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2.2 Association means the corporate entity responsible for the operation of a condominium.

2.3 Board of Administration means the board of directors or other representative body responsible for administration of the association.

2.4 By-Laws means the by-laws of the association existing from time to time.

2.5 Common Elements includes within its meaning the following:

2.5.1 The condominium property which is not included within the units.

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

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

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

2.6 Common Expenses means all expenses and assessments properly incurred by the Association for the condominium.

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

2.8 Condominium means that form of ownership of real property which is created pursuant to the provisions of the Florida Condominium Act and which is comprised of units that may be owned by one or more persons, and there is, appurtenant to each unit, an undivided share in the common elements.

2.9 Condominium Parcel means a unit together with the undivided share in the common elements which is appurtenant to the unit.

2.10 Condominium Property means the lands, leaseholds and personal property that are subject to the condominium ownership, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the condominium.

2.11 Declaration or "declaration of condominium" means the instrument or instruments by which the condominium is created, as they are from time to time amended.

2.12 Developer means the entity which creates a condominium or offers condominium parcels for sale or lease in the ordinary course of business, but does not include an owner or lessee or a unit owner who has acquired his unit for his own occupancy. The Developer of this condominium is R. T. BRINKLEY, II, INC., a Florida corporation.

2.13 Institutional Mortgagee is the owner and holder of a mortgage encumbering a condominium parcel, which owner and holder of said mortgage shall be either a bank, life insurance company, federal or state savings and loan association, real estate or mortgage investment trust, Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, federal or state agencies, the

Developer or other mortgagee which shall be acceptable to and approved by the Board of Directors of the Association.

2.14 Limited Common Elements means those common elements which are reserved for the use of certain condominium unit or units to the exclusion of other units, as specified in the declaration of condominium.

2.15 Operation or "operation of the condominium" includes the administration and management of the condominium property.

2.16 Unit means a part of the condominium property which is subject to exclusive ownership. A unit may be in improvements, land or land and improvements together, as specified in the declaration of condominium.

2.17 Unit Owner or "owner of a unit" means the owner of a condominium parcel.

2.18 Utility Services as used in the Condominium Act and as construed with reference to the condominium, and as used in the Declaration and all exhibits attached hereto, shall include, but not be limited to, electric power, gas, hot and cold water, heating and refrigeration, air conditioning, garbage and sewage disposal and other required services imposed by governmental authorities.

3. DEVELOPMENT PLANS

3.1 Improvements

3.1.1 Annexed hereto and made a part hereof as Exhibits B, C, D and E, are the survey and site plan and graphic descriptions of all units, including their identification numbers, locations and dimensions. The legend and notes contained therein are incorporated herein and made a part hereof by reference.

3.1.2 Where more than one (1) typical unit has been acquired by the same owner and combined into a single dwelling place, the unit plans as described in Exhibit E may not reflect the interior plans of the combined units, but the exterior boundaries of the combined unit remain the same. Should any units be combined, combined units shall exist as separate units as described in this Declaration for the purpose of applying the provisions of this Declaration and all exhibits attached hereto.

3.2 Survey and Site Plan

A survey and site plan of the lands comprising the condominium and locating the improvements constructed thereon or to be constructed thereon, are attached hereto as Exhibits B and C, respectively.

3.3 Unit Plans

The development plans of the condominium, which include building plans and unit plans are attached hereto as Exhibits D and E, respectively. The legal description of each unit shall consist of the identifying number of such unit as shown on Exhibit D. Every deed, lease, mortgage or other instrument may legally describe a unit, apartment and/or condominium parcel by its identifying number as provided for on Exhibit D and each and every description shall be deemed good and sufficient for all purposes.

4. UNIT BOUNDARIES

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

4.1 Upper and Lower Boundaries

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

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

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

4.2 Perimetrical Boundaries

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

4.3 Boundaries - Further Defined

The boundaries of the unit shall not include all of those spaces and improvements lying within the undecorated or unfinished inner surfaces of the perimeter walls and those surfaces above the undecorated finished ceilings of each unit, and those surfaces below the undecorated finished floor of each unit, and further, shall not include those spaces and improvements lying within the undecorated or unfinished inner surfaces of all interior bearing walls and bearing partitions, and further, shall exclude all pipes, ducts, wires, conduits and other utilities, running through any interior wall or partition for the furnishing of utility services to other units or common elements. In those units where attic storage access is provided, a unit owner may use the crawl space for storage at the unit owner's risk. Any damage caused to the unit or common elements by using this storage area shall be the singular expense of the unit owner.

4.4 Balconies and Patios

A unit shall include, as indicated on Exhibits D and E, a balcony and/or a patio. The boundaries of the balcony and patio shall be as follows: All lower and perimetrical boundaries shall be the same as set forth above; however, should a perimetrical boundary be railing, then the unit shall include the railing and the boundary shall be the exterior surface of the railing. Maintenance of the finished floor of the balcony or patio shall be borne by the unit owner to which the balcony or patio is appurtenant. Each balcony is a part of the unit which it abuts and is for the exclusive use of the owners of the abutting unit, provided, however, no unit owner shall paint or otherwise decorate or change the appearance of any portion of the condominium building or condominium property.

5. OWNERSHIP

5.1 Type of Ownership

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

5.2 Association Membership

The owners of record of the units shall be members of the association. There shall be one (1) membership for each unit and if there is more than one (1) record owner per unit,

then such membership shall be divided among such owners in the same manner and proportion as is their ownership in the unit.

5.3 Unit Owner's Rights

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

6. RESTRAINT UPON SEPARATION AND PARTITION OF COMMON ELEMENTS

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

7. PERCENTAGE OF OWNERSHIP OF COMMON ELEMENTS

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

8. COMMON EXPENSE AND COMMON SURPLUS

The common expense to be borne by each unit owner shall be a proportionate share of the total expenses and costs of the Association. Each unit owner shall be responsible for a portion of the common expenses and costs, and such share shall be in the percentage of the undivided share in the common elements to his unit as set forth in Exhibit A of this Declaration.

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

9. MAINTENANCE, ALTERATIONS AND IMPROVEMENTS

Responsibility for the maintenance or the condominium property and restrictions upon its alterations and improvements shall be as follows:

9.1 Units

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

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

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9.1.1.2 All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the portion of a unit maintained by the Association; and all such facilities contained within a unit that service part or parts of the condominium other than the unit within which contained.

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

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

9.1.2.1 To keep and maintain his unit, its equipment and appurtenances in good order, condition and repair, and to perform promptly all maintenance and repair work within the unit which, if omitted, would affect the condominium in its entirety or in a part belonging to others; being expressly responsible for the damages and liability which his failure to do so may engender. Notwithstanding anything contained in this Declaration, the owner of each unit shall be liable and responsible for the maintenance, repair and replacement as the case may be, of all windows and all exterior doors, including sliding glass doors and all air conditioning and heating equipment, stoves, refrigerators, fans and other appliances and equipment, including pipes, wiring, ducts, fixtures and their connection required to provide water, light, power, air conditioning and heating, telephone, sewage and sanitary service to his unit which may now or hereafter be situated in his unit.

