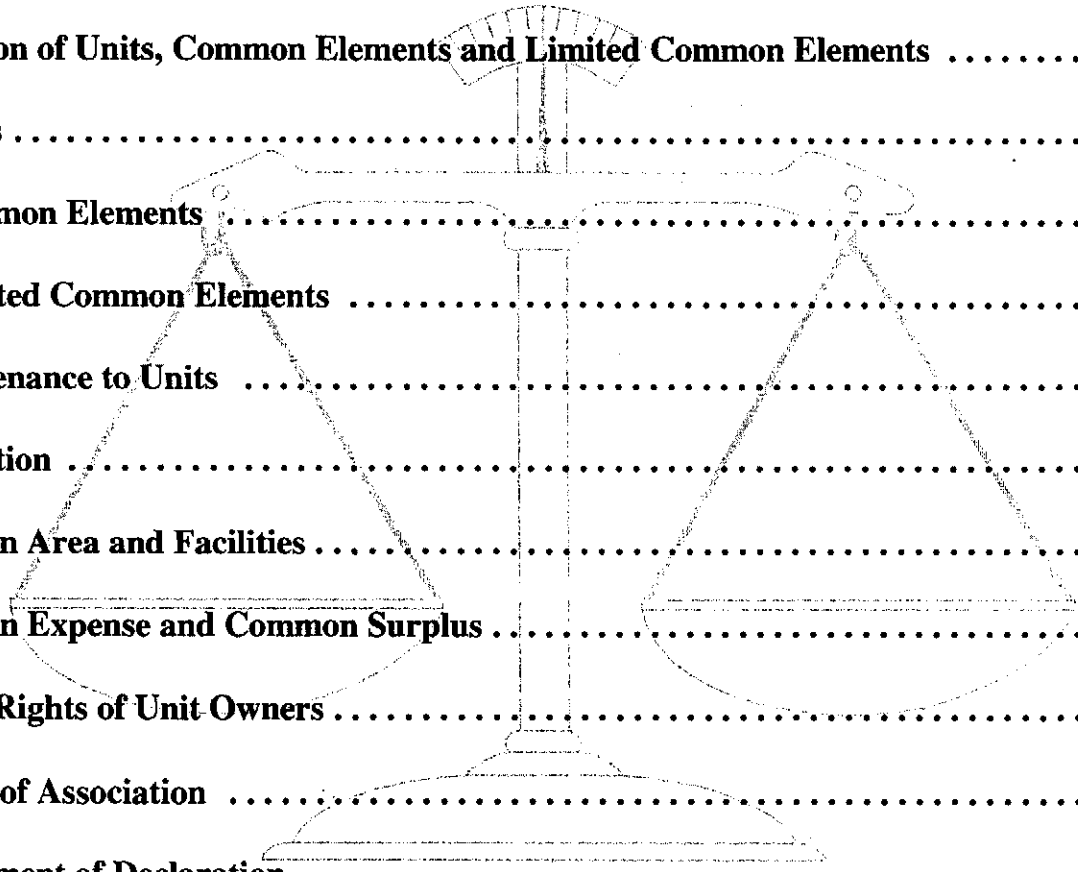
**OCEAN & RACQUET CLUB CONDOMINIUM ASSOCIATION, INC.
REVISED RULES & REGULATING USE OF COMMON PARKING AREAS
(Appears to be unrecorded)**

**AMENDMENT NUMBER TWO OF RULES AND REGULATIONS OF ST.
AUGUSTINE OCEAN & RACQUET CLUB CONDOMINIUM
ASSOCIATION, INC.
(O.R. Book 733, Page 282, Orange County, Florida, recorded on 01/27/87)**

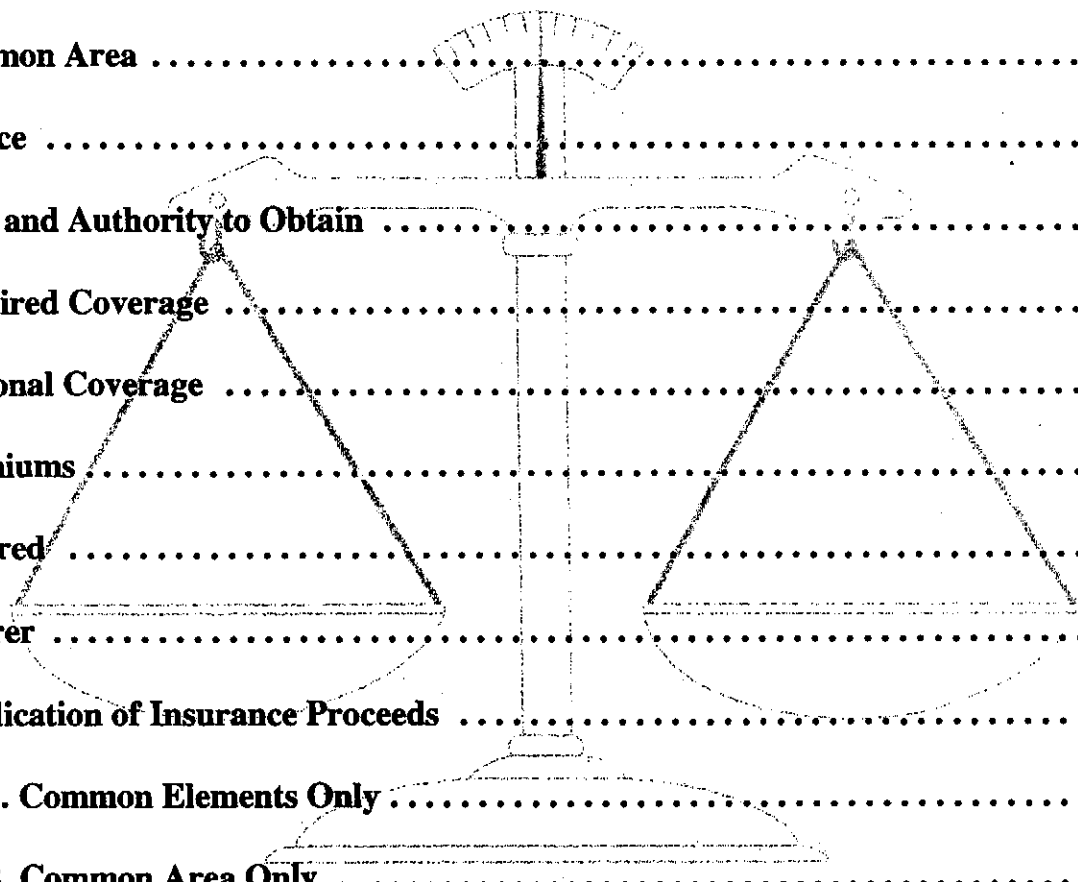
**DECLARATION OF CONDOMINIUM FOR ST. AUGUSTINE OCEAN &
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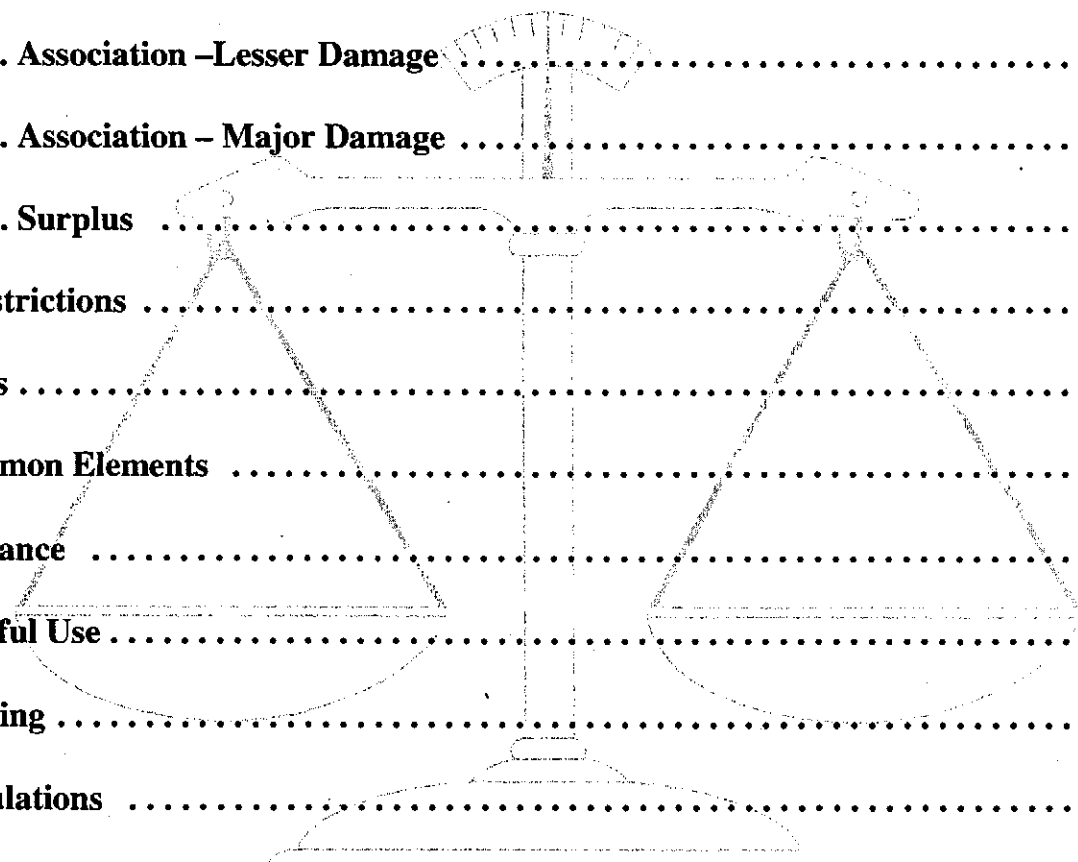
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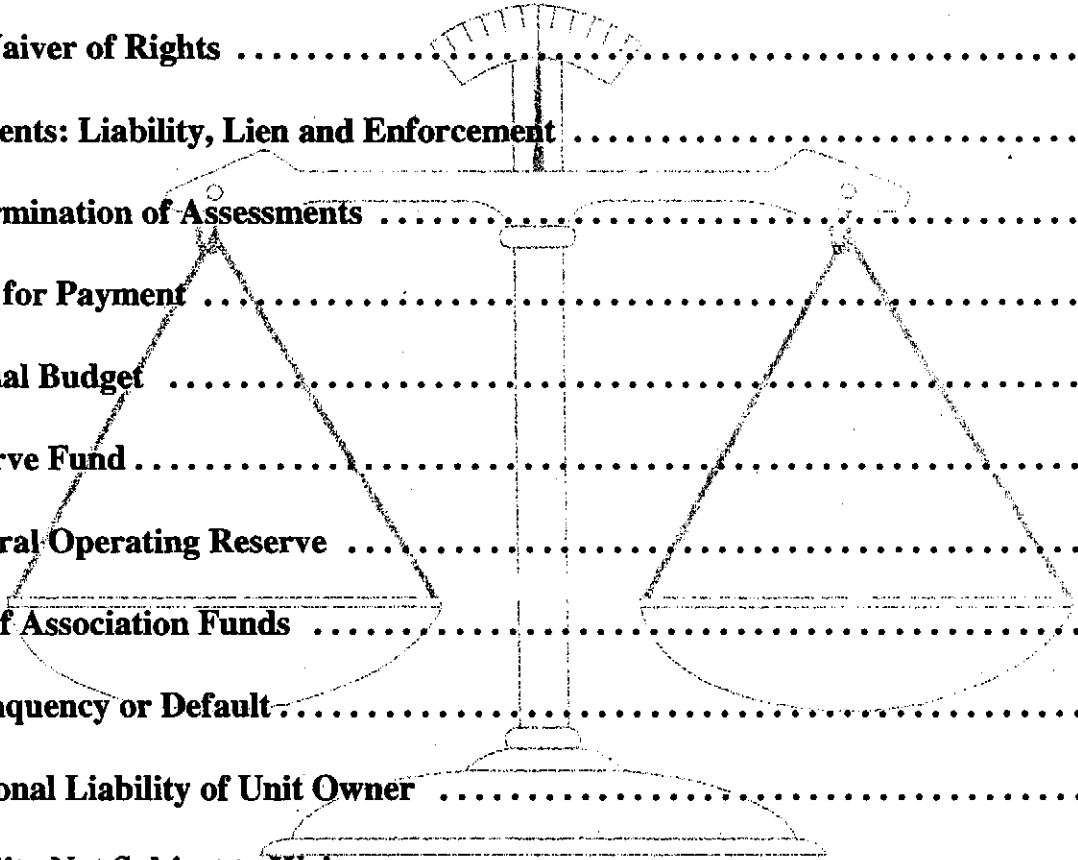
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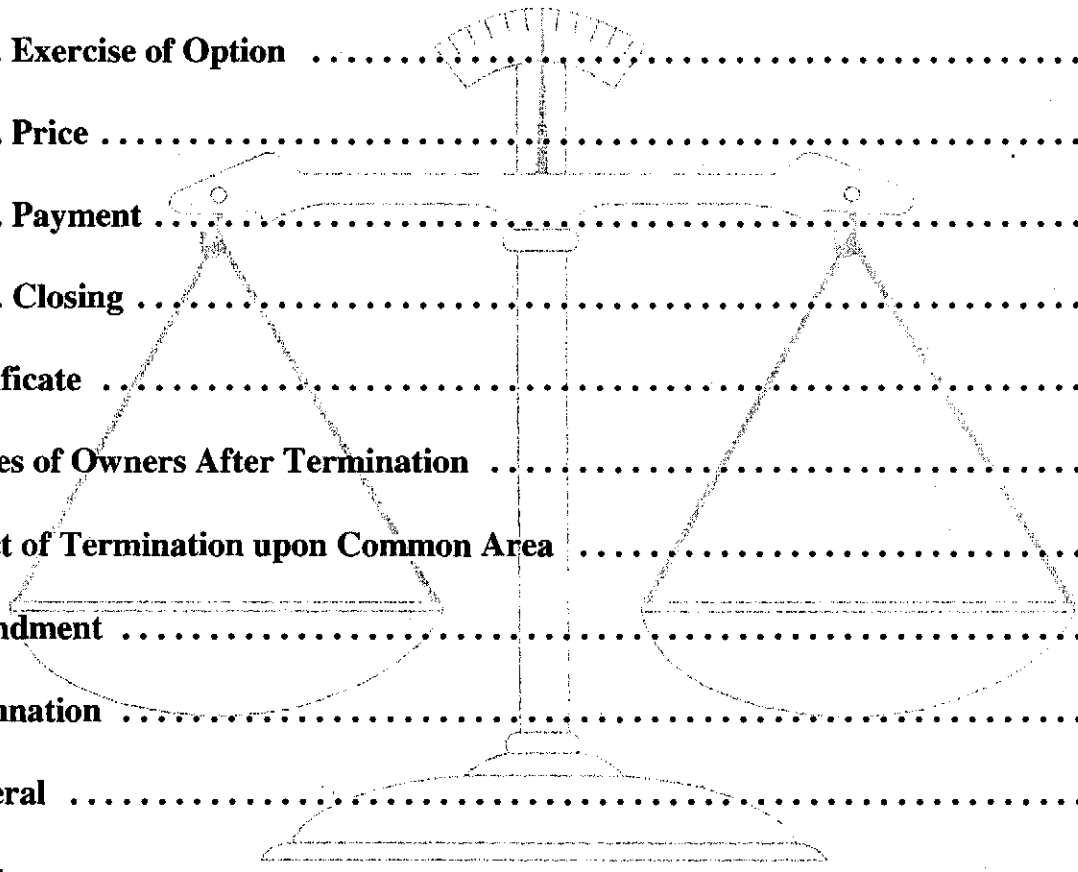
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**REVOCAION OF AMENDMENT NUMBER ONE TO DECLARATION OF
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 (O.R. Book 824, Page 1509, St. John's County, Florida, recorded on 07/03/89)