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

9.1.2.3 Where applicable, to maintain and keep in a neat and trim condition the floor, interior walls, screening and railings of patios, sun decks or balconies.

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

9.1.2.5 To pay for plumbing and electrical repairs to fixtures and equipment located within his unit and exclusively servicing his unit.

9.1.2.6 Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the condominium building or property.

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

9.1.4 Any officer of the Association or any agent of the Board shall have the irrevocable right to access to each unit during reasonable hours for necessary inspection, maintenance, repair or replacement of any common element therein or accessible therefrom, or for making emergency repairs therein

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necessary to prevent damage to the common elements or to another unit or units.

9.2 Common Elements

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

9.2.2 Alteration and Improvement. After the completion of the improvements included in the common elements contemplated by this Declaration, there shall be no alteration or further improvement of the real property constituting the common elements without prior approval in writing by not less than two-thirds (2/3) of the members of the Association, except as provided in the By-Laws. Any such alteration or improvement shall not interfere with the rights of any unit owner without his consent. The costs of such work shall not be assessed against an institutional mortgagee, as defined in paragraph 2.13 herein that acquires its title as the result of owning a mortgage upon a unit owned, unless such institutional mortgagee shall approve the alteration or improvement, and this shall be so whether the title is acquired by deed from the mortgagor or through foreclosure proceedings. The share of any costs not so approved by an institutional mortgagee shall be assessed to the other unit owners in the proportion that their shares for the common expense bear to each other.

There shall be no change in the shares and rights of a unit owner in the common elements, or in his share of the common expenses whether or not the unit owner contributes to the costs of such alteration or improvements.

9.2.3 Land Acquisition. Land acquired by the Association may be added to the land submitted to condominium ownership her-by. This may be done by an amendment to this Declaration that includes the description of the acquired land and submits the said land to condominium ownership under the terms of this Declaration. The amendment shall be executed by the Association and adopted by the unit owners in the manner elsewhere required. Such amendment, when recorded in the public records of Bay County, Florida, shall divest the Association of title to the land and shall state that it conveys all interest of the Association to and vests the title in the unit owners, without naming them and without further conveyance, in the same undivided shares as the undivided shares in the common elements appurtenant to the units owned by them.

9.2.4 Land Not Incorporated. Any land acquired by the Association that is not incorporated into the land by amendment of this Declaration, may be sold or mortgaged or otherwise disposed of by the Association after approval in writing by the record unit owners of not less than seventy-five percent (75%) of the common elements. This approval shall be evidenced by a certificate stating that the approval was duly given, which certificate shall be executed by the officers of the Association with the formalities of a deed and delivered to a purchaser or mortgagee of such land.

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

9.3 Enforcement of Maintenance

In the event the owner of a unit fails to maintain a unit as required above, the Association, Developer or any other unit owner shall have the right to proceed to any appropriate court to seek compliance with the foregoing

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provisions; or the Association shall have the right to assess the unit owner and the unit for the necessary sums to put the improvements within the unit in good condition. After such assessment, the Association shall have the right to have its employees or agents enter the unit and do the necessary work to enforce compliance with the above provision.

Further, in the event a unit owner violates any of the provisions of this section, the Developer and/or the Association shall have the right to take any and all such steps as may be necessary to remedy such violation, including, but not limited to, entry of the subject unit with or without consent of the unit owner, and the repair and maintenance of any item requiring same, all at the expense of the unit owner.

10 USE RESTRICTIONS

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

10.1 Units

10.1.1 Each of the units shall be occupied only as a permanent or transient residence and for no other purpose.

10.1.2 Except as reserved to the Developer, no unit may be divided or subdivided into a smaller unit nor any portion thereof sold or otherwise transferred without first amending this Declaration to show the changes in the units to be affected thereby.

10.1.3 Nothing shall be hung, displayed or placed on the exterior walls, doors or windows of the unit or the condominium building without the prior written consent of the Board of Directors of the Association.

10.1.4 No clotheslines or similar devices shall be allowed on any patios, sun decks or balconies of the condominium units, or any other part of the condominium property, without the written consent of the Board of Directors of the Association.

10.1.5 No owner shall make, allow or cause to be made, any structural addition or alteration of his unit or the common elements without the prior written consent of the Association.

10.2 Common Elements and Limited Common Elements

The common elements and limited common elements shall be used only for the purpose for which they are intended.

10.3 Nuisances

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

10.4 Lawful Use

No immoral, improper, offensive or unlawful use shall be made of the condominium property or any part thereof and

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all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

10.5 Signs

No signs shall be displayed from a unit or on common elements except such signs as shall have advance written approval by the Association.

10.6 Rules and Regulations

Reasonable rules and regulations concerning the use of the condominium property [common elements] may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such regulations and amendments thereto shall be furnished by the Association to all unit owners and residents of the condominium upon request. A copy of the initial Rules and Regulations is attached hereto as Exhibit 4.

10.7 Proviso

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

11. EASEMENTS

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

11.1 Utilities

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

11.2 Pedestrian and Vehicular Traffic

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

11.3 Support

Every portion of a unit contributing to the support of the condominium building or an adjacent unit shall be

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burdened with an easement of support for the benefit of all other units and common elements in the building.

11.4 Perpetual NonExclusive Easement in Common Elements

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

11.5 Right of Entry into Private Dwellings in Emergencies

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

11.6 Right of Entry for Maintenance of Common Property

Whenever it is necessary to enter any unit for the purpose of performing any maintenance, alteration or repair to any portion of the condominium property, the owner of each unit shall permit other owners by their representatives, or the duly constituted and authorized agent of the Association, to enter such unit for such purpose, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

11.7 Easement for Unintentional and Non-Negligent Encroachment

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

11.8 Air Space

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

Easements or Encroachments

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

11.10 Easement for Overhangs

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

11.11 Easement for Air Space of Common Elements

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

12. ASSOCIATION

In order to provide for the proficient and effective administration of this condominium by the owners of units, a non-profit corporation known and designated as VILLAS OF ST. THOMAS, II, CONDOMINIUM ASSOCIATION, INC., has been organized under the laws of the State of Florida and said corporation shall administer the operation and management of this condominium, and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions and conditions of this Declaration of Condominium, its By-Laws and the Rules and Regulations promulgated by the Association from time to time.

12.1 Articles of Incorporation

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

12.2 By-Laws

The By-Laws of the Association shall be the by-laws of the condominium, a copy of which is attached hereto as Exhibit G.

12.3 Limitation Upon Liability of Association

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

12.4 Restraint Upon Assignment of Shares in Assets

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

12.5 Approval or Disapproval of Matters

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

12.6 Membership

The record owners of all units in this condominium shall be members of the Association, and no other persons or entities shall be entitled to membership except for subscribers to the Articles of Incorporation. Membership shall be established by acquisition of ownership of fee title to, or fee

interest in a condominium parcel in said condominium, whether by conveyance, devise, judicial decree or otherwise, subject to the provisions of this Declaration and by the recordation amount the public records of Bay County, Florida, of the deed and other instrument establishing the acquisition and designating the parcel affected hereby and by the delivery to the Association of a true copy of such recorded deed or other instrument. The new owner designated in such deed or other instrument shall thereupon become a member of the Association, and the membership of the prior owner as to the parcel designated shall be terminated.

12.7 Voting

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

13. INSURANCE

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

13.1 Authority to Purchase

All insurance policies upon the condominium property shall be purchased by the Association for the benefit of the Association and the unit owners and their mortgagees, as their interests may appear, and provisions shall be made for the issuance of certificates or mortgagee endorsements to the mortgagees of unit owners. Such policies and endorsements shall be deposited with the Insurance Trustee. Unit owners may obtain insurance coverage at their own expense upon their personal property and for their personal liability and living expense. All policies purchased by the Association must be written by insurance companies authorized to do business in the State of Florida and with offices or agents in Florida. Provided, however, all such insurance policies must be accepted and approved by the institutional mortgagee holding the largest aggregate dollar sum of mortgages encumbering condominium parcels in the condominium, said sum to be ascertained at the time of purchase or renewal of each policy.

13.2 Coverage

13.2.1 Casualty. All buildings and improvements upon the land, including Units and all personal property of the Association included in the condominium property, are to be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the Board of Directors of the Association, and all such insurance must be obtained, if reasonably possible, from the same company. Such coverage shall provide protection against:

13.2.1.1 Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and flood disaster insurance.

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

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

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

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

13.3 Premiums

Premiums for insurance policies purchased by the Association shall be paid by the Association.

13.4 Assured

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

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

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

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

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

13.4.2.2 Total Destruction. When the building is to be restored, for the owners of all units in the building in proportion to their share of the common elements appurtenant to their unit.

13.4.2.3 Mortgagee. In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests appear. In no event shall any mortgagee have the right to demand the application of insurance proceeds to any mortgage or mortgages which it may hold against units, except to such extent as said insurance proceeds may exceed the actual cost of repair or restoration of the damaged building or buildings, and no mortgagee shall have any right to participate in the determination as to whether or not improvements will be restored after casualty.

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13.5 Distribution of Proceeds

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

13.5.1 Expense of the Trust. All expenses of the Insurance Trustee shall be first paid or provisions made thereof.

13.5.2 Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the costs thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

13.5.3 Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damages for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

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

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

14. RECONSTRUCTION OR REPAIR AFTER CASUALTY

14.1 Determination to Reconstruct or Repair

If any part of the condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

14.1.1 Common Elements. If the damaged improvement is a common element, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the condominium shall be terminated.

14.1.2 Condominium Building

14.1.2.1 Lesser Damage. If the damaged improvement is a part of the condominium building, and if units to which fifty percent (50%) of the common elements or appurtenances are found by the Board of Directors of the Association to be tenantable, the damaged property shall be reconstructed or repaired, unless within sixty (60) days after the casualty it is determined in the manner elsewhere provided that the condominium shall be terminated.

14.1.2.2 Major Damage. If the damaged improvement is part of the condominium building and if units to which more than fifty percent (50%) of the common elements are appurtenant are found by the Board of Directors of the Association to be not tenantable, then the damaged property will not be reconstructed or repaired and the condominium will be terminated as elsewhere provided, unless within sixty (60) days after the

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casualty the owners or seventy-five percent (75%) of the common elements agree in writing to such reconstruction or repair.

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

14.2 Plans and Specifications

Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached hereto as exhibits, or if not, then according to plans and specifications approved by the Board of Directors of the Association, and if the damaged property is the condominium building, by the owners of not less than seventy-five percent (75%) of the common elements, including the owners of all damaged units, which approval shall be unreasonably withheld.

14.3 Responsibility

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

14.4 Estimates of Costs

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

14.5 Assessments

If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during the reconstruction and repair the funds for the payment of the costs thereof are insufficient, assessments shall be made against the unit owners who own the damaged units and against all unit owners in the case of damage to common elements, in sufficient amounts to provide funds to pay the estimated costs. Such assessments against the unit owners for damage to units shall be in proportion to the costs of reconstruction and repair of their respective units. Such assessments on account of damage to common elements shall be in proportion to the owner's share in the common elements.

14.6 Deductible Provision

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

14.7 Construction Funds

The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessments against unit owners, shall be disbursed in payment of such costs in the following manner:

14.7.1 Association. If costs of reconstruction and repair which are the responsibility of the Association, are more than FIVE THOUSAND DOLLARS (\$5,000.00), then the sums paid upon assessments to meet such costs shall be deposited by the Association with the Insurance Trustee. In all other cases, the Association shall hold the sums paid upon such assessments and

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disburse the same in payment of the costs of reconstruction and repair.

14.7.2 Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Association from the collections of assessments against unit owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

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

14.7.2.2 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 Insurance Trustee by a mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction funds, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

14.7.2.3 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 qualified to practice in the State of Florida and employed by the Association to supervise the work.

14.7.2.4 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 a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the funds in the manner elsewhere 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.

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

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tion upon disbursements in payment of costs of reconstruction and repair.

15. ASSESSMENTS

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

15.1 Share of the Common Expenses

Each unit owner shall be liable for a proportionate share of the common expenses and shall be entitled to an undivided share of the common surplus, such shares being set forth in Exhibit A. A unit owner, regardless of how title is acquired, including, without limitation, a purchaser at a judicial sale, shall be liable for all assessments coming due while he is the owner of a unit. If provided by law, in a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of the common expenses up 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.

15.2 Non-Waiver

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

15.3 Interest, Application of Payments

Assessments and installments on such assessments paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall be delinquent and shall bear interest at the highest rate allowed by the laws of the State of Florida from the date when due, until paid. In addition, in the sole discretion of the Association, a late charge of 25% may be assessed against a parcel for each delinquent payment. All payments upon account shall be first applied to interest and then to the assessment payment first due.

15.4 Lien for Assessments

The association shall have a lien on each condominium parcel for any unpaid assessments, together with interest thereon, against the owner of such condominium parcel, together with a lien on all tangible personal property located within the unit, except that such lien upon the aforesaid tangible personal property shall be subordinate to prior bona fide liens of record. Reasonable attorney's fees incurred by the Association incident to the collection of such assessment for the enforcement of such lien, together with all sums advanced and paid by the Association for taxes and payment on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien shall be payable by the unit owner and secured by such lien. The Association's liens shall also include those sums advanced on behalf of each unit owner in payment of his obligation for use charges and operation costs likewise referred to as common expense.

Said lien shall be effective from and after the time of recording in the public records of Bay County, Florida, of a claim of lien stating the description of the condominium parcel, the name of the record owner, the amount due and the date when due, and the lien shall continue in effect until all sums secured

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by the lien shall have been fully paid. Such claims of lien shall be signed and verified by an officer of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of the lien. All such liens shall be subordinate to the lien of an institutional mortgage recorded prior to the time of recording of the claim of lien.