**AMENDMENT NUMBER ONE TO DECLARATION OF CONDOMINIUM
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 (O.R. Book 733, Page 0282, St. John's County, Florida, recorded on 01/27/87)

**FOURTH AMENDMENT TO DECLARATION OF CONDOMINIUM OF ST.
 AUGUSTINE OCEAN & RACQUET CLUB TWO, A CONDOMINIUM**
 (O.R. Book 1185, Page 319, St. John's County, Florida, recorded on 07/23/96)

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 (O.R. Book 1185, Page 315, St. John's County, Florida, recorded on 07/23/96)

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 (O.R. Book 1185, Page 311, St. John's County, Florida, recorded on 07/23/96)

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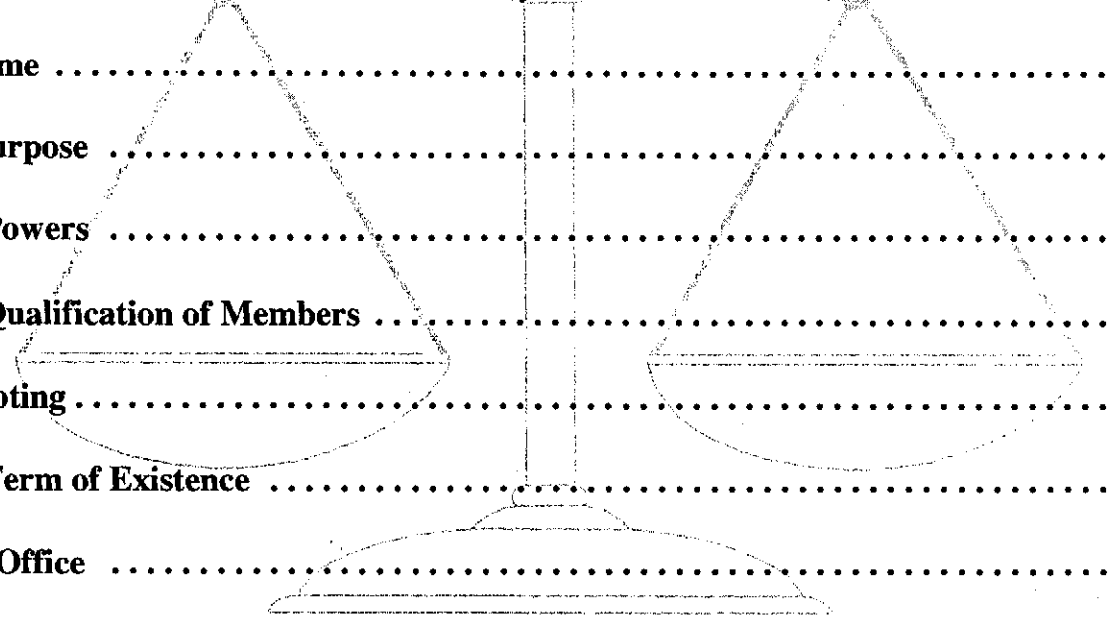
(O.R. Book 1296, Page 1336, St. John's County, Florida, recorded on 02/19/98)

**SEVENTH AMENDMENT TO DECLARATION OF CONDOMINIUM OF
ST. AUGUSTINE OCEAN & RACQUET CLUB, INC., A CONDOMINIUM**

(O.R. Book 2637, Page 1519, St. John's County, Florida, recorded on 02/06/06)

**ARTICLES OF INCORPORATION OF
ST. AUGUSTINE OCEAN & RACQUET CLUB CONDOMINIUM,
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(Filed with the Secretary of State on 09/17/81)



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RULES AND REGULATIONS REGARDING INSPECTION AND COPYING
OF RECORDS**

(August 1997)

**OCEAN & RACQUET CLUB CONDOMINIUM ASSOCIATION, INC.
RULES REGARDING UNIT OWNER PARTICIPATION AT
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(August 1997)

**OCEAN & RACQUET CLUB CONDOMINIUM ASSOCIATION, INC. A
RESOLUTION OF THE BOARD OF DIRECTORS REGULATING USE OF
COMMON PARKING AREAS**

(Appears to be unrecorded)

**OCEAN & RACQUET CLUB CONDOMINIUM ASSOCIATION, INC.
REVISED RULES & REGULATING USE OF COMMON PARKING AREAS**

(Appears to be unrecorded)

**AMENDMENT NUMBER TWO OF RULES AND REGULATIONS OF ST.
AUGUSTINE OCEAN & RACQUET CLUB CONDOMINIUM
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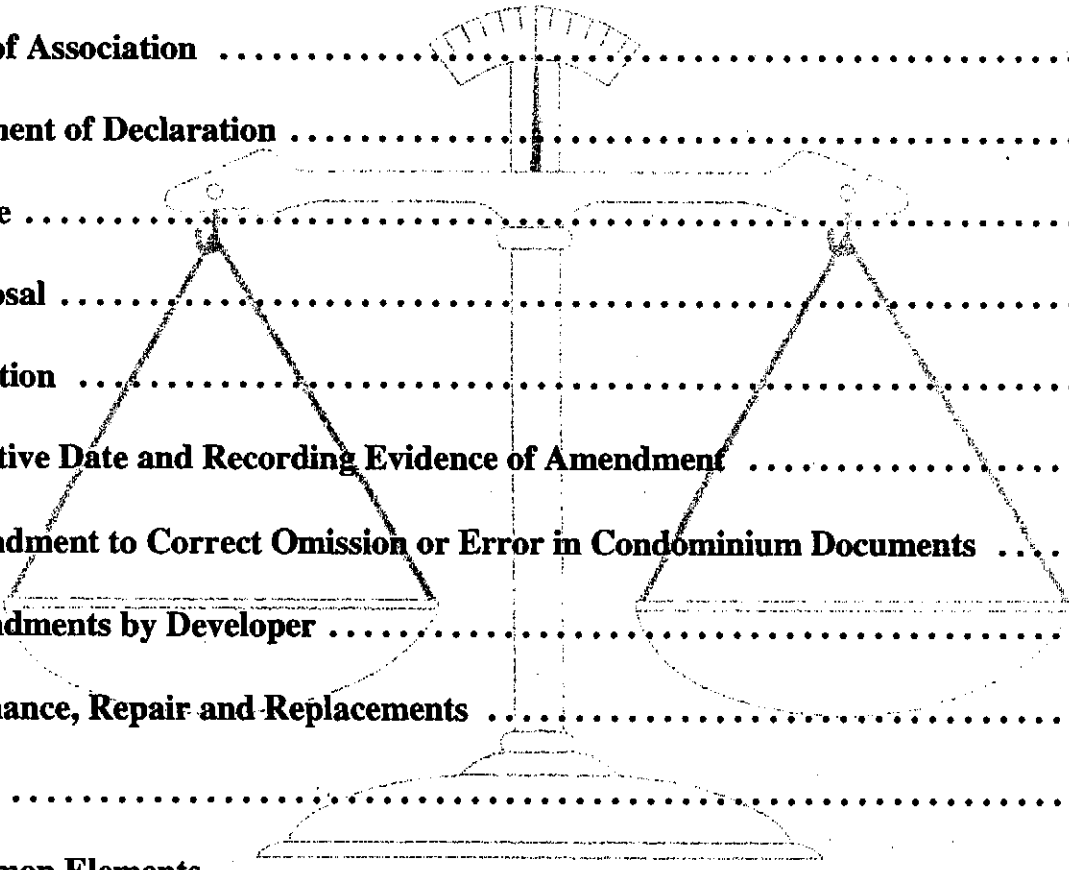
(O.R. Book 733, Page 282, Orange County, Florida, recorded on 01/27/87)

**DECLARATION OF CONDOMINIUM FOR ST. AUGUSTINE OCEAN &
RACQUET CLUB THREE, A CONDOMINIUM**

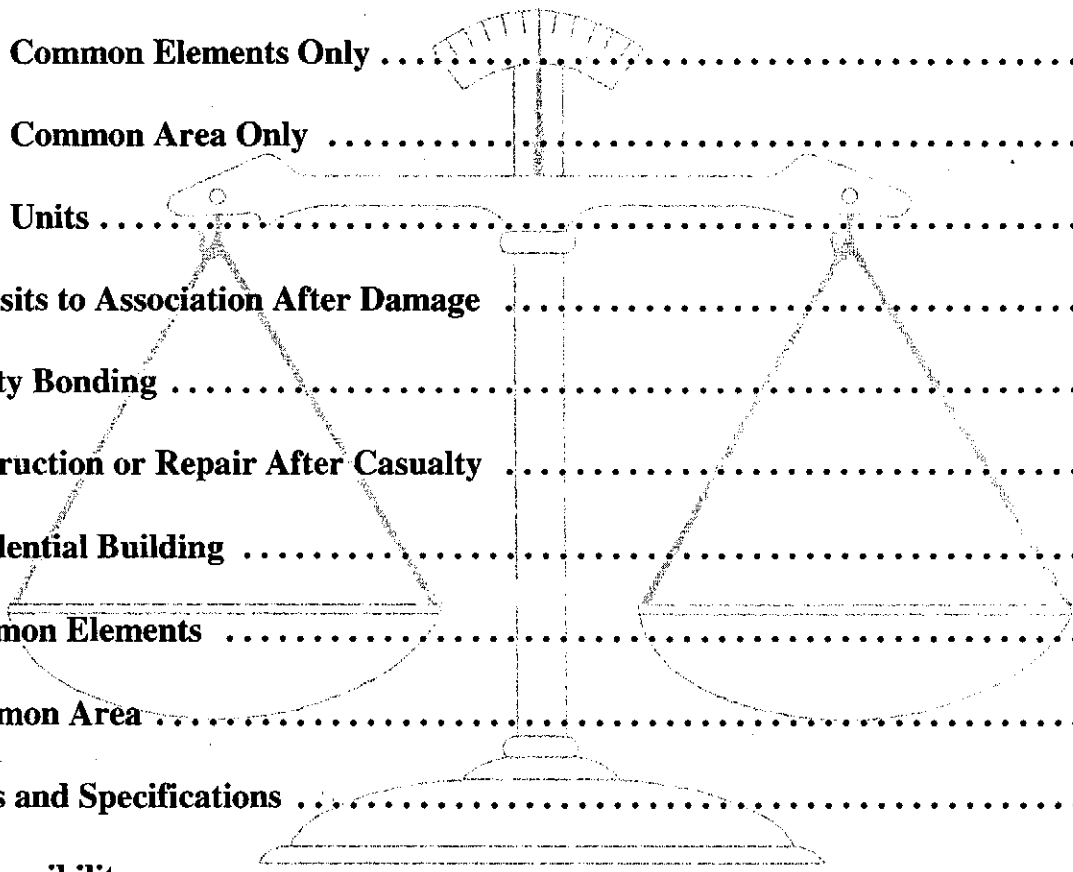
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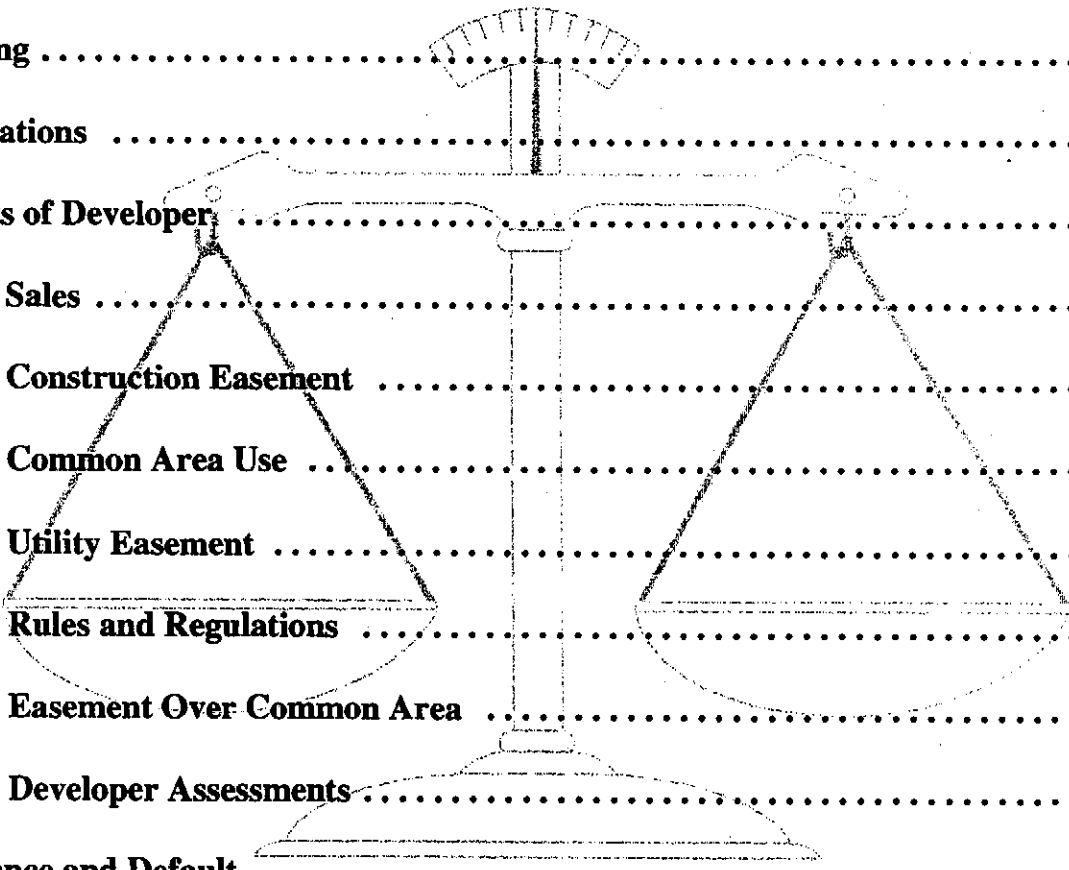
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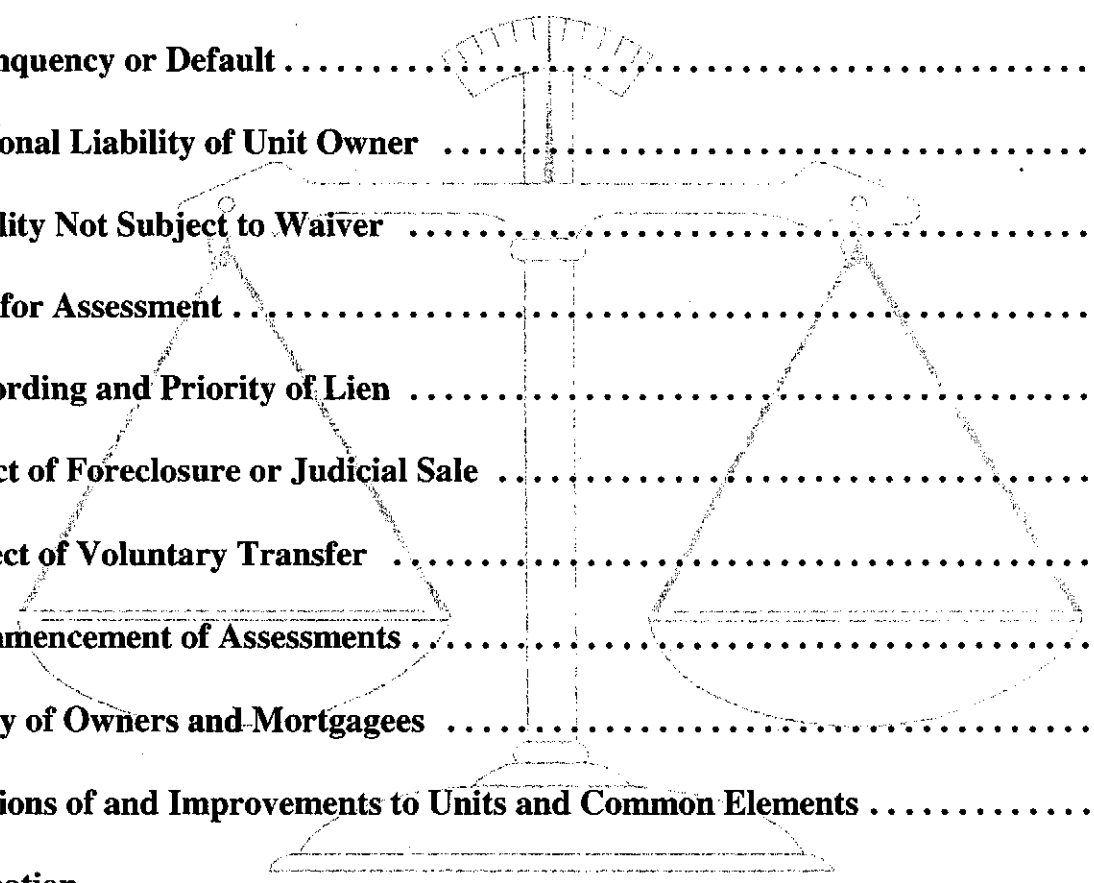
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**REVOCAION OF AMENDMENT NUMBER ONE TO DECLARATION OF
 CONDOMINIUM ST. AUGUSTINE OCEAN & RACQUET CLUB
 CONDOMINIUM ASSOCIATION, INC. PHASES I, II AND III
 (O.R. Book 824, Page 1509, St. John's County, Florida, recorded on 07/03/89)**

**AMENDMENT NUMBER ONE TO DECLARATION OF CONDOMINIUM
ST. AUGUSTINE OCEAN & RACQUET CLUB CONDOMINIUM
ASSOCIATION, INC. PHASES I, II AND III**

(O.R. Book 733, Page 0282, St. John's County, Florida, recorded on 01/27/87)

**AMENDMENT NUMBER THREE TO DECLARATION OF
CONDOMINIUM ST. AUGUSTINE OCEAN & RACQUET CLUB
CONDOMINIUM ASSOCIATION, INC. PHASE III**

(O.R. Book 760, Page 1686, St. John's County, Florida, recorded on 10/20/87)

**FOURTH AMENDMENT TO DECLARATION OF CONDOMINIUM FOR
ST. AUGUSTINE OCEAN & RACQUET CLUB THREE, A CONDOMINIUM**

(O.R. Book 1185, Page 303, St. John's County, Florida, recorded on 07/23/96)

**FIFTH AMENDMENT TO DECLARATION OF CONDOMINIUM OF ST.
AUGUSTINE OCEAN & RACQUET CLUB THREE, A CONDOMINIUM**

(O.R. Book 1185, Page 299, St. John's County, Florida, recorded on 07/23/96)

**SIXTH AMENDMENT TO DECLARATION OF CONDOMINIUM OF ST.
AUGUSTINE OCEAN & RACQUET CLUB THREE, A CONDOMINIUM**

(O.R. Book 1185, Page 295, St. John's County, Florida, recorded on 07/23/96)

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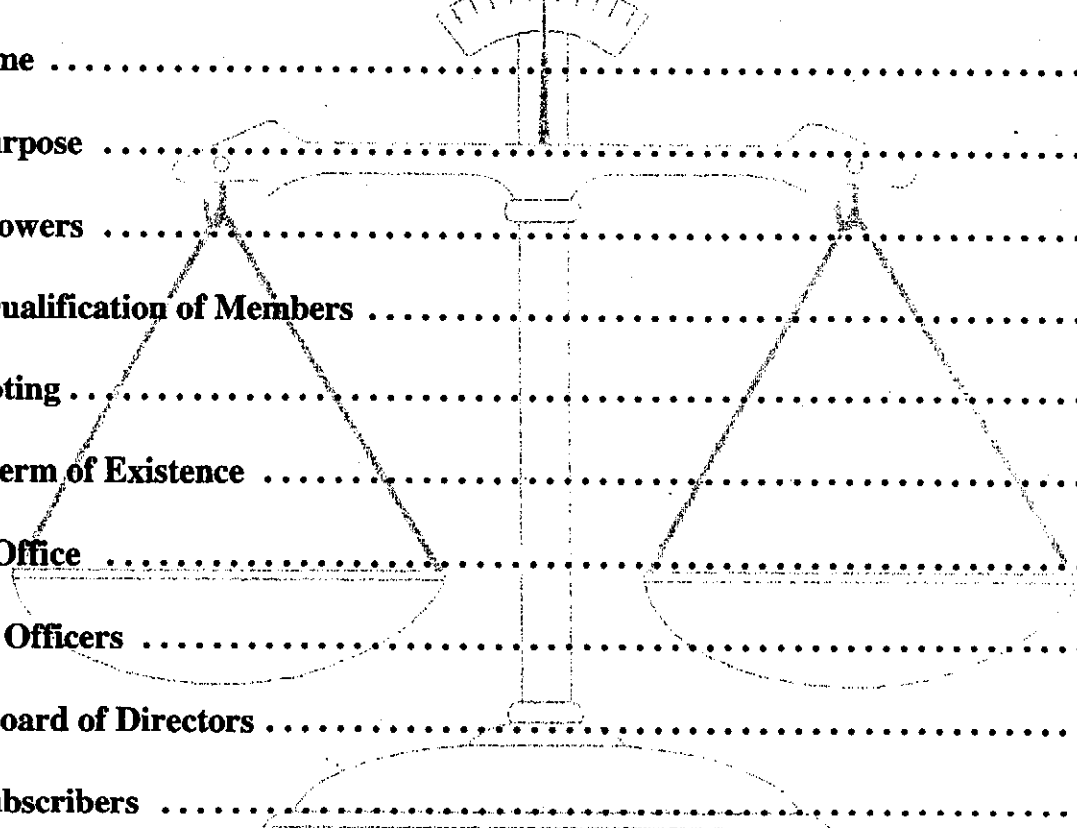
(O.R. Book 1296, Page 1320, St. John's County, Florida, recorded on 02/19/98)

**SEVENTH AMENDMENT TO DECLARATION OF CONDOMINIUM OF
ST. AUGUSTINE OCEAN & RACQUET CLUB, INC., A CONDOMINIUM**

(O.R. Book 2637, Page 1519, St. John's County, Florida, recorded on 02/06/06)

**ARTICLES OF INCORPORATION OF
ST. AUGUSTINE OCEAN & RACQUET CLUB CONDOMINIUM,
ASSOCIATION, INC.**

(Filed with the Secretary of State on 09/17/81)

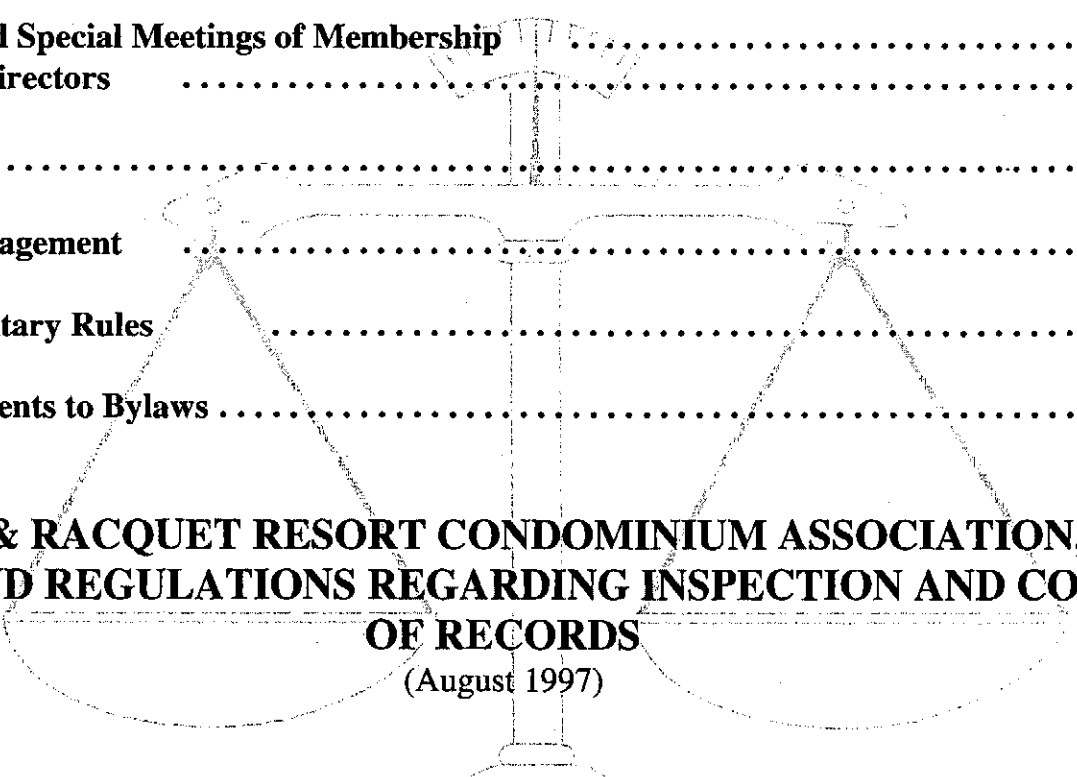


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(O.R. Book 651, Page 268, St. John's County, Florida, recorded on 01/27/87)

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(Appears to be unrecorded)

RULES AND REGULATIONS OF ST. AUGUSTINE OCEAN & RACQUET CLUB THREE, A CONDOMINIUM
(Appears to be unrecorded)

AMENDMENT NUMBER TWO OF RULES AND REGULATIONS OF ST. AUGUSTINE OCEAN & RACQUET CLUB CONDOMINIUM ASSOCIATION, INC.

(O.R. Book 733, Page 282, Orange County, Florida, recorded on 01/27/87)

MISCELLANEOUS

1. **POND SYSTEM MAINTENANCE AGREEMENT**
(O.R. Book 1806, Page 1410, St. John's County, Florida, recorded on 08/30/02)
2. **AMENDMENT TO AGREEMENT**
(O.R. Book 1953, Page 299, St. John's County, Florida, recorded on 05/14/03)
3. **AMENDMENT TO POND SYSTEM MAINTENANCE AGREEMENT**
(O.R. Book 1953, Page 301, St. John's County, Florida, recorded on 05/14/03)
4. **AMENDMENT #3 TO AGREEMENT**
(O.R. Book 2129, Page 1631, St. John's County, Florida, recorded on 01/28/04)
5. **EASEMENT**
(O.R. Book 546, Page 134, St. John's County, Florida, recorded on 07/21/82)
6. **EASEMENT**
(O.R. Book 552, Page 343, St. John's County, Florida, recorded on 09/23/82)
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(O.R. Book 582, Page 139, St. John's County, Florida, recorded on 04/28/83)

8. **EASEMENT**
(O.R. Book 695, Page 13, St. John's County, Florida, recorded on 01/20/84)
9. **UTILITY EASEMENT AGREEMENT**
(O.R. Book 551, Page 327, St. John's County, Florida, recorded on 09/02/82)
10. **FIRST AMENDMENT TO UTILITY EASEMENT AGREEMENT**
(O.R. Book 590, Page 443, St. John's County, Florida, recorded on 06/23/83)
11. **DEED OF EASEMENT**
(O.R. Book 868, Page 1232, St. John's County, Florida, recorded on 09/11/90)
12. **BULK CABLE TELEVISION SERVICE AND EASEMENT AGREEMENT**
(O.R. Book 1484, Page 1378, St. John's County, Florida, recorded on 03/30/00)
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(O.R. Book 978, Page 600, St. John's County, Florida, recorded on 02/08/93)
14. **WARRANTY DEED**
(O.R. Book 577, Page 524, St. John's County, Florida, recorded on 03/28/89)
15. **WARRANTY DEED**
(O.R. Book 551, Page 312, St. John's County, Florida, recorded on 09/02/82)
16. **WARRANTY DEED**
(O.R. Book 651, Page 197, St. John's County, Florida, recorded on 07/17/84)
17. **OCEAN & RACQUET CLUB CONDOMINIUM ASSOCIATION, INC. UNIT
BALCONY/DECK DECORATIVE COVERING SPECIFICATIONS**
(Appears to be unrecorded)

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DECLARATION OF CONDOMINIUM

FOR

ST. AUGUSTINE CREEK & RACQUET CLUB THREE,
& CONDOMINIUM

THIS INSTRUMENT WAS PREPARED BY
LINDA CONNOR ROBE
SULLIVAN, BARNER, WINKLE, BRADFORD, & CANNON
1525 INDEPENDENT SQUARE
ORLANDO, FLORIDA 32802

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DECLARATION OF CONDOMINIUM
FOR
ST. AUGUSTINE OCEAN & RACQUET CLUB THREE,
A CONDOMINIUM

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DECLARATION OF CONDOMINIUM

FOR

ST. AUGUSTINE OCEAN & RACQUET CLUB THREE,
A CONDOMINIUM

MADE this 25th day of June, 1984, by ST. AUGUSTINE OCEAN & RACQUET CLUB, INC., a Florida corporation, its successors and assigns (the "Developer"), the owner of fee simple title to the land described herein, and in and by which Developer makes the following declarations.

I. SUBMISSION TO CONDOMINIUM OWNERSHIP.

Developer hereby submits to the condominium form of ownership and use the land described in Article III hereof, the improvements now and hereafter situated thereon, and the easements and rights appurtenant thereto (the "Condominium Property"), pursuant to Chapter 718, Florida Statutes, 1981, as amended to the date hereof (the "Condominium Act").

II. NAME AND ADDRESS.

The name by which this condominium is to be identified is ST. AUGUSTINE OCEAN & RACQUET CLUB THREE, A CONDOMINIUM sometimes herein called the "Condominium." The street address is 1501 Highway A-1-A, South, St. Augustine Beach, Florida.

III. THE LAND.

The land submitted to Condominium is situated in St. Johns County, Florida, and is described in Exhibit "A" attached hereto, and consists of a parcel of real property (the "Land") upon which will be situated residential improvements ("Residential Buildings") and recreational and common facilities which are submitted hereby to Condominium. A survey and site plan of the Land is attached hereto and made a part hereof as Exhibit "C."

IV. DESCRIPTION OF CONDOMINIUM PROPERTY.

The description of the improvements which shall comprise part of the condominium property, consisting of fifty-seven (57) condominium units located in two three-story buildings, including an identification of each "Unit" (as defined in the Condominium Act and herein) by number, constituting a graphic description of the buildings in which the units are located, is annexed hereto and made a part hereof, as Exhibit "D." A plot (site) plan of the improvements is annexed and made a part hereof as Exhibit "C". The construction of the improvements on the Land is not substantially complete; however, at the time the improvements or a portion thereof are substantially completed, the Developer shall cause this Declaration to be amended to include a Certificate of Surveyor authorized to practice in this state which shall provide that the construction of the improvements or certain units to be conveyed are substantially complete so that the materials in Exhibits "A", "C" and "D," together with the provisions of the Declaration describing the property or the planned common element facilities is an accurate representation of the location and dimensions of the improvements and that the identification, location and dimensions of the Common Elements and of each unit to be conveyed can be determined from these materials.

determined from these materials. The improvements are further described as:

A. Residential Buildings.

The improvements shall include two three-level buildings. The buildings contain fifty-seven (57) dwelling Units, Common Elements and Limited Common Elements, as those terms are herein defined. Each building contains the following number of units:

<u>Building Letter</u>	<u>No. of Units</u>
C	33
H	24

B. Other Improvements.

In addition to the Residential Buildings situated thereon, the Land also includes improvements consisting of one whirlpool bath, elevator, mechanical room, outside parking areas, walks, landscaping and all underground structures and improvements which are not part of or located within the Residential Buildings, and which are not elsewhere herein reserved to and/or retained by Developer, such as wires, cables, drains, pipes, ducts, conduits, valves and fittings.