15.5 Collection and Foreclosure

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

15.6 Liability of Mortgagee, Lender or Judicial Sale Purchaser for Assessment

Notwithstanding anything to the contrary contained in this Declaration of Condominium, where the mortgagee of a first mortgage of record or other purchaser of a unit, obtains title to a condominium parcel as a result of foreclosure of the first mortgage, or when the mortgagee of a first mortgage of record accepts a deed to said condominium parcel in lieu of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of common expenses or assessments by the Association pertaining to such condominium parcel, or chargeable to the former unit owner of such parcel which become due prior to the acquisition of title as a result of the foreclosure, or the acceptance of such deed in lieu of foreclosure, unless such share is secured by a claim of lien for assessments that is recorded prior to the recording of the foreclosed mortgage. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the unit owners, including the acquirer of title, whether as a result of foreclosure or by acceptance of a deed to the condominium parcel in lieu of foreclosure. The new owner by virtue of the acquiring of such title shall forthwith become liable for payment of the common expenses and such other expenses as may be chargeable to the owner of a condominium unit hereunder; however, any person who acquires an interest in a unit, except through foreclosure of a first mortgage of record, or as a result of a deed given in lieu of foreclosure of a first mortgage of record, as specifically provided in the paragraph immediately preceding, including, without limitation, persons acquiring title by operation of law, including persons who became purchasers at judicial sales, shall not be entitled to occupancy of the unit or enjoyment of the common elements until such time as all unpaid assessments due and owing by the former owner have been paid.

15.7 Assignment of Claim of Lien Rights

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

15.8 Unpaid Assessments - Certificate

Any unit owner shall have the right to require from the Association a certificate showing the amount of unpaid

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assessments against him with respect to his condominium parcel. The holder of a mortgage or other lien shall have the same right as to any condominium parcel upon which he has a lien. Any person other than the owner who relies upon such certificate shall be protected thereby.

15.9 Liability of the Developer

The Developer shall not be liable for and shall be excused from the payment of any assessments for common expenses assessed against any unit owned by the Developer during that period beginning with the closing of the purchase of any unit in the condominium and terminating not later than one (1) calendar year thereafter, or upon the transfer of control of the Association to unit owners other than the Developer, whichever occurs first. During this period, the Developer guarantees that the assessment for common expenses of the condominium imposed on the unit owners other than the Developer shall not increase over the dollar amount stated of \$32.00 per month for type A one bedroom apartments, \$42.00 per month for type B one bedroom apartments, \$49.00 per month for type C two bedroom apartments, \$57.00 per month for type D two bedroom apartments, and \$62.00 per month for type E three bedroom apartments, and the Developer shall pay any amount of common expenses incurred during the period and not produced by the assessments at the guaranteed level receivable from other unit owners. Upon termination of this guarantee, the Developer shall pay assessments for common expenses for units owned by the Developer.

15.10 Working Capital Assessment

In addition to all other assessments an initial assessment for the working capital fund of the Association shall be imposed in an amount equal to 2 month's current assessment for each unit, payable at the time of closing of the initial purchase of the unit.

16. COMPLIANCE AND DEFAULT

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

16.1 Negligence

A unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family or his or their guests, invitees, employees or lessees, but only to the extent that such expenses is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of a unit or its appurtenances or of the common elements.

16.2 Costs and Attorneys' Fees

In any proceeding arising because of an alleged failure of a unit owner to comply with the terms of the Declaration, the By-Laws and the Rules and Regulations adopted pursuant thereto, and said documents and rules and regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

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16.3 No Waiver of Rights

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

17. AMENDMENT OF DECLARATION

Except as elsewhere provided otherwise, this Declaration of Condominium may be amended in the following manner:

17.1 Notice

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

17.2 Resolution of Adoption

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

17.2.1 Not less than seventy-five percent (75%) of the votes of the entire membership of the Board of Directors and by not less than seventy-five (75%) of the votes of the entire membership of the Association; or

17.2.2 Not less than eighty percent (80%) of the votes of the entire membership of the Association; or

**17.3 Resolution of Adoption for Errors or Omissions
Not Materially Adversely Affecting Property
Rights of the Unit Owners**

A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by members of the Association whenever it appears that there is an omission or error in this Declaration of Condominium, or any exhibit attached hereto, or amendment hereto, as follows:

17.3.1 Not less than fifty percent (50%) of the votes of the entire membership of the Board of Directors and by not less than fifty percent (50%) of the votes of the entire membership of the Association.

17.3.2 Any amendment adopted pursuant to the provisions of paragraph 19.3 shall not materially adversely affect the property rights of unit owners

17.3.3 Until the Developer has sold and conveyed all of the units in the condominium, any amendment adopted pursuant to this paragraph 19.3 must be approved and consented to by the Developer.

17.4 Proviso

No amendment shall discriminate against any unit owner or against any unit, or class or group of units, unless the unit owners so affected and their institutional mortgagees shall consent; and no amendment shall change any unit or the share in the common elements, and other of its appurtenances or increase the owner's share of the common elements, and other of its

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appurtenances or increase the owner's share of the common expenses, except as hereinabove provided, unless the owner of the unit concerned and all such mortgagees as first above recited, shall join in the execution of the amendment. Neither shall an amendment take any change in the section entitled "Insurance", nor in the section entitled "Reconstruction of Repair After Casualty", unless the record owner of all mortgages upon the condominium shall join in the execution of the amendment; nor shall any amendment of this Declaration make any change which would in any way affect any of the rights, privileges, powers and options of the Developer unless the Developer shall join in the execution of such amendment.

17.5 Execution and Recording

A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the public records of Bay County, Florida.

17.6 Amendments

The section concerning termination cannot be amended without consent of all unit owners and all recorded owners of mortgages upon condominium parcels.

18. DEVELOPER'S UNITS AND PRIVILEGES

18.1 Developer

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

18.2 Amendment

Notwithstanding anything herein to the contrary, the provisions of this section shall not be subject to any amendment until the Developer has sold all of the units in VILLAS OF ST. THOMAS, II, a condominium.

19. MASTER ASSOCIATION

19.1 The ST. THOMAS SQUARE MASTER OWNERS ASSOCIATION, INC. (the "Master Association") represents all of the residents of the entire ST. THOMAS SQUARE Development, including this Condominium, and its members are those persons designated in the Master Charter and Master By-Laws. The Master Association, acting through its board of directors, shall have the following powers, rights and duties with respect to the Condominium Property, all as more particularly set forth in the Master Charter, Master By-Laws and recorded Declaration of Covenants, Conditions and Restrictions with respect to the ST. THOMAS SQUARE Development.

19.2 The Master Association is entitled to a lien upon a residential parcel for any unpaid assessment for expenses incurred or to be incurred by the Master Association in the fulfillment of its maintenance, operation and management responsibilities with respect to roadways, bridges, drainage facilities, rights-of-way, easements, bike-paths, entrance ways, irrigation systems, traffic control systems, street lighting, athletic fields, swimming pools, tennis courts, and other common areas used or to be used in common with all residents of the ST. THOMAS SQUARE Development, the payment of real estate ad valorem taxes assessed against such common areas and the provision of pest control, fire protection, garbage collection and other services, all of which is more particularly set forth in the Master By-Laws and the recorded Declaration of Covenants, Conditions and Restrictions.