V. DEFINITION OF UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.

The Condominium will consist of "Units," "Common Elements" and "Limited Common Elements," as those terms are herein defined.

A. Units.

Each Unit, together with all appurtenances thereto shall, for all purposes, constitute a separate parcel of real property which may be owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other parcel of real property subject only to the provisions of these condominium documents and the Condominium Act. Each owner shall be entitled to exclusive possession of his Unit subject to the provisions of the condominium documents and the Condominium Act.

The boundaries of each Unit shall be as follows:

(1) The upper horizontal boundary of each Unit shall be the lower surface of the unfinished ceiling extended to an intersection with the vertical boundaries.

(2) The lower horizontal boundary shall be the plane of the upper surface of the unfinished floor extended to an intersection with the vertical boundaries.

(3) The vertical boundaries of each Unit shall be the plane of the inner surface of the sheetrock (being that part of the sheetrock opposite the part of the sheetrock exposed to the interior of the Unit.) All glass and other transparent and/or translucent material, insect screens and screening in windows and doors, the material covering other openings in the exterior or interior walls of Units and air conditioning compressors serving each Unit, shall be

contained to be within the boundaries of Units and part of the Unit exclusively served by such windows, doors, other openings and air conditioning compressors.

B. Common Elements.

The term "Common Elements", as used herein, shall mean and comprise all of the real property and improvements of the Condominium except Units including, without limitation: (1) easements through Units for conduits, pipes, ducts, vents, plumbing, wiring and other facilities, equipment and or fixtures for the furnishing of utility services, heating and cooling and/or ventilation to Units and Common Elements; and (2) easements of support in every portion of a Unit which contribute to the support of other Units and of Common Elements; and (3) installations for the furnishing of utility services to more than one Unit or to the Common Elements or to a Unit other than the Unit connecting the installation; and (4) the property and installations in connection therewith required for the furnishing of services to more than one Unit or to the Common Elements; and (5) easements owned or held for the common use, benefit and enjoyment of all owners of Units in the Condominium; (6) all parking areas and roadways through the Condominium Property; (7) all pool, bath, deck areas, elevators, mechanical rooms and other improvements owned or held for the common use, benefit and enjoyment of the owners of Units in the Condominium; (8) easements for ingress and egress serving the Condominium Property; and (9) the riparian and/or littoral rights appertaining to the Land, if any.

C. Limited Common Elements.

"Limited Common Elements," as the term is used herein, shall mean and comprise the Common Elements which are reserved herein, or assigned, or granted separately herefrom, for the use of a certain Unit or Units or the installation of other Units, consisting of the following:

(1) To each Unit in the Condominium, the concrete patio area serving that Unit and adjacent thereto and other equipment and/or fixtures, if any, situated, affixed or contiguous to the exterior of and serving only that Unit.

(2) To each Unit in the Condominium, the balcony designated for exclusive use of a particular Unit as described on Exhibit "D"; and

(3) To each Unit in the Condominium the right of exclusive use of the ground space occupied by the air conditioning compressor serving that Unit.

VI. APPURTENANCES TO UNITS.

There shall be appurtenant, and pass with title, to each Unit, the rights, shares, and interests provided by the Condominium Act which shall be deemed to include, without limitation, the following:

A. An undivided share in the Common Elements and in the "Common Surplus" (as that term is elsewhere herein defined). The undivided share in the Common Elements and the Common Surplus of the Condominium appurtenant to each Unit in that proportion of the total set forth, as a fraction, in the schedule which is annexed hereto and made a part hereof as Exhibit "B";

8. The right to use exclusively, or in common with certain other Units where so specified, those portions of the Common Elements designated and/or reserved herein and/or granted elsewhere to a certain Unit or Units as Limited Common Elements:

C. An exclusive easement for the use of the air space occupied by the Unit as it exists at any particular time (as shown on Exhibit "D" hereto) and as it may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is permanently vacated from time to time;

1. Non-exclusive easements, to be used and enjoyed in common with the owners of all Units in the Condominium, their guests and invitees, for use of those Common Elements not designated elsewhere herein as Limited Common Elements, including, without limitation, easements for:

The furnishing and maintenance of private or public utility services to all parts of the real property of the Condominium over, across, in and through the Land, Residential Buildings and other improvements, as the fixtures and equipment therefor now exist and or may be modified or relocated; and

2. Vehicular and pedestrian access over, across, upon, in and through the drives, entries, gates, walks, grounds, and other portions, if any, of the Common Elements as are intended and or provided for pedestrian and vehicular traffic through the Condominium and for access to the Common Area, as hereinafter defined, and U.S. Highway 201 as described on Exhibit "E" attached hereto;

3. An exclusive easement for the intentional and non-negligent attachment by any Unit upon any other Unit or Common Element, or vice versa, for any reason not caused by or resulting from the original act of Developer or any Unit owner or owners, including without limitation, attachments caused by or resulting from the original construction of improvements, when exclusive easement shall exist at all times during the continuance of such attachment, as an easement appurtenant to the attaching Unit or other improvement, to the extent of such attachment;

4. The right to membership in the "Association" elsewhere herein defined, upon the terms and conditions set forth elsewhere herein;

5. An exclusive easement for the use of the area of Land and Air Space occupied by the air conditioning compressor and the equipment and fixtures appurtenant thereto, situated in and on Common Elements of the Condominium but exclusively for the Unit in the same extent in and on the Land, when 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 that the owner of the same for present and in the future shall not be deemed to be a permanent vacation of the Air Space which is vacated;

6. When this deed and any plans, articles and amendments hereto, and all relevant, direct and indirect services, public and other utilities and all the other things, rights, interests, easements, appurtenances, and other things which are or may be attached to the Land or any Unit shall have

the non-exclusive and perpetual right of ingress and egress over and across the real property constituting the easement for ingress and egress, as more particularly defined and described in Exhibits A and C attached hereto; and

I. Each Unit owner and their guests, invitees and lessees and holders of mortgage liens on the Condominium Property or any Unit shall have a perpetual non-exclusive right of ingress and egress over and upon the Common Area subject to the terms and conditions set forth in Article VIII hereof and the Articles of Incorporation and Bylaws of the Association.

VII. ASSOCIATION.

The entity responsible for the operation of this Condominium shall be St. Augustine Ocean & Racquet Club Condominium Association, Inc., a Florida corporation not-for-profit (the "Association"). A copy of the Association's Articles of Incorporation and Bylaws are attached hereto and made a part hereof as Exhibits "E" and "F", respectively. The Association shall administer and manage the Condominium Property; provided that the Association may, to the extent permitted by the Condominium Act, by contract, delegate its maintenance, management and operational duties and obligations; and provided further, however, that the Developer hereby reserves the rights provided in the Condominium Act and this Declaration and the Bylaws of the Association to initially manage and operate the Condominium Property.

The Developer hereby reserves to itself, its successors or assigns, as an easement appurtenant to St. Augustine Ocean & Racquet Clubs One and Two, a non-exclusive easement over and across the drives and parking areas of this Condominium as described on Exhibits "A" and "C" attached hereto and made a part hereof. Developer reserves the right to assign the easement herein reserved to owners of property within St. Augustine Ocean & Racquet Clubs One and Two, provided that Developer hereby grants for the benefit of owners in this Condominium an easement over and across the drives and parking areas within St. Augustine Ocean & Racquet Clubs One and Two as more particularly described on Exhibits "A" and "C" attached hereto. The easement herein granted and reserved shall be for pedestrian and vehicular passage over and across the drives and parking areas of the Condominium Property, St. Augustine Ocean & Racquet Clubs One and Two. Inasmuch as certain dwellings within the Condominium Property, and St. Augustine Ocean & Racquet Clubs One and Two will have a common right of use in certain drives and parking areas of other dwellings within the Condominium Property all costs of maintenance, repair and replacement with respect to such shared drives and parking areas will be divided pro rata among the dwellings making use of such drives and parking areas, the aggregate share payable by any condominium to be a common expense of such condominium. The share of such maintenance expenses as attributable to each dwelling will be based on a fraction the numerator of which is one (1) and the denominator of which is the total of all units in all developments or condominiums sharing such costs.

VIII. COMMON AREA AND FACILITIES.

A. The Developer has conveyed to the Association title to that certain property legally described in Exhibit G attached hereto and designated common area on which Developer has built four (4) tennis courts and two (2) racquetball courts, a swimming pool and deck area and beach access boardwalks. These common area parcels, together with all improvements located thereon, shall hereinafter be referred to as the "Common Area". As part of such conveyance the

Developer has reserved certain easement rights and privileges with respect to the Common Area, including the right of ingress and egress over the access easements and the right to grant further use and easement rights in the Common Area, as hereinafter provided. The Common Area and any improvements located thereon shall not constitute part of the Common Elements of the Condominium, but shall be owned by the Association which shall also have the responsibility for all expenses relative thereto including maintenance, operation, upkeep and real estate taxes. Said Association shall prepare a separate budget for the Common Area on an annual basis. Each Unit Owner of St. Augustine Ocean & Racquet Club Three and any Unit Owners of St. Augustine Ocean and Racquet Clubs One and Two shall have the right to use said facilities pursuant to such rules and regulations as are promulgated from time to time by the Association. Each Unit Owner of St. Augustine Ocean & Racquet Club Three and all Unit Owners of St. Augustine Ocean & Racquet Clubs One and Two shall share equally in the expenses relative thereto and pursuant to such separate budget. All of such expenses shall be considered common expenses of the Condominium and the Association shall have the same rights and remedies for collecting said Common Area assessments as the Association has for other common expenses, including lien rights against Units for delinquent Common Area assessments.

B. The Developer may convey, at Developer's option, Parcel 4A to the Association as described on Exhibit G attached hereto and made a part hereof, on or before five years from the date of recording this Declaration, subject to taxes, easements, covenants and restrictions of record. The Developer shall have the right, but shall not be obligated, to construct a meeting room facility upon Parcel 4A on or before five years from the date of recording of this Declaration, to be available for the use of all Unit Owners of this Condominium and Unit Owners of St. Augustine Ocean & Racquet Clubs One and Two for which all such Unit Owners shall share equally in the expense of maintenance, repair and replacement. Such future land and facilities shall not be located on the Condominium Property but shall be conveyed to the Association as additional Common Area subject to taxes for the year of conveyance, covenants, easements and restrictions of record. Each Unit Owner, together with Unit Owners of St. Augustine Ocean & Racquet Clubs One and Two, shall have the right to use said facilities in accordance with rules and regulations as are promulgated by the Association which shall be the entity responsible for Common Area management and maintenance. In addition, all Unit Owners of this Condominium and Unit Owners of St. Augustine Ocean & Racquet Clubs One and Two shall have right of ingress and egress from their Units to the Common Areas over and across the paved areas as are provided for pedestrian and vehicular traffic through each condominium's Common Elements. The Developer shall have no obligation to provide or construct any such additional facilities which shall be conveyed or constructed solely at Developer's option.

C. The Common Area assessments and all other expenses of the Association shared by and between this Condominium and owners of Units in St. Augustine Ocean & Racquet Clubs One and Two shall be payable by each Unit Owner entitled to use of such facilities based upon a fractional portion of the annual Common Area Budget adopted by the Board of Directors of the Association wherein the numerator is one (1) and the denominator is the total number of dwelling units, the owners and occupants of which are entitled to use of the Common Area as that number may be increased from time to time. Said assessments attributable to a condominium shall be considered common expenses of each condominium and the

Association shall have the same lien right and collection remedies for non-payment of the Common Area assessments as the Association has for nonpayment of regular condominium maintenance assessments.

IX. COMMON EXPENSES AND COMMON SURPLUS.

A. The term "Common Expenses," as used herein, shall mean all expenses for which the owners of Units in St. Augustine Ocean & Racquet Club Three (except the Association) shall be liable to the Association. The term "Common Surplus," as used herein, shall mean the excess of all receipts of the Association from owners of Units in St. Augustine Ocean & Racquet Club Three including, without limitation, assessments, rents, profits and revenues on account of the Common Elements of St. Augustine Ocean & Racquet Club Three over the amount of the Common Expenses of St. Augustine Ocean & Racquet Club Three. All owners of Units (except the Association) in St. Augustine Ocean & Racquet Club Three shall share the Common Expenses and shall own the Common Surplus in the proportions or percentages set forth in the schedule annexed hereto and made a part hereof as Exhibit "B."

The Common Expenses and Common Surplus of this Condominium may be commingled with those of the other condominiums operated by the Association, but shall be subject to separate budgeting and accounting as provided elsewhere herein and in the Bylaws and Articles of the Association. The operation of these condominiums by the Association shall not constitute and is not intended to result in a merger of the Common Elements, and each condominium shall constitute a separate and distinct condominium from all others.

X. VOTING RIGHTS OF UNIT OWNERS.

The owner or owners of each Unit shall become a member or members of the Association automatically upon and simultaneously with delivery of a deed of conveyance of fee title thereto from Developer or its successors in title. There shall be appurtenant and pass with title to each Unit, one vote as a member of the Association which may be exercised by the owner(s), or the duly constituted proxy of the owner(s), from time to time, of each Unit at all meetings of members and in connection with all matters upon which all members of the Association are entitled to vote. The qualification of members of and manner of admission to membership in the Association, the termination of such membership and voting by members shall be as provided for in the Articles of Incorporation and Bylaws of the Association.

XI. BYLAWS OF ASSOCIATION.

A copy of the Bylaws of the Association is annexed hereto and made a part hereof as Exhibit "P."

XII. AMENDMENT OF DECLARATION.

Except for amendments which Developer is authorized and/or obligated elsewhere herein to make and except as may be elsewhere herein or in the Condominium Act otherwise specifically provided, this Declaration may be amended only in the following manner:

A. Notice.

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

B. Proposal.

Amendments to this Declaration may be proposed by the Board of Directors (the "Board") of the Association by resolution adopted by a majority vote of the Directors present at any regular or special meeting of the Board at which a quorum is present or, in the alternative, by a written instrument signed by a majority of the Board, or by the owners of one-tenth (1/10) of the units, whether by vote of such owners as members of the Association at a special or regular meeting of the members or by written instrument signed by them.

C. Adoption.

Any amendment to this Declaration as proposed by the Board or members of the Association shall be transmitted to the President of the Association or, in the absence of the President, to a Vice President or other acting chief executive officer, who shall thereupon call a special meeting of the Unit owners in this jurisdiction to consider and vote upon such proposed amendment; provided that a proposed amendment may be considered and voted upon at an annual meeting of the members of the Association if the next such meeting is to be held within the time hereafter limited and if notice of the proposed amendment shall be included in the notice of such meeting. The special or annual meeting, as the case may be, of the members shall be held and adjourned not later than 90 days nor later than sixty (60) days from the date of receipt by the Association of the proposed amendment. Notice of the meeting shall be in the form and shall be delivered and the meeting shall be called and held as provided for in the Bylaws of the Association, provided that any member may, by writing signed by such member, waive notice of any such meeting in the manner provided for in the Bylaws of the Association and such waiver, when delivered to the Secretary of the Association for filing in the corporate records office, during or after such meeting, shall be deemed to be the equivalent of giving notice to such member. The proposed amendment may be adopted, and shall become effective, upon the affirmative vote at such meeting of owners of not less than sixty-six and two-thirds percent (66 2/3%) of the Units, provided that any amendment as proposed may be adopted, without a formal meeting of the members, by an instrument executed and acknowledged by the declarant of a trust by members owning not less than sixty-six and two-thirds percent (66 2/3%) of all Units, if such instrument shall affect the common elements of any United Condominium in the Common Area, including but not limited to easements herein reserved for the benefit of the Common Area to St. Augustine Ocean & Beach, Inc. or, for or from, such unit; amendment which concerning additional Units, require the approval of the owners of the property covered by St. Augustine Ocean & Beach, Inc. and which shall not be affected, in accordance with the provisions of any applicable Declaration of Condominium or otherwise, and the written consent of the developer or one of the developer's heirs shall be at any time in the St. Augustine Ocean & Beach, Inc. and to those to or by, if the Common Area, whether approved or unapproved. Where necessary the developer or amendment shall:

Change any "Condominium Project" as defined in the Declaration and amend the "Condominium Project" and all related terms of this instrument to reflect the expansion and amendment of the amendment to

Amend any Declaration of Condominium or any other instrument which may be necessary to carry out the purposes of this instrument and to effect the expansion and amendment of the amendment to

Change the share of Common Elements appurtenant to any Unit or Units or the share of any Unit owner in the Common Surplus, or increase the share of any Unit owner's part in the Common Expenses, unless the record owners of Units so affected and the record owners of all Units thereon shall join in the execution and acknowledgment of such amendment, or

Make any change in Article XIV hereof, entitled "Insurance," nor in Article XV hereof, entitled "Maintenance or Repair After Casualty," unless the record owners of all Units or Units shall join in the execution and acknowledgment of the amendment, or

Reversely affect the lien or priority of any previously recorded Mortgage to an Institutional Lender, or

Affect any portion, phase or aspect of the property comprising St. Augustine Ocean & Racquet Clubs Inc. Two or Three, the rights of Developer reserved herein with respect to St. Augustine Ocean & Racquet Clubs One, Two or Three, the Association, the Common Area or Future Common Area, as described in Articles VII, VIII and XVI hereof, without the prior written consent of the Developer and the approval of owners of property affected by such amendment, in accordance with the provisions of any applicable Declaration of Condominium or covenants.

1. Executive Lien and Recording Evidence of Amendment.

As a condition of the Association and persons having actual knowledge of the adoption of any amendment to this Declaration, such amendment shall be effective as of the date of adoption or otherwise as may be specified in the resolution or instrument executing the amendment. As to nonmembers of the Association without actual knowledge of an amendment to this Declaration, the same shall be effective at the time the amended Declaration appears actual knowledge thereof or at the time of filing the amendment, or certificate of amendment in the public records of St. Johns County, Florida, whichever occurs first. The President of the Association, or, in the absence of the President, a Vice President or other acting chief executive officer of the Association, shall cause to be filed in the public records of St. Johns County, Florida, the original amendment to the Declaration, if it is in the form of an instrument executed and acknowledged by Unit owners and the officers of this Association, or a certificate of amendment, if it is a certificate of the proper officers of the Association that such amendment was adopted by the Association at a meeting of the Association. A true and correct copy of each such amendment or certificate of amendment shall be delivered to the record owners thereof, to the record owners of all Units and to the record owners of all liens on Units, by the President, Vice President or other acting chief executive officer of the Association, but delivery of such copies shall not be a condition precedent to the effectiveness of any such amendment.

2. Amendment of Declaration Invalid or Error in Condominium Documents.

Notwithstanding any provision to the contrary set forth in this Declaration or elsewhere in this Declaration, the validity of incorporation or bylaws of the Association, the amendments thereto or the owners of not less than fifty-one percent of the Units in the Condominium shall be sufficient to amend or amend to this Declaration for the purpose of correcting a defect, error or omission in this Declaration the amendment adversely affecting the right of owners, tenants or occupants.

F. Amendments by Developer.

Notwithstanding any provision to the contrary set forth in Article XII or elsewhere in this Declaration or in the Articles of Incorporation or Bylaws of the Association, the Developer may amend this Declaration to add any surveyors certificate(s) as described in Article IV hereof to this Declaration, or to add the Future Common Area as part of the Common Area, without the consent or joinder of any Unit owner or mortgagee of any Unit or the Association. Such amendments may be effected by an instrument executed by the Developer.

XIII. MAINTENANCE, REPAIRS AND REPLACEMENTS.

Responsibility for maintenance, repairs and replacements of Condominium Property and the Common Area and property of Unit owners located or situated within the Condominium and the Common Area shall be as follows:

A. Units.

Each Unit, and the fixtures, equipment and appliances comprising a part thereof located therein or exclusively serving the same whether within or without the boundaries of the Unit shall be maintained, kept in good repair and replaced by and at the expense of the owner(s) thereof, including but not limited to all doors within the Unit and those which open to the Unit from the outside, interior walls and partitions, windows and glass, sliding glass and screen doors, heating and air conditioning equipment within the Unit and air conditioning compressors located outside the Unit and ducts, pipes, wiring controls and other apparatus serving only that Unit. All maintenance, repairs and/or replacements for which Unit owners are responsible and obligated to perform, which, if not performed or omitted, would affect other Units or Common Elements, shall be performed promptly as the need arises. Notwithstanding the obligation of Unit owners for maintenance, repair and replacement of and in Units, the proceeds of all insurance awards or payments under insurance carried by the Association for loss or damage to or within Units shall be applied against repairs and replacements to the extent that such award or payments exceed the deductible provisions of such insurance.

B. Common Elements.

The Association shall be responsible for, and shall assess against and collect from the owners of all Units in the Condominium, the costs of maintaining, repairing, replacing and keeping in clean and orderly condition, all of the Common Elements except certain of the Limited Common Elements specified below. The Association shall, at the expense of the owners of all Units in the Condominium, repair any and all incidental damage to Units resulting from maintenance, repairs and/or replacements of or to Common Elements.

C. Limited Common Elements.

The responsibility for and the cost of keeping clean and in orderly condition the balconies and patios forming a part of the Limited Common Elements which exclusively serve a certain Unit or Units to the exclusion of other Units, shall be borne by the owner(s) of the Unit(s) to which the same are appurtenant. The Association shall be responsible for otherwise maintaining and for repairing and replacing all Limited Common Elements, and shall assess against and collect from the owners of all Units in the Condominium the cost of such maintenance, repair and replacement, provided, however, the cost of repairing and replacing any floor covering upon such patio or balcony area shall be the responsibility of the owner(s) of the Unit(s) to which

such patio or balcony is appurtenant. Notwithstanding the Unit owners obligations with respect to certain Limited Common Elements, any proceeds of insurance awards carried by the Association for loss or damage to such Limited Common Elements shall be applied against such repair or replacement to the extent that such award or payments exceed the deductible limits of such insurance.

D. Common Area.

The Association shall be responsible for the costs of maintaining the Common Area to be shared by all users of the Common Area as provided in Article VIII hereof. The Association shall, at the expense of all users of the Common Area, repair any and all incidental damage to property resulting from maintenance, repairs or replacements to the Common Area.

XIV. INSURANCE.

Insurance shall be carried and kept in force at all times in accordance with the following provisions:

A. Duty and Authority to Obtain.

The Association shall obtain and keep in force at all times the insurance coverage which it is required hereby to carry and may obtain and keep in force all of such other or additional insurance coverage as it is authorized hereby to carry. All insurance obtained by the Association shall be purchased for the benefit of the Association and the Unit owners and their mortgagees and a certificate evidencing a mortgagee endorsement shall be issued to the mortgagee of each Unit. The owner(s) of each Unit may, at the expense of such owner(s), obtain insurance coverage against damage to and loss of the contents of the Unit, personal liability for injury to and death of persons and damage to and loss of personal property of others, and against additional living expenses, provided that each policy of such insurance purchased by a Unit owner shall, where such provision is available, provide that the insurer waives its right of subrogation as to any claim or claims against other Unit owners, the Association, and their respective employees, agents, guests and invitees.

B. Required Coverage.

The Association shall purchase and carry property casualty insurance covering all of the buildings and other improvements, including personal property of the Condominium, including, without limitation, Units, Limited Common Elements and Common Elements and any fixtures, equipment or other property which are part of the Common Elements of the Condominium or within the Units which are to be financed by a mortgage to be purchased by FNMA and shall purchase and carry casualty insurance covering the Common Area, in an amount equal to the maximum insurance replacement values thereof, exclusive of excavation and foundation costs as determined annually by the Board of Directors of the Association in accordance with reasonably acceptable appraisal practice; such insurance to include or afford protection against:

(a) Loss or damage by fire or other hazards covered by the standard extended coverage and broad form and/or special form;

(b) Such other risks of a similar or dissimilar nature as are or shall be customarily covered by the standard "all risk" endorsement with respect to buildings and other improvements similar

in construction, location and use to the building and other improvements of the Condominium, including without limitation, vandalism, malicious mischief, windstorm, and flood;

(c) Comprehensive general liability insurance in the amount of \$1,000,000 for personal injury and \$500,000 for property damage and an umbrella policy of \$10,000,000 for both insuring the association, the Board of Directors, the manager, at the discretion of the Board of Directors, and each Unit owner for claims arising out of or in connection with the ownership, operation or maintenance of any of the Condominium Property. This coverage shall exclude Unit owner liability coverage for claims arising in connection with that portion of the property used and occupied exclusively by a particular Unit owner. Such comprehensive general liability insurance shall also cover cross liability claims of one insured against the other and water damage and fire legal liability coverage. The Board of Directors shall review such limits once a year;

(d) Workmen's compensation insurance to meet the requirements of law;

(e) Loss or damage by flood to the extent, if any, required or necessitated by law, including, without limitation, the Flood Disaster Protection Act of 1973, or any similar law or regulation;

(f) Personal injury liability coverage (with employee coverage if applicable); and

(g) Director and Officer liability coverage, if available.

C. Optional Coverage.

The Association may purchase and carry other insurance coverage, such as products liability and title insurance, as the Board of Directors of the Association, in its sole discretion, may determine from time to time to be in the best interests of the Association and Unit owners, or as an institutional lender may reasonably require while it holds a mortgage encumbering any Unit. Any waiver of subrogation contained in policies shall include waivers as to the condominium manager.

D. Premiums.

Premiums for all insurance obtained and purchased by the Association shall be paid by the Association. The cost of insurance premiums and other incidental expenses incurred by the Association in administering and carrying out the provisions of this Article shall be assessed against and collected from Unit owners as a common expense.

E. Assured.

All policies of insurance obtained and purchased by the Association shall be for the benefit of the Association, the owners of Units and their mortgagees as their interests may appear, and shall provide that all proceeds covering casualty losses shall be paid to the Association and the proceeds from insurance against any casualty loss shall be held for the use of the Association, Unit owners and their respective mortgagees, as their interests may appear, to be applied or distributed in the manner herein provided. The Association is hereby constituted and appointed agent for all Unit owners, with authority to negotiate and settle the value

and extent of any and all losses covered under any policy of casualty insurance, and the Association is granted full right and authority to execute, in favor of any insurer, a release of liability arising out of any occurrence covered by any policy or policies of casualty insurance and resulting in loss of or damage to insured property.

P. Insurer.

All persons beneficially interested in the insurance coverage obtained, purchased and maintained by the Association shall be bound by the Association's selection of its insurer(s) and the amount of insurance coverage carried and kept in force by the Association.

G. Application of Insurance Proceeds.

The proceeds of casualty insurance paid to the Association by an insurer for loss or damage to real and/or personal property upon which the Association carries insurance shall be applied and paid as follows:

(1) Common Elements Only.

The proceeds paid to the Association for loss of or damage to real property constituting Common Elements only shall be applied to the repair, replacement or reconstruction of such loss or damage. If such insurance proceeds exceed the cost of the repair, replacement or reconstruction of such Common Elements, the excess shall be paid to the owners of all Units, and their respective mortgagees, as their interests may appear, in shares or proportions equal to the undivided interest appurtenant to each Unit in the Common Elements or, at the option of the Board of Directors, such excess proceeds may be retained by the Association as Common Surplus. If the insurance proceeds shall be insufficient to pay the cost of the repair, replacement or reconstruction of such Common Elements, the Association shall pay the difference between the total cost of repairing, replacing or reconstructing such loss or damage and the amount of the insurance proceeds from Association reserves. If no such Association reserve fund has been established or if any such Association reserve fund is insufficient to pay such difference, the Association shall assess the amount of the difference against, and collect it from, all Unit owners, as a Common Expense.

(2) Common Area Only.

The proceeds paid to the Association for loss of or damage to the Common Area shall be applied to the repair, replacement and restoration of the Common Area. In the event such insurance proceeds exceed the cost of repair, replacement or reconstruction of the Common Area, the excess shall be paid to all users of the Common Area, and their mortgagees, as their interests may appear in the same proportion as the cost of normal maintenance and repair is chargeable to all users of the Common Area, or at the option of the Board of Directors such excess proceeds may be retained by the Association as a reserve fund. In the event the insurance proceeds shall be insufficient to repair, replace or restore the Common Area, the difference between the total cost of same and the amount of insurance proceeds shall be collected from all users of the Common Area in the same proportion as the cost of normal maintenance and repair is chargeable and shall be a common expense of this Condominium.

(3) Units.

The proceeds paid to the Association for loss of or damage to any building constituting Common Elements and one or more Units thereof shall be first applied to the repair,

replacement or reconstruction of Common Elements, then to the repair, replacement or reconstruction of any Unit or Units in the building which have been destroyed or damaged. If such insurance proceeds exceed the cost of the repair, replacement or reconstruction of such Common Elements and Units, the excess shall be paid by the Association to the owners of the damaged or destroyed Units and their respective mortgages, as their interests may appear, in shares or proportions equal to the undivided interest appurtenant to each such Unit in the Common Elements. If the insurance proceeds shall be sufficient to pay for the repair, replacement or reconstruction of the Common Elements but shall be insufficient to pay the cost of the repair, replacement or reconstruction of the damaged or destroyed Unit or Units in such building, the Association shall assess the amount of the difference against, and collect the same from, the owner(s) of the Unit(s) damaged or destroyed, in the proportion that the amount of damage sustained to each such Unit bears to the total deficit, to be applied toward the total cost of repairing, replacing or reconstructing all of such damaged or destroyed Common Elements and Units. If the insurance proceeds shall be insufficient to pay the cost of the repair, replacement, or reconstruction of the Common Elements in which the Association is required first to apply such proceeds before applying any part thereof to the repair, replacement or reconstruction of Units, the difference between the total cost of repairing, replacing or reconstructing the Common Elements and the amount of the insurance proceeds shall be assessed by the Association against, and collected from, all Unit Owners, as a common expense, and in such event, the cost of repairing, replacing or reconstructing the Unit or Units destroyed or damaged shall be assessed by the Association against, and collected from, the owner(s) of such damaged or destroyed Units. If and when insurance proceeds are paid to the Association for any casualty loss, the holder(s) of any mortgage or mortgages encumbering a Unit shall not have the right to determine or participate in the determination of repair or replacement of any loss or damage, and shall not have the right to elect to apply insurance proceeds to the reduction of indebtedness secured by such mortgage, unless the insurance proceeds represent a contribution to the owner(s) of the Unit and the mortgagee(s) thereof, after such insurance proceeds have been applied to repair, replacement or reconstruction of any loss or damage, or unless such casualty insurance proceeds are determined to be distributed to the owner(s) of the Unit, and the mortgagee(s) thereof by reason of loss of or damage to personal property constituting a part of the Common Elements and as to which a determination is made not to repair, replace or restore such personal property.