19.3 If for any reason the Association refuses or fails to perform the obligations imposed on it hereunder and under the other Condominium Documents, the Master Association shall be, and is hereby, authorized to act for and in behalf of the Association in such respect that the Association has refused or failed to act, and any expenses thereby incurred by the Master Association shall be reimbursed by the Association.

19.4 Notwithstanding anything herein to the contrary, this Declaration shall not be amended in any manner so as to affect the rights of the Master Association without the written approval of the board of directors of the Master Association. Any such approval shall be evidenced by a recordable instrument executed by the president and attested by the secretary of the Master Association.

19.5 Except as expressly permitted herein, without the prior written consent of the Master Association, no permanent improvements other than as set forth and shown in the exhibits to this Declaration shall be constructed on the Condominium Property and no substantial or material alterations of the exterior of any building or the topography of the Condominium Property shall be effected. The Master Association shall also have the reasonable right to ingress and egress to the Condominium Property for the purpose of preserving, maintaining or improving those areas and facilities specified in 19.2 above (whether within or without the Condominium Property.)

20. SPECIFIC RIGHTS OF INSTITUTIONAL MORTGAGEES

In addition to the rights and privileges expressly granted to the mortgagees of condominium units in other paragraphs of this Declaration of Condominium, each and every institutional mortgagee shall have the following rights and entitlements:

20.1 To be furnished with at least one (1) copy of the annual financial statement and a report of the Association, prepared by certified public accountants designated by 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 ninety (90) days following the end of each calendar year; and to inspect the books and records of the condominium during normal business hours.

20.2 To be given written notice by the Association of the call of a meeting of the membership and be permitted to designate a representative to attend all such meetings.

20.3 To be given notice of default by any member owing any unit encumbered by a mortgage held by such institutional mortgagee, such notice to be given in writing and to be sent to the principal office of such institutional mortgagee or to the

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place which it or they may designate in writing to the Association.

20.4 To be given an endorsement to the policies covering the common elements requiring that such institutional mortgagee be given any notice of cancellation provided for in such policy.

20.5 Should the Association fail to pay insurance premiums when due, or should the Association fail to comply with other insurance requirements of the mortgagee(s), said institutional mortgagee(s) shall have the right, at its option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance, and to the extent of the money so advanced, said mortgagee shall be subrogated to the assessment and lien rights of the Association as against the individual unit owners for the payment of such item of common expense.

20.6 To receive, in reduction of its mortgage debt, that portion of insurance proceeds apportioned to its mortgaged apartment in the same share as the share in the common elements appurtenant to such apartment, in the event: (a) insurance proceeds are not sufficient to complete restoration, reconstruction or repair, and the Association has not made additional funds available for such purpose; or (b) it is determined to restore, repair or reconstruct the improvements in a manner or condition substantially different from that existing prior to the casualty and such mortgagee has not consented in writing to such change or alteration.

20.7 To a written notification from the Association thirty (30) days prior to the effective date of:

20.7.1 Any change in the condominium documents; and

20.7.2 Any change of manager (not including change in employees of a corporate manager) of the condominium.

20.8 To written notification from the Association of any default by the mortgagor of a unit in performance of the mortgagor's obligations under all condominium documents which is not cured within thirty (30) days.

20.9 Any institutional mortgagee that comes into possession of a unit pursuant to the remedies provided in the mortgage foreclosure of the mortgage, or deed in lieu of foreclosure, shall take the property free of any claim for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such institutional mortgagee comes into possession of the apartment (except for claims for a pro rata share of any tax or special assessment as provided for in this Declaration of Condominium).

20.10 In the event of substantial damage to or destruction of any unit or any part of the common elements, the institutional holder of any first mortgage on a condominium unit will be entitled to timely written notice of any such damage or destruction.

20.11 No condominium unit in the project may be partitioned or subdivided without the prior written approval of the holder of any first mortgage lien on such unit.

21. TERMINATION

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

21.1 Destruction

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

21.2 Agreement

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

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

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

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

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

21.3 Certificate

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

21.4 Shares of Owners After Termination

After termination of the condominium, unit owners shall own the condominium property and all assets of the Association as tenants in common in undivided shares, and their respective mortgages and liens shall have mortgages and liens upon the respective undivided shares of the unit owners. Such

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undivided shares of the unit owners shall be the same as the undivided shares in the common elements appurtenant to the owners' units prior to the termination.

21.5 Amendments

This section concerning termination cannot be amended without consent of all unit owners and all recorded owners of mortgages upon condominium parcels.

22. SEVERABILITY AND INVALIDITY

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

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

23. INTERPRETATION

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

IN WITNESS WHEREOF, the Developer, R. T. BRINKLEY, II, INC., a Florida corporation, has caused the execution of this Declaration of Condominium this 30th day of December, 1983.

WITNESSES:

R. T. BRINKLEY, II, INC., a
Florida Corporation, Developer

Barbara M. Swett


By: R. T. Brinkley, II

Edith C. Kautman

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STATE OF FLORIDA
COUNTY OF BAY

The foregoing instrument was acknowledged before me this
30th day of December, 1983, by R. T. BRINKLEY, II, INC.,
a Florida corporation, on behalf of said corporation.


Notary Public

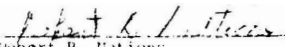
My Commission Expires:

Notary Public, State of Florida at Large
My Commission Expires Aug 8 1984

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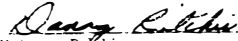
SURVEYOR'S CERTIFICATE

The undersigned, a land surveyor duly authorized to practice under the laws of the State of Florida, hereby certifies that the construction of the improvements is substantially complete so that the Survey Drawings, being Sheet Nos. 636-A, 636-B, 636-C and 636-D, copies of which are included as exhibits annexed to and made a part of the Declaration of Condominium of VILLAS OF ST. THOMAS, II, a condominium, together with the provisions of the Declaration describing the Condominium Property as it relates to matters of survey is an accurate representation of the location and dimensions of the improvements, and that the identification, location and dimensions of the Common Elements and of each unit can be determined from these materials.


Robert B. Nations
Registered Land Surveyor
Florida Certificate No. 1787

17 15

Sworn to and Subscribed before me this 27th day of December, 1983.