H. Deposits to Association After Damage.

Within sixty (60) days after a loss of or damage to Condominium Property or Common Area covered by casualty insurance, the Association shall obtain estimates of the cost of repairing, replacing or restoring the same, including the cost of professional fees and any construction bond which the Board of Directors may require. If, from such estimates, it shall appear that the insurance proceeds payable for such loss or damage will be insufficient to pay the total cost thereof, the additional money required to pay the total cost thereof, whether it is to be paid by one or more Unit Owners, shall be assessed by the Association and shall be due and payable not later than thirty (30) days from the date when the Association receives the insurance proceeds.

I. Fidelity Bonding.

In addition to the indemnification provided hereof, the Association shall obtain and maintain fidelity

fidelity bonds on each director, officer and employee of the Association and of any management firm. The total amount of fidelity bond coverage shall be based upon the best business judgment of the Board of Directors and shall not be less than the estimated maximum funds including reserve funds, in the custody of the Association or management firm, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than an amount equal to at least 150 percent of the estimated annual operating expenses of the Condominium including reserves.

The fidelity bond shall name the Association as an obligee and shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The premiums on all bonds shall be paid by the Association as a common expense (except for the premiums on fidelity bonds maintained by the management firm, if any). The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days' prior written notice to the Association.

IV. RECONSTRUCTION OR REPAIR AFTER CASUALTY.

Whether, and the manner in which, any or all of the Condominium Property or Common Area which shall be damaged or destroyed by casualty shall be repaired, reconstructed or replaced shall be determined as follows:

A. Residential Buildings.

If one or more of the Residential Buildings shall be damaged or destroyed, repair or reconstruction thereof, or termination of the Condominium, shall be in accordance with the following:

(1) Total Destruction of the Residential Buildings.

If all of the Residential Buildings of the Condominium are totally destroyed or so damaged that no Units therein are habitable, the buildings and none of the improvements comprising Common Elements thereof shall be reconstructed, and the Condominium shall be terminated unless the owners of Units to which seventy-five (75%) percent of the Common Elements are appurtenant agree in writing, within 60 days after the date of such destruction, to reconstruct the same and/or unless any policy or policies of casualty insurance covering the same shall require reconstruction thereunder, and in either case as long as the then applicable zoning and other regulatory laws and ordinances shall allow the same to be reconstructed.

(2) Partial Damage to the Buildings.

If one or more but less than all of the Residential Buildings are damaged or so destroyed so that no Units therein are habitable, the damaged or destroyed Common Elements and/or Units shall be repaired or reconstructed so that the buildings and/or Units shall be restored to substantially the same condition as existed prior to such damage or destruction, unless within sixty (60) days after the casualty it is determined by agreement in the manner elsewhere herein provided that the Condominium shall be terminated.

B. Common Elements.

Damaged or destroyed improvements constituting part of the Common Elements and Limited Common Elements shall be repaired, reconstructed and/or replaced unless, in the event of total destruction of the Units, or, by agreement after partial destruction, the Condominium shall be terminated.

C. Common Area.

Damaged or destroyed improvements constituting part of the Common Area shall be repaired, reconstructed or replaced unless this Condominium and St. Augustine Ocean and Racquet Clubs One and Two shall be terminated.

D. Plans and Specifications.

Repair or reconstruction of Condominium Property or Common Area shall be substantially in accordance with the plans and specifications pursuant to which the same were originally constructed, provided that the Board of Directors of the Association may authorize reasonable variations from the original plans and specifications as may appear to them to be necessary or desirable; provided the same shall be in compliance with applicable zoning laws and regulations.

E. Responsibility.

If the damage or destruction shall be limited only to one or more Units for which the responsibility of maintenance and repair is that of the affected Unit owners, then such Unit owners shall be responsible for carrying out the repair or reconstruction thereof. In all other instances of damage or destruction, the Association shall be responsible for carrying out the repair and reconstruction thereof.

F. Construction Funds.

All funds for the payment of repair and reconstruction costs, consisting of insurance proceeds and/or funds collected by the Association from Unit owners, shall be disbursed toward payment of such costs in the following manner:

(1) Unit Owner.

The portion of insurance proceeds representing damage for which the responsibility of repair and reconstruction is upon one or more, but less than all Unit owners shall be paid by the Association to the affected Unit owners and, if any of such Units are mortgaged, to the affected Unit owners and their mortgagees jointly.

(2) Association -- Lesser Damage.

If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than five thousand dollars (\$5,000.00), 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 Association 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.

(3) Association -- Major Damage.

If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than five thousand dollars (\$5,000.00), 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 registered to practice in Florida and employed by the Association to supervise the work.

(4) Surplus.

It shall be presumed that the first moneys disbursed in payment of costs of reconstruction and repair shall be

from insurance proceeds. If there is a balance in the construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed in the manner elsewhere herein stated; except, however, that the part of a distribution to a beneficial owner which is not in excess of assessments paid by such owner into the construction fund shall not be made payable to any mortgagee.

XVI. USE RESTRICTIONS.

Use of the Condominium Property shall be in accordance with the following provisions so long as the Condominium exists:

A. Units.

Each of the Units shall be occupied only by a single family, its servants and guests or lessees, as a residence and for no other purposes. Except as the right to divide and subdivide is reserved to Developer, no Unit may be divided or subdivided into a smaller Unit, nor any portion thereof sold or otherwise transferred.

B. Common Elements.

The Common Elements and Limited Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

C. Nuisances.

No nuisances shall be allowed upon the Condominium Property or Common Area, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Condominium Property or Common Area by residents. All parts of the Condominium Property and Common Area shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor shall any fire hazard be allowed to exist. No use shall be made of any Unit or of the Common Elements, Limited Common Elements or Common Area which will increase the rate of insurance upon the Condominium Property or Common Area.

D. Lawful Use.

No immoral, improper, offensive or unlawful use shall be made of the Condominium Property or any part thereof or of the Common Area 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 pertaining to maintenance, replacement, modification or repair of the Condominium Property and Common Area shall be the same as is elsewhere herein specified.

E. Leasing.

Entire Units, but not less than entire Units, may be leased provided occupancy is only by the lessee and his family, servants and guests.

F. Regulations.

Reasonable regulations concerning the use of the Condominium Property and Common Area may be made and amended from time to time by the Board; provided, however, that all such regulations and amendments thereto shall be approved by not less than fifty one (51%) percent of the members of the

Association before the same shall become effective. Members not present at meetings considering such regulations or amendments thereto may express their approval in writing. Copies of such regulations and amendments thereto shall be furnished by the Association to all Unit Owners and residents of the Condominium upon request.

G. Rights of Developer.

(1) Sales

Until Developer has completed and sold all of the Units, neither Unit owners, nor the Association, nor the use of the Condominium Property or Common Area shall interfere with the completion of the proposed improvements and the sale of the Units. Developer may make such use of the unsold Units and Common Elements and the Common Area as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, the showing of the Property and the display of signs and use of the Common Area in promoting sale or rental of Units in this Condominium or dwelling units in St. Augustine Ocean & Racquet Clubs One or Two. And further provided, however, that Developer retains the right, so long as it holds fee simple title to any Unit in the Condominium, to establish a plan for leasing any Unit or Units in this Condominium, whether such Unit or Units be owned by it or not, and thereafter to administer such plan for voluntarily participating Unit owners on such terms as Developer may provide.

(2) Construction Easement

Developer reserves for itself, its nominees, designees, successors and assignees, an easement over and across the Condominium Property as may be reasonably necessary in connection with the construction of improvements within the Condominium Property, within St. Augustine Ocean & Racquet Clubs One and Two, or within the Common Area. Such easement shall include, but not be limited to, an easement for the use of necessary and usual equipment in connection with such construction activity, the usual and common noise level created by such construction activity and together with all other common and usual activities associated with such construction activity.

(3) Common Area Use

Neither the Association nor the owner of any dwelling unit having use rights in the Common Area shall be excused from payment of its proportionate share of such costs and expenses of the Common Area by reason of the fact that one or more of the owners or occupants of a Unit or of dwelling units entitled to use of the Common Area shall elect not to make use thereof, or by virtue of the fact that one or more of the owners or occupants of a Unit or dwelling units otherwise entitled to the use of the Common Area shall be barred therefrom or prohibited use thereof by virtue of violations of the rules and regulations applicable to the use thereof.

(4) Utility Easement

Developer, for itself, its successors, assigns, nominees, designees and grantees, hereby reserves and is given a perpetual, alienable, and releasable blanket easement, privilege and right on, over and under all of the Condominium Property and easements as shown on Exhibit "C", for the normal and customary erection, construction, maintenance and use of electric and telephone poles, wires, cables, conduits, water mains, drainage lines or drainage

ditches, sewers, irrigation lines and other suitable equipment for drainage and sewage disposal purposes or for the installation, maintenance, transmission and use of electricity, telephone, gas, lighting, heating, water, drainage, sewage, irrigation and other conveniences or utilities serving the Condominium Property and St. Augustine Ocean & Racquet Clubs One and Two and shall have the unrestricted and sole right and power of assigning, alienating and releasing the privileges, easements and rights referred to in this paragraph. All such easements including those Designated on Exhibit "C" are and shall remain private easements and the sole and exclusive property of the Developer, its successors, assigns, nominees, designees and grantees.

(5) Rules and Regulations

Notwithstanding anything contained in this Declaration of Condominium to the contrary, so long as the Developer shall own any portion of St. Augustine Ocean & Racquet Clubs One, Two, or Three, no rules and regulations relevant to the use of the Common Area shall be adopted without the prior written consent of the Developer. In addition, so long as the Developer owns any portion of St. Augustine Ocean & Racquet Clubs One, Two, or Three, no permanent improvements other than as set forth in the site plan of the Common Area attached hereto as Exhibit "C" shall be constructed upon the Common Area nor shall any substantial repair or reconstruction be performed upon the Common Area without the prior written consent of Developer.

(6) Easement Over Common Area

The Developer reserves for itself for as long as it owns any Units in St. Augustine Ocean and Racquet Clubs One, Two or Three a non-exclusive easement for pedestrian traffic over, through and across sidewalks, paths, and walks of the Common Area and for the use of the Common Area as may be from time to time intended and designated for such purpose and use. Developer also reserves for itself, its successors, assigns and designees, an exclusive easement for the unintentional and non-negligent encroachment of any improvements constituting part of the Condominium Property into the Common Area, including without limitation, encroachments caused or resulting from original construction of improvements, which exclusive easement shall exist at all times during the continuance of such encroachment, as an easement appurtenant to the encroaching improvement to the extent of such encroachment.

(7) Developer Assessments

Pursuant to the provisions of the Condominium Act, Developer shall be excused from payment of assessments attributable to Units owned by the Developer until the first day of the fourth calendar month following the month in which the closing of the purchase and sale of the first Unit occurs. However, Developer must pay the portion of common expenses incurred during that period which exceed the amount assessed against other Unit owners.

XVII. COMPLIANCE AND DEFAULT.

Each Unit owner shall be governed by and shall comply with the terms of the Declaration of Condominium, the Articles of Incorporation and Bylaws of the Association, and any and all regulations adopted pursuant thereto as they may be amended from time to time. Failure of the Unit owner 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:

C. Annual Budget.

The Board shall establish an Annual Condominium Budget and an Annual Common Area Budget (hereinafter collectively referred to as the Annual Budgets) in advance for each fiscal year which shall estimate all expenses for the forthcoming fiscal year required for the proper operation, management and maintenance of the Condominium and Common Area, including, when deemed necessary or advisable by the Board, a reasonable allowance for contingencies and reserves and shall estimate all income to be collected during the year. Upon adoption of each annual budget by the Board, copies thereof shall be delivered to each Unit owner and the assessment for the year shall be based upon such Budget. Failure to deliver a copy of the Budget to a Unit owner shall, however, not affect the liability of such owner for such assessment. Should the Board at any time and from time to time determine, in the sole discretion of the Board, that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, or in the event of emergencies, the Board shall have the authority to levy such additional assessment or assessments as it shall deem to be necessary.

D. Reserve Fund.

The Board, in establishing each Annual Budget, shall include therein a sum to be collected and maintained as a reserve fund for the capital expenditures, deferred maintenance and replacement of Common Elements and personal property held for the joint use and benefit of the owners of all Units and the Common Area. The amount to be reserved shall be as determined by the Board of Directors or as may be required under the provisions of the Condominium Act. Pursuant to the Condominium law the Unit Owners may determine at a duly called meeting to provide no reserves for the applicable year.

E. General Operating Reserve.

The Board, when establishing each Annual Budget, may, when deemed necessary or desirable, include therein a sum to be collected and maintained as a general operating reserve to provide a measure of financial stability during periods of special stress when such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by owners of Units as a result of emergencies or for other reason placing financial stress upon the Association. The annual amount allocated to such operating reserve and collected therefor shall not exceed five percent (5%) of the current annual assessment levied against the owners of all Units. Upon accrual in the operating reserve of an amount equal to twenty-five percent (25%) of the current annual assessment, no further payments shall be collected from the owners of Units as a contribution to such operating reserve unless it shall be reduced below the twenty-five percent (25%) level, in which event the annual assessment against each owner and/or Unit shall be increased to restore the operating reserve to an amount which will equal twenty-five percent (25%) of the current annual amount of said assessment.

F. Use of Association Funds.

All moneys collected by the Association shall be treated as the separate property of the Association, and such moneys may be applied by the Association to the payment of any expense of operating and managing the Condominium and Common Area or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles, and Bylaws and as the moneys for annual assessments

are paid to the Association by any Unit owner, the same may be co-mingled with moneys paid to the Association by the other owners of Units and by owners of other dwelling units in St. Augustine Ocean & Racquet Clubs One and Two; provided however, separate budgets shall be established for the Common Area and for each condominium administered by the Association and the Association shall separately account for receipts and expenditures for each such condominium and the Common Area.

Although all funds and other assets of the Association and any increments thereto or profits derived therefrom, and from the leasing or use of Common Elements, including, without limitation, Common Surplus, shall be held for the benefit of the Unit owners and/or members of the Association, no Unit owner or member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein except as an appurtenance to his Unit.

G. Delinquency or Default.

The payment of any assessment or installment thereof due to the Association shall be in default if not paid to the Association on or before the due date thereof. If any assessment or installment is not paid by the due date, the owner and the Unit shall be assessed an automatic fine of twenty-five dollars (\$25) if not paid within 10 days of the due date or a fine of fifty dollars (\$50) if not paid within 30 days of the due date.

H. Personal Liability of Unit Owner.

The owner(s) of each Unit shall be personally liable, jointly and severally, as the case may be, to the Association for the payment of all assessments, regular or special, fines on such delinquent assessments or installments thereof as above provided, and for all costs of collecting the assessments and interest thereon, including reasonable attorney's fees, whether suit be brought or not, levied or otherwise coming due while such person(s) or entity own(s) a Unit.

I. Liability Not Subject to Waiver.

No owner of a Unit may exempt himself from liability for any assessment levied against such owner and his Unit by waiver of the use or enjoyment of any of the Common Elements, by abandonment of the Unit, or in any other manner.

J. Lien for Assessment.

The Association is hereby granted a lien upon each Unit and its appurtenant undivided interest in Common Elements or Limited Common Elements which lien shall and does secure the moneys due for all: (1) assessments levied against the owner(s) of and each Unit, (2) fines, if any, which may become due on delinquent assessments owing to the Association, and (3) costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in enforcing its lien upon the Unit and its appurtenances. The lien granted to the Association may be established and foreclosed in the Circuit Court in and for St. Johns County, Florida, and in any suit for the foreclosure of said lien, the Association shall be entitled to rental from the owner of any Unit from the date on which the payment of any assessment or installment thereof became delinquent and shall be entitled to the appointment of a Receiver for said Unit. The rental required to be paid shall be equal to the rental charged on comparable types of Units in St. Johns County, Florida. The lien of the Association shall also secure all

advances for taxes and payments on account of superior mortgages, liens or encumbrances made by the Association to preserve and protect its lien, together with interest at the highest rate allowed by applicable law on all such advances made for such purpose.

K. Recording and Priority of Lien.

The lien of the Association shall be effective from and after recording in the Public Records of St. Johns County, Florida, a claim of lien stating the description of the Unit encumbered thereby, the name of the record owner, the amount and the date when due, and shall continue in effect until all sums secured thereby shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The lien of the Association shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of recording the Association's claim of lien.

L. Effect of Foreclosure or Judicial Sale.

In the event that any person, firm or corporation shall acquire title to any Unit and its appurtenant undivided interest in Common Elements by virtue of any foreclosure, deed in lieu of foreclosure, or judicial sale, such person, firm or corporation so acquiring title shall only be liable and obligated for assessments as shall accrue and become due and payable for the Unit and its appurtenant undivided interest in Common Elements and assessments for the Common Area subsequent to the date of acquisition of such title and shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title, except that such person, firm or corporation shall acquire such title subject to the lien of any assessment by the Association representing an apportionment of taxes or special assessment levied by tax authorities against the Condominium in its entirety. In the event of the acquisition of title to a Unit by foreclosure, deed in lieu of foreclosure, or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all Units as a part of the Common Expense as to Condominium assessments and by all users of the Common Area as to Common Area assessments, although nothing herein contained shall be construed as releasing the party personally liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

M. Effect of Voluntary Transfer.

When the owner of any Unit proposes to lease, sell or mortgage the same in compliance with other provisions of this Declaration, the Association, upon written request of the owner of such Unit, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by the owner of such Unit. Such statement shall be executed by any officer of the Association and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement.

In the event that a Unit is to be leased, sold or mortgaged at the time when payment of any assessment against the owner of the Unit and Unit due to the Association shall be in default (whether or not a claim of lien has been recorded by the Association) then the rent or proceeds of such sale or mortgage proceeds, as the case may be, shall be applied by the lessee, purchaser or mortgagee first to payment of any then delinquent assessment or installment thereof due to the Association before payment of the balance of such rent, proceeds of sale or mortgage to the owner of the Unit responsible for payment of such delinquent assessment.

In any voluntary conveyance of a Unit, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor made prior to the time of such voluntary conveyance without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor.

Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by the Association which shall prevent it from thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sum then remaining owing to it.

N. Commencement of Assessments.

The date of commencement of the assessments against each Unit, as described in this Article, shall be established by the Board of Directors of the Association.

XIX. REGISTRY OF OWNERS AND MORTGAGEES.

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

XX. ALTERATIONS OF AND IMPROVEMENTS TO UNITS AND COMMON ELEMENTS.

Except as the right is elsewhere herein reserved to Developer, neither a Unit owner nor the Association shall make any alterations, improvements or additions to Units or Common Elements or Common Area, except in compliance with the following:

A. Developer reserves the right to change the interior design and arrangement of, and to alter the boundaries between, Units owned by Developer provided that no such change shall increase the number of Units without an Amendment to this Declaration of Condominium by the Unit owners, their mortgagees and the Association, as provided for elsewhere herein. If any such alteration shall affect more than one Unit, Developer shall apportion between the affected

Units the appurtenant shares in the Common Elements, Common Surplus and Common Expenses. Any such amendment to this Declaration which Developer is authorized to make to reflect the alteration of the boundaries of a Unit or Units owned by Developer may be executed and acknowledged by Developer and shall not require the consent or joinder of other Unit owners and/or their mortgagees.

3. Unless the Unit owner(s) shall first submit plans for such work to the Board, and the Board, by resolution unanimously adopted by the affirmative vote of all members thereof, shall approve and consent thereto, no alteration of or improvement or addition to a Unit, or to any limited Common Element to which the owner has an exclusive right of use, shall be made, constructed, erected or installed which shall: (1) remove, in whole or in part, replace, varnish, or otherwise affect any column, bearing wall or partition, pipe duct, wire or conduit, or obstruct any easement herein provided for, or (2) remove or change the style, pattern, material, texture or outside color of any door, window, screen, fixture, equipment or appliance in or on an exterior Unit or building wall, or (3) cover, from the inside or outside, the glass or other transparent and/or translucent material in any exterior door or window with, or apply or affix thereto, any material or substance which shall render the same opaque or change the exterior color thereof, except interior draperies, curtains, shades or shutters which are lined, backed, covered or painted on the side visible from the exterior with a neutral color material, or (4) affix to or over any exterior door or window or otherwise install on the exterior of any Unit or building, any storm or hurricane shutter or awning or any protective or decorative panel, pane, glass, sign, emblem, fixture or appliance, or (5) otherwise change, modify or alter the exterior of any Unit or building so that, in the ordinary course of appearance from any public place or the public ways, there shall be no material alteration or substantial improvement or additions to the Common Elements except that subject to the foregoing restrictions, the Association shall have the right to make or cause to be made alterations, improvements and/or additions to the Common Elements, except the acquisition of additional real property, which may be approved by the vote of units to which seventy-five percent (75%) of the Common Elements are appurtenant. The cost of such alterations, improvements and/or additions shall be assessed, levied and collected from the owners of all Units as Common Expenses.

In any litigation or other dispute related to or arising out of this Declaration, the Association shall be the prevailing party, in which case reimbursement of its costs incurred in such litigation or dispute, including attorney's fees, shall be the responsibility of the prevailing party.

III. TERMINATION.

The Condominium may be terminated in the following cases: (a) in accordance with the power conferred by the Condominium Act;

1. Dissolution.

In the event of the dissolution of the Condominium, the Association shall be the prevailing party, in which case reimbursement of its costs incurred in such litigation or dispute, including attorney's fees, shall be the responsibility of the prevailing party.

2. Conversion.

The Condominium may be converted into a fee simple estate in real property, in which case reimbursement of its costs incurred in such litigation or dispute, including attorney's fees, shall be the responsibility of the prevailing party.

therein owned by Institutional Lenders and other mortgagees approved by the Association. If the proposed termination is submitted to a meeting of the members of the Association, the notice of which meeting gives notice of the proposed termination, and if the approval of the owners of Units to which not less than seventy-five percent (75%) of the Common Elements are appurtenant, and of the record owners of all mortgages upon Units in the Condominium owned by Institutional Lenders and other mortgagees approved by the Association are obtained 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 option shall be upon the following terms:

(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 Units will be purchased by each participating owner and shall agree to purchase all of the Units owned by owners not approving the termination, but the agreement shall effect a separate contract between each seller and his purchaser.

(2) Price.

The sale price for each Unit shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of such agreement. 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 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.

(3) Payment.

The purchase price shall be paid in full in cash or shall include assumption of any existing mortgage financing plus cash.

(4) Closing.

The sale shall be closed within ten (10) days following the determination of the sale price.

C. Certificate.

The termination of the Condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the Public Records of St. Johns County, Florida.

D. Shares of Owners After Termination.

After termination of the Condominium the 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 the same as the undivided shares in the Common elements appurtenant to the owner's Units prior to the termination as set forth in Exhibit "B" hereto.

E. Effect of Termination upon Common Area.

Notwithstanding any provisions set forth in Article XXI, or elsewhere in this Declaration, termination of the Condominium by the owners of Units therein shall not effect, and Unit Owners shall have no right or privilege to effect a partition of the Common Area unless this Condominium, and St. Augustine Ocean & Racquet Clubs One and Two shall be terminated. In the event that the Condominium, and St. Augustine Ocean and Racquet Clubs One and Two are terminated, then the Common Area and improvements, facilities and equipment thereon shall be owned in common by all owners of Units in the Condominium, and owners of units in St. Augustine Ocean & Racquet Clubs One and Two, in equal shares.

In the event of termination of one or more but less than all of such condominium(s), the owners of units in the terminated condominium or of dwelling units administered by the terminated association shall remain liable to any remaining members of the Association for their share of the maintenance and operation expenses of the Common Area, and the improvements, facilities and equipment thereon equal to that share of such operation and maintenance expenses for which any such dwelling unit owner would have been liable pursuant to relevant Declaration of Condominium, Declaration of Covenants, Articles of Incorporation, or Bylaws of the association(s) administering such dwelling units, prior to their termination.

F. Amendment.

This Article XXI cannot be amended without consent of all Unit owners and of all owners of mortgages required to approve termination by agreement.

XXII. CONDEMNATION.

A. General.

Whenever all or any part of the property shall be taken by any authority having the power of condemnation or eminent domain, each owner shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made for such taking shall be payable to the Association. Unless otherwise provided by law at the time of such taking, any award made therefor shall be disbursed by the Association, as herein-after provided in this Article XXII.

B. Units.

If the taking includes one or more Units or any part or parts thereof, whether or not there is included in the taking any part of the Common Elements, then the award shall be disbursed as provided by law. All related matters, including, without limitation, alteration of the percentages of undivided interest of the owners in the Common Elements, shall be handled pursuant to and in accordance with the consent of owners as required by this Declaration (or such lesser number of owners as may then be prescribed by the Condominium Act for the purpose of altering the percentages of undivided interest of the owners in the Common Elements) ex-

pressed in a duly recorded amendment to this Declaration. In the event that such an amendment shall not be recorded within 90 days after such taking, then such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided for in Article XV, whereupon the development may be terminated in the manner herein prescribed.

C. Common Elements or Common Area.

If part of the Common Elements or the Common Area is acquired by eminent domain, the award shall be paid to the Association. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements or Common Area among the Unit Owners in proportion to their respective Common Element interests before the taking as to Common Elements and equally among all members of the Association as to the Common Area. The portion of the award attributable to the acquisition of a Limited Common Element shall be equally divided among the owners of the Units to which that Limited Common Element was allocated at the time of acquisition.

XXIII. RIGHTS OF DEVELOPER TO SELL OR LEASE UNITS.

So long as Developer or any mortgagee succeeding Developer in title shall own any Unit, it shall have the absolute right to lease or sell any such Unit to any person, firm or corporation upon any terms and conditions as it shall deem to be in its own best interests, and as to the sale of such Unit, the right of first refusal and any right of redemption herein granted to the Association shall not be operative or effective in any manner.

XXIV. RIGHTS OF INSTITUTIONAL MORTGAGEES.

"Institutional Mortgagee" shall mean a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension fund, an agency of the United States Government including without limitation the Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), The Administrator of the Veterans Administration and Federal Housing Administration and other similar insurers and guarantors of mortgages, mortgage banker, or any other lender generally recognized as an institutional-type lender, or the Developer, holding a mortgage on a Unit or Units.

Any mortgagee of a Condominium Parcel who makes a request in writing to the Association for the items provided in this section shall have the following rights:

A. To be furnished with at least one (1) copy of the Annual Financial Statement and Report of the Association, including a detailed statement of annual carrying charges or income collected and operating expenses, such Financial Statement and Report to be furnished within sixty (60) days following the end of each fiscal year.

B. To be given written notice by the Association of the call of a meeting of the membership to be held for the purpose of considering any proposed amendment to this Declaration of Condominium, or the Articles of Incorporation and Bylaws of Association, which notices shall state the nature of the amendment being proposed.

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

D. To be given an endorsement to the insurance policies covering the Common Elements or Common Area requiring that such Mortgagee be given any notice of cancellation provided for in such policy.

E. Regardless of any provision to the contrary contained in this Declaration, unless at least 75% of the Institutional First Mortgagees (based upon one vote for each loan secured by a first mortgage of individual Units in the Condominium Property) have given their prior written approval, the Association shall not be entitled to:

(1) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer real estate or improvements thereon owned directly or indirectly by the Association. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Property shall not be deemed a transfer within the meaning of this clause;

(2) change the method of determining the obligations, assessments, dues or other charges which may be assessed against any Units by the condominium association;

(3) by act or omission change, waive or abandon the regulations or enforcement thereof contained in this Declaration pertaining to the architectural design or the exterior appearance of Units or the maintenance of Common Elements or the Common Area.

F. An Institutional First Mortgagee shall at his request be entitled to written notification from the Association of any default by the owner of any Unit subject to a first mortgage in the performance of such owner's obligations under this Declaration which is not cured within thirty (30) days.

G. Institutional First Mortgagees shall have the right to examine the books and records of the Association upon reasonable notice during ordinary working hours.

H. In the event the Association fails to pay when due taxes assessed against the Common Elements or Common Area or premiums of insurance covering the improvements on the Common Elements or Common Area, then any one or more of said Institutional First Mortgagees may pay such taxes or insurance premiums, and the Association shall be obligated to reimburse such Institutional First Mortgagee or Mortgagees for such payments, and until paid, the same shall constitute a lien upon the Common Elements or Common Area so assessed, in favor of the party or parties, entity or entities, paying same, which said lien may be enforced in a court of competent jurisdiction of the State of Florida in the same manner as a judgment lien may be enforced.

I. To obtain current copies of the Declaration, ByLaws, and other rules concerning the project.

J. To obtain written notice of any condemnation loss, eminent domain procedures or any casualty loss which affects a natural portion of the Condominium or any Unit upon which such Mortgagee has a first mortgage.

K. To obtain notice of any lapse, cancellation or material modification of any fidelity bond maintained by the Association.

L. To obtain written notice of any proposed action which would require the consent of a specified percentage of mortgage holders.

XIV. MISCELLANEOUS.

A. Severability.

The invalidity in whole or in part of any covenant or restriction, or any Article, subarticle, sentence, clause, phrase or word, or other provision of this Declaration of Condominium and the Articles of Incorporation, Bylaws and regulations of the Association shall not affect the validity of the remaining portions thereof.

B. Applicability of Declaration of Condominium.

All present or future owners, tenants, or any other person who might use the facilities of the Condominium Property in any manner, are subject to the provisions of this Declaration, and the mere admission or rental of any Unit, or mere act of occupancy of any Unit, shall signify that the provisions of this Declaration of Condominium are accepted and ratified in all respects.

C. Construction.

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership. The Florida Condominium Act in effect on the date hereof is hereby adopted and made a part hereof. In the event of any conflict between the provisions of this Declaration and the Condominium Act, the provisions of the Condominium Act shall prevail.

D. Parties Bound.

The restrictions and covenants imposed by this Declaration of Condominium are intended to and shall constitute covenants running with the land and shall constitute an equitable servitude upon each Unit and the appurtenant undivided interest in Common Elements. This Declaration shall be binding upon Developer, its successors and assigns, and upon all parties who may subsequently become owners of Units in the Condominium and their respective heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF Developer has caused the foregoing Declaration of Condominium to be executed, and its corporate seal to be affixed, by its undersigned, duly authorized officer on the date set forth above.

Signed, sealed and delivered in the presence of:

ST. AUGUSTINE CLUB'S SACRED CIRCLE, INC.

[Signature]

By: _____

Corporate Seal

STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me this ___ day of _____, 19___, by the _____ of ST. AUGUSTINE CLUB'S SACRED CIRCLE, INC., a Florida corporation, its lawful corporate officer.