"
Notary Public

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EXHIBIT A TO
THE DECLARATION OF CONDOMINIUM

**** OFFICIAL RECORDS ****
BK 960 PG 67

EXHIBIT A

**UNDIVIDED SHARE OF COMMON ELEMENTS
OF PLAZAS OF ST. THOMAS, II, A CONDOMINIUM**

The undivided share in the land and other common
elements and in the common surplus of the condominium is as
follows:

Unit Number	Share
201 -----	.0525
202 -----	.0525
203 -----	.095
204 -----	.0525
205 -----	.0525
206 -----	.0525
207 -----	.0525
208 -----	.0695
209 -----	.102
210 -----	.095
211 -----	.0695
212 -----	.102
213 -----	.0825
214 -----	.0695
 TOTAL	 1.0000

**** OFFICIAL RECORDS ****
BK 960 PG 68

EXHIBIT B TO

THE DECLARATION OF CONDOMINIUM

[illegible]

** OFFICIAL RECORDS **
BK 960 PG 70

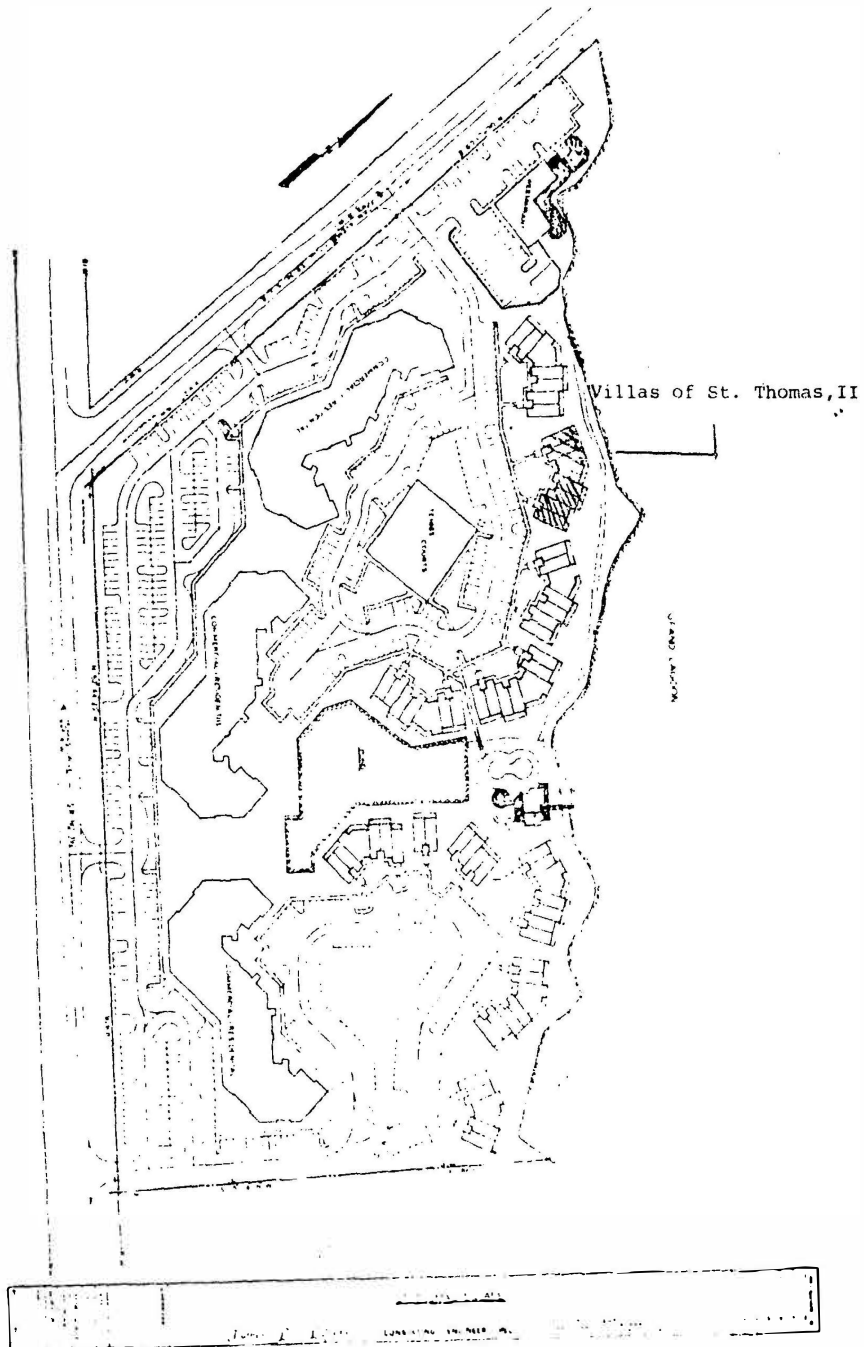
EXHIBIT C TO

THE DECLARATION OF CONDOMINIUM

** OFFICIAL RECORDS **
BK 960 PG 71

SITE PLAN

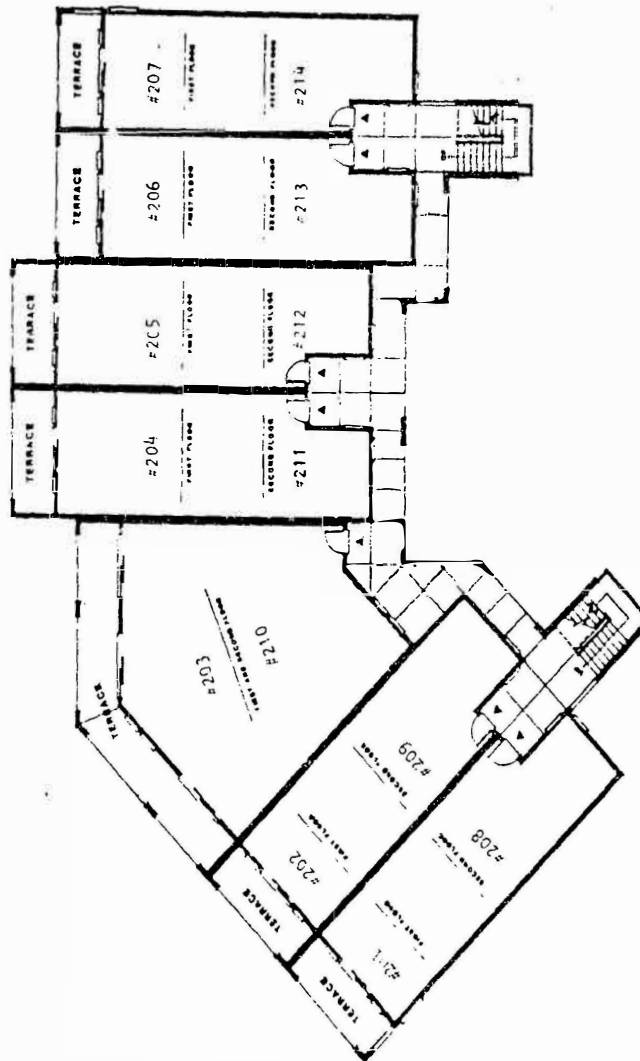