Notary Public, State of Florida

My Commission Expires _____

CONSENT AND JOINDER OF MORTGAGEE

Barnett Bank of Jacksonville, N.A. ("Mortgagee") is the mortgagee under mortgage ("Mortgage") recorded in the Public Records of St. Johns County, Florida in Official Records Book 517 at Page 786 as modified by the First Note and Mortgage Modification and Spreading Agreement recorded in Official Records Book 553, page 519 and Second Note and Mortgage Modification Agreement recorded in Official Records Book 606, page 114. Mortgagee joins in this Declaration of Condominium of St. Augustine Ocean & Racquet Club Three, a Condominium dated VI/28, 1984 to evidence its consent and joinder to the provisions hereof and its intent that its security interests be subordinated hereto. Mortgagee hereby agrees that such security interests are subordinate and inferior to this Declaration of Condominium.

Signed, sealed and delivered in the presence of:

BARNETT BANK OF JACKSONVILLE, N.A.

Melinda J. Lemen
Witnesses

By: [Signature]
Its Vice President

(Corporate Seal)

STATE OF
COUNTY OF

The foregoing instrument was acknowledged before me this 3rd day of July, 1984, by Robert M. Dart, Vice President of Barnett Bank of Jacksonville, N.A. on behalf of the bank.

Melinda J. Lemen
Notary Public, State of

My commission expires:

711.051 237

EXHIBIT A
TO
DECLARATION OF CONDOMINIUM
ST. AUGUSTINE OCEAN & RACQUET CLUB THREE
A CONDOMINIUM

A part of the South 600 feet of the North 1000 feet of Government Lot 5, Section 3, Township 8 South, Range 30 East, St. Johns County, Florida, more particularly described as follows: Commence at the intersection of the Southeasterly right of way line of State Road No. A1A (Old Number 140) as established for a width of 100 feet, with the Southerly line of the South 600 feet of the North 100 feet of said Government Lot 5; thence North 17°09'10" East, along said Southeasterly right of way line, 244.60 feet; thence South 72°50'50" East, 86.18 feet; thence North 89°34'54" East, 113.82 feet; thence North 29°34'54" East, 171.67 feet to the point of curvature of a curve to the right, said curve having a radius of 70 feet; thence along and around said curve, an arc distance of 73.31 feet, said curve having a chord bearing and distance of North 59°34'54" East, 70.00 feet to the point of tangency of said curve; thence North 89°34'54" East, 130.54 feet to the POINT OF BEGINNING; thence North 75°36'11" East, 109.00 feet; thence North 89°34'54" East, 429.00 feet to an intersection with the Coastal Construction Control Line, as recorded in Map Book 13A pages 1 through 14 of the public records of said county; thence North 01°16'15" West, along said Coastal Construction Control Line, 180.90 feet to an intersection with the Northerly line of the South 600 feet of the North 100 feet of said Government Lot 5; thence South 89°41'58" West, 625.08 feet; thence South 00°25'06" East, 196.50 feet; thence North 89°34'54" East, 93.00 feet; thence South 00°25'06" East, 12.00 feet to the POINT OF BEGINNING.

Containing 2.67 acres, more or less.

Together with and subject to a non-exclusive easement for ingress and egress described as follows:

Easement for Ingress and Egress

A 24 foot easement across a part of the South 600 feet of the North 1000 feet of Government Lot 5, Section 3, Township 8 South, Range 30 East, St. Johns County, Florida the centerline described as follows: Commence at the intersection of the Southerly line of the South 600 feet of the North 1000 feet of said Government Lot 5 with the Southeasterly right of way line of State Road Number A1A (Old number 140) as established for a width of 100 feet; thence North 17°09'10" East along said Southeasterly right of way line, 244.60 feet to the POINT OF BEGINNING; thence South 72°50'50" East, 86.18 feet; thence North 89°34'54" East, 925.82 feet to the terminus of said centerline.

Easement for Ingress and Egress

A 24 foot easement across a part of the South 600 feet of the North 1000 feet of Government Lot 5, Section 3, Township 8 South, Range 30 East, St. Johns County, Florida, the centerline described as follows: Commence at the intersection of the Southerly line of the South 600 feet of the North 1000 feet of said Government Lot 5, with the Southeasterly right of way line of State Road A1A (Old Number 140) as established for a width of 100 feet; thence North 17°09'10" East, along said Southeasterly right of way line, 244.60 feet to the point of beginning; thence South 72°50'50" East, 86.18 feet; thence North 89°34'54" East, 113.82 feet; thence North 29°34'54" East, 171.67 feet to the point of curvature of a curve to the right, said curve having a radius of 70.0 feet; thence along and around said curve, an arc distance of 73.11 feet, said curve having a chord bearing and distance of North 59°34'54" East, 70.0 feet to the point of tangency of said curve; thence North 89°34'54" East, 130.54 feet; thence North 75°36'11" East, 109.00 feet; thence North 89°34'54" East, 427.00 feet to the terminus of said centerline.

Together with a perpetual non-exclusive easement in common with others over, across and upon the following described property for the general use and access to the following described property:

Parcel 4B:

A part of the South 600 feet of the North 1000 feet of Government Lot 5, Section 3, Township 8 South, Range 30 East, St. Johns County, being more particularly described as follows: BEGIN at the intersection of the Southerly line of the South 600 feet of the North 1000 feet of said Government Lot 5, with the Southeasterly right of way line of State Road No. A1A (Old No. 140) as established for a width of 100 feet; thence North 17°09'10" East, along said Southeasterly right of way line, 269.60 feet; thence South 72°50'50" East, 125.33 feet; thence North 89°34'54" East, 38.88 feet; thence North 29°34'54" East, 88.33 feet; thence North 72°50'50" West, 181.46 feet to an intersection with said Southeasterly right of way line of said State Road No. A1A; thence North 17°09'10" East, along said Southeasterly right of way line, 129.64 feet; thence South 72°50'50" East, 220 feet; thence North 63°48'40" East, 35 feet; thence North 89°34'54" East, 47.46 feet; thence South 00°25'06" East, 20 feet; thence North 89°34'54" East, 108 feet; thence South 00°25'06" East, 163.67 feet; thence South 89°34'54" West, 117 feet; thence South 00°25'06" East, 44 feet; thence South 89°34'54" West, 102 feet; thence South 00°25'06" East, 130 feet; thence South 55°30'27" West, 36 feet; thence South 00°25'06" East, 45 feet to the Southerly line of the South 600 feet of the North 1000 feet of said Government Lot 5; thence South 89°34'54" West, along said Southerly line 298 feet to the POINT OF BEGINNING.

Parcel 6

A part of the South 600 feet of the North 1000 feet of Government Lot 5, Section 3, Township 8 South, Range 30 East, St. Johns County, Florida more particularly described as follows: Commence at the intersection of the Southerly line of the South 600 feet of the North 1000 feet of said Government Lot 5 with the southeasterly right of way line of State Road Number A1A (Old number 140) as established for a width of 100 feet:

thence North 17°09'10" East along said Southeasterly right of way line, 629.24 feet to an intersection with the Northerly line of the South 600 feet of the North 1000 feet of said Government Lot 5; thence North 89°41'58" East, 888.94 feet to an intersection with the coastal construction control line as recorded in Map Book 13A pages 1-14 of the public records of St. Johns County, Florida for the POINT OF BEGINNING; thence continue North 89°41'58" East along said Northerly line, 341.0 feet more or less to approximate Mean High Water line of the Atlantic Ocean; thence Southerly along the approximate Mean High Water line of the Atlantic Ocean, 180.0 feet more or less; thence South 89°34'54" West, 354.0 feet more or less to said coastal construction control line; thence North 10°16'15" West along said coastal construction control line, 170.90 feet to the POINT OF BEGINNING.

Parcel 7.

A part of the South 600 feet of the North 1000 feet of Government Lot 5, Section 3, Township 8 South, Range 30 East, St. Johns County, Florida more particularly described as follows: Commence at the intersection of the Southerly line of the South 600 feet of the North 1000 feet of said Government Lot 5 with the Southeasterly right of way line of State Road Number A1A (Old number 140) as established for a width of 100 feet; thence North 17°09'10" East along said Southeasterly right of way line, 629.24 feet to intersection with the Northerly line of the South 600 feet of the North 1000 feet of said Government Lot 5; thence North 89°41'58" East, 888.94 feet to the coastal construction control line as recorded in Map Book 13A pages 1-14 of the public records of said County; thence South 01°16'15" East along said coastal construction control line, 180.90 feet to the POINT OF BEGINNING; thence continue South 01°16'15" East, 210.02 feet; thence North 89°34'54" East, 360.0 feet more or less to the approximate Mean High Water line of the Atlantic Ocean; thence Northerly along said approximate Mean High Water line, 210.0 feet more or less; thence South 89°34'54" West, 354.0 feet more or less to the POINT OF BEGINNING.

Parcel 8

A part of the South 600 feet of the North 1000 feet of Government Lot 5, Section 3, Township 8 South, Range 30 East, St. Johns County, Florida more particularly described as follows: Commence at the intersection of the Southeasterly right of way line of State Road Number A1A (Old number 140) as established for a width of 100 feet with the Southerly line of the South 600 feet of the North 1000 feet of said Government Lot 5; thence North 89°34'54" East along said Southerly line, 1089.39 feet to the POINT OF BEGINNING; thence continuing North 89°34'54" East along Southerly line, 383.0 feet more or less to the approximate Mean High Water line of the Atlantic Ocean; thence Northerly along the approximate Mean High Water line of the Atlantic Ocean, 209.0 feet more or less; thence South 89°34'54" West, 360.0 feet more or less, to an intersection with the coastal construction control line as recorded in Map Book 13A, pages 1-14 of the public records of said county; thence South 01°16'15" East along the coastal construction control line, 137.42 feet to an angle point in said line, thence continue along said coastal construction control line, South 03°06'13" East, 49.82 feet to the POINT OF BEGINNING.

EXHIBIT B
TO
DECLARATION OF CONDOMINIUM FOR
ST. AUGUSTINE OCEAN AND RACQUET CLUB THREE
A CONDOMINIUM

Ownership of Common Elements and Share of Common
Expense of St. Augustine Ocean and Racquet Club Three
Condominium.

<u>Unit Numbers</u>	<u>Share of Ownership of Common Elements and Share of Common Expense</u>
8111 through 8121	1/57
8211 through 8221	1/57
8311 through 8321	1/57
7101 through 7108	1/57
7201 through 7208	1/57
7301 through 7308	1/57

ST. AUGUSTINE OCEAN and RACQUET CLUB THREE A CONDOMINIUM

A PART OF THE SOUTH 600 FEET OF THE NORTH 1000 FEET OF GOVERNMENT LOT 5,
SECTION 9, TOWNSHIP 9 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA.

JUNE 28, 1984

PREPARED BY:
CLAYTON & ASSOCIATES, INC.
401 UNIVERSITY DRIVE
MCKINNAHVILLE, TN 37137

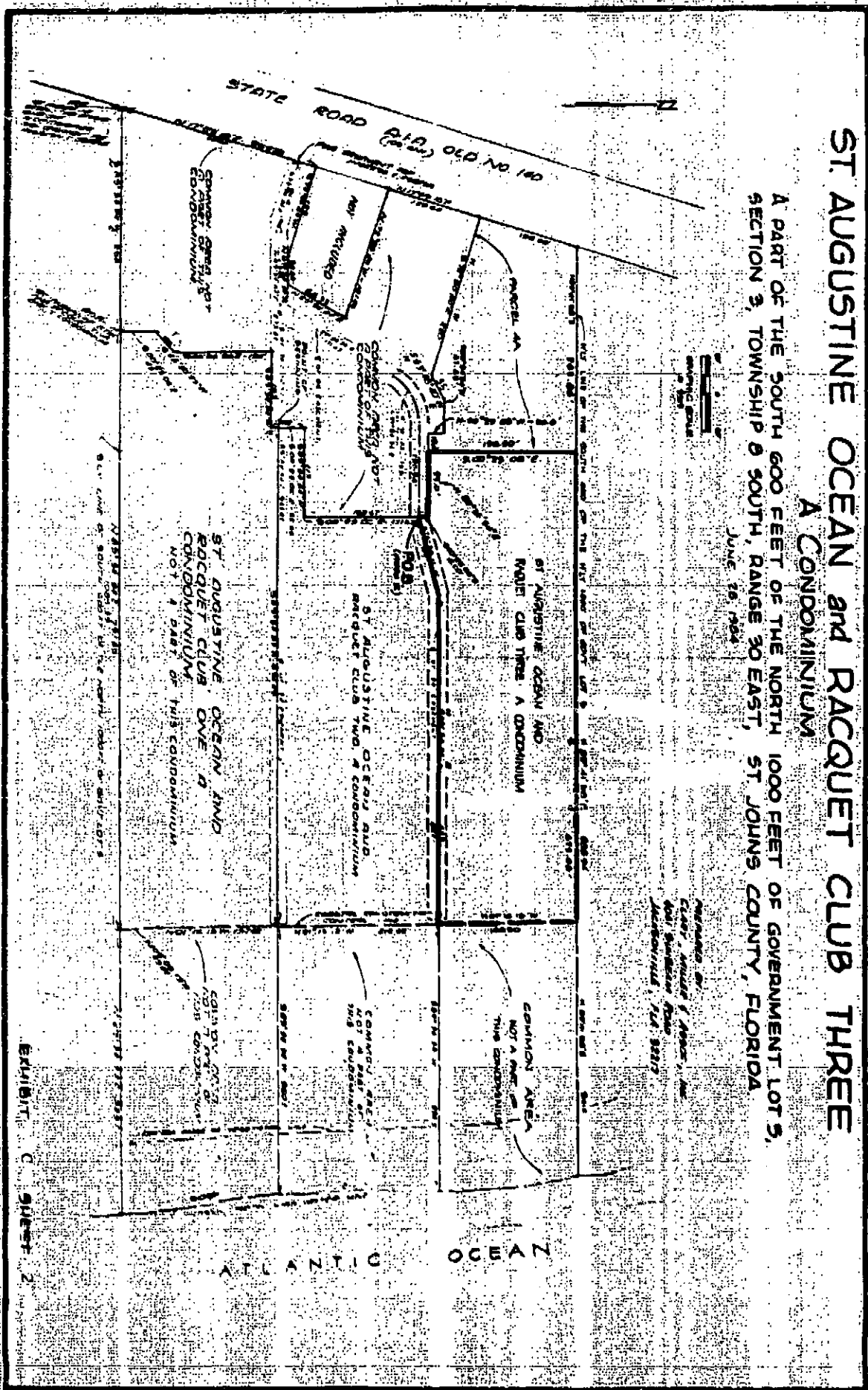






EXHIBIT C SHEET 2

ST AUGUSTINE OCEAN and RACQUET CLUB THREE A CONDOMINIUM

A PART OF THE SOUTH 600 FEET, OF THE NORTH 1000 FEET OF GOVERNMENT LOT 9,
SECTION 9, TOWNSHIP 8 SOUTH, RANGE 30 EAST, ST. JOHNS COUNTY, FLORIDA.

GENERAL NOTES: TO SIZE PLAN

1. Condominium Units are identified by a number.
2.  Denotes walls which are common elements and not a part of the Condominium Units.
3. All items shown hereon are as built.
4. Parcel designated not included is not part of this condominium and is not a part of the common elements thereof.
5. The bold line depicts the boundary of the Condominium Parcel.
6.  Denotes parking spaces.
7.  Denotes not part of the Condominium.
8. Those ceilings elevations referred to hereon are the elevations of a horizontal plane projected across the condominium unit; however, those units having cathedral type ceilings, the space above this horizontal plane and below the underside of the finish surface of the vaulted ceiling is a part of the condominium unit.
9. Interior dimensions and locations are subject to normal construction variances and tolerances.
10. Elevations shown herein based on National Geodetic Vertical Datum, 1929.
11.  - Common Element; buildings marked C and H are for residential purposes all remaining property is common element or limited common element.