VILLAS OF ST. THOMAS, II



** OFFICIAL RECORDS **
BK 960 PG 72

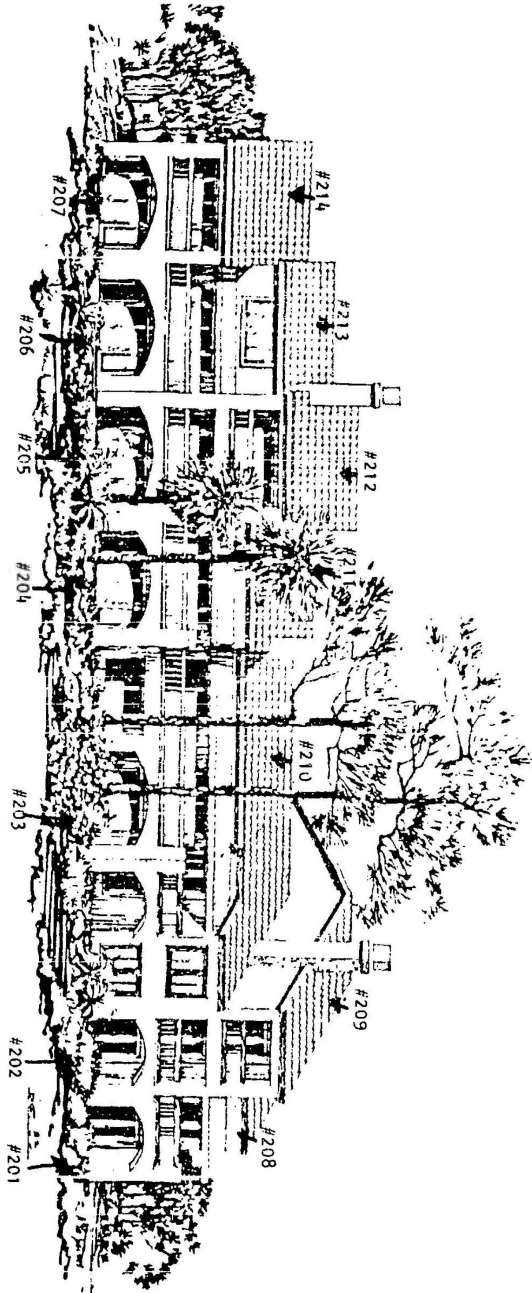
EXHIBIT TO

THE DECLARATION OF CONDOMINIUM

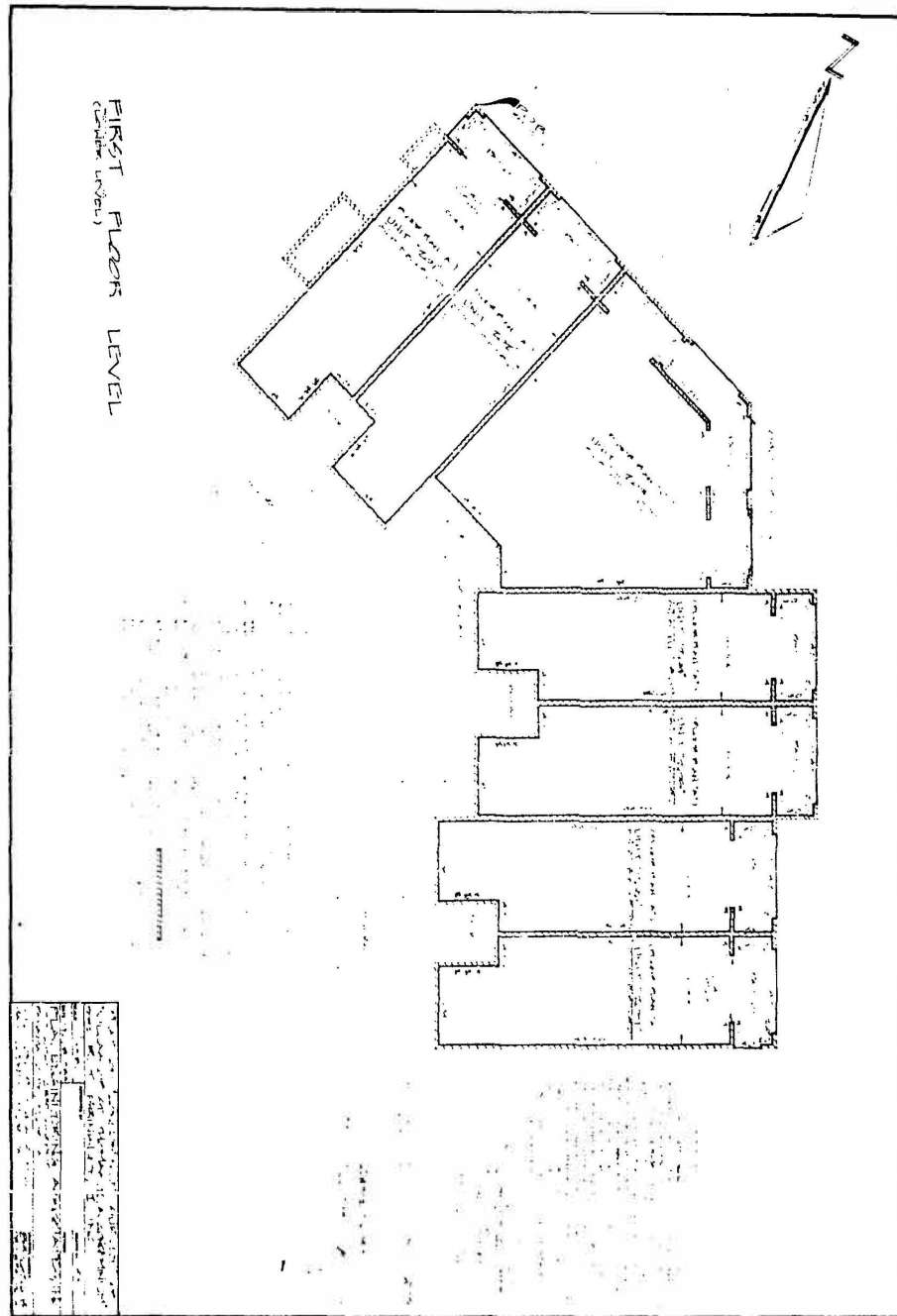


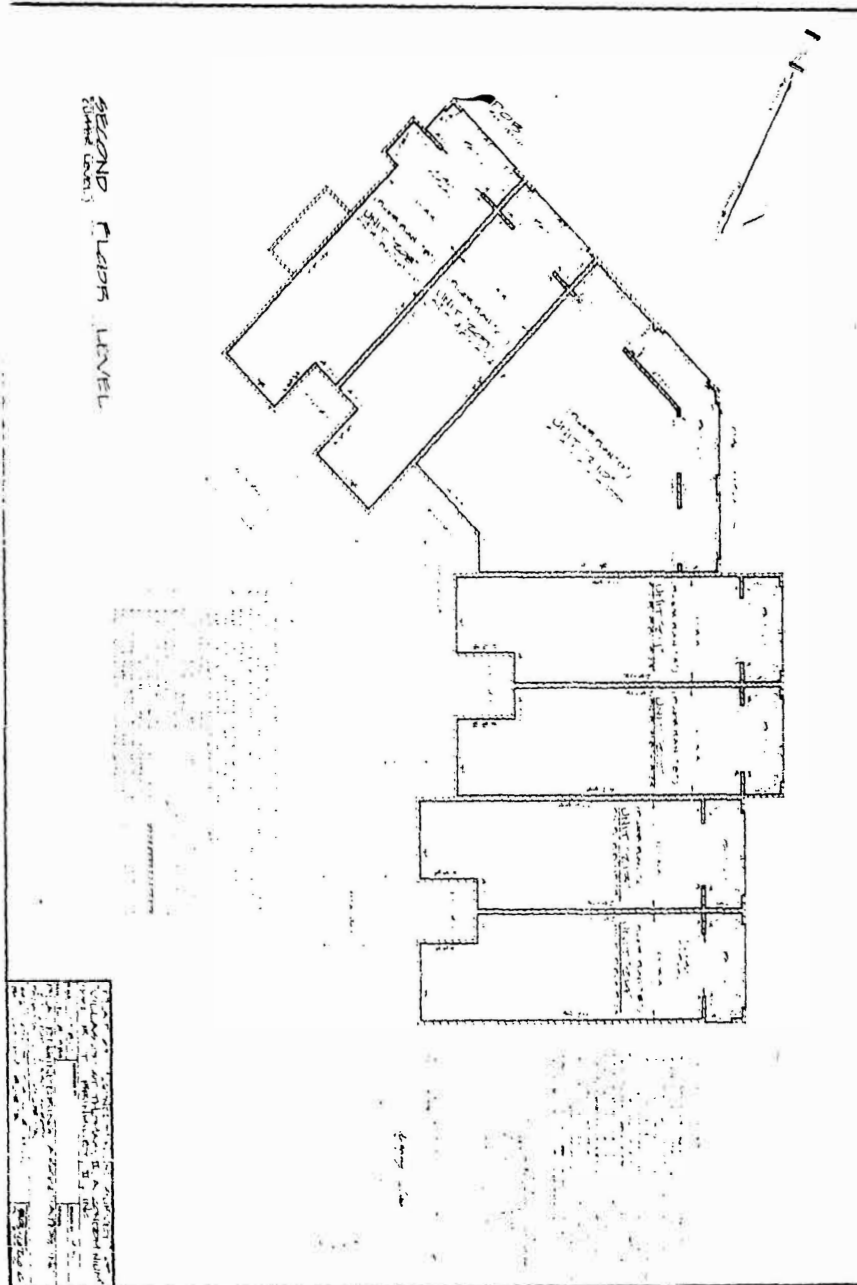
BUILDING PLAN - BUILDING 2

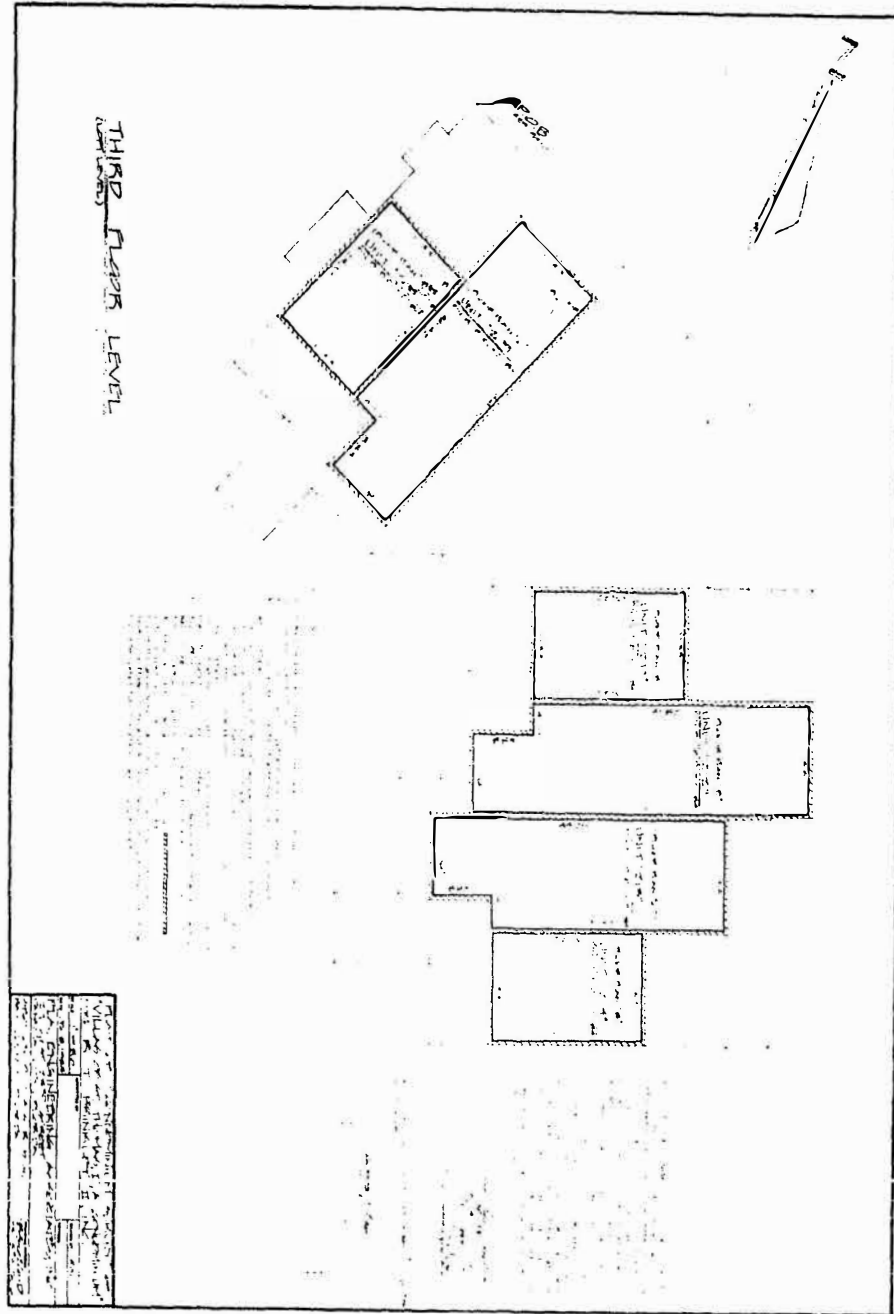
17988



The Villas of St. Thomas II
 ELEVATION





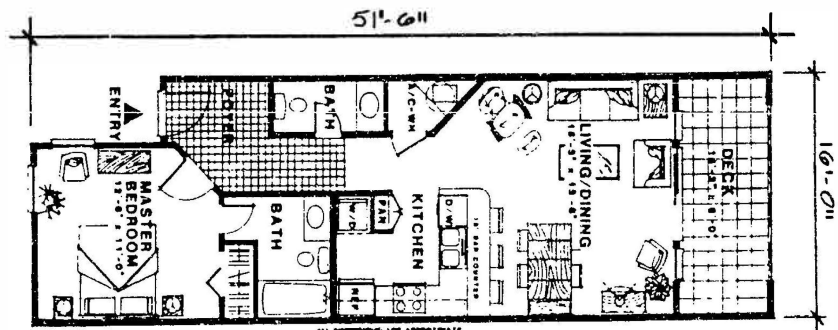


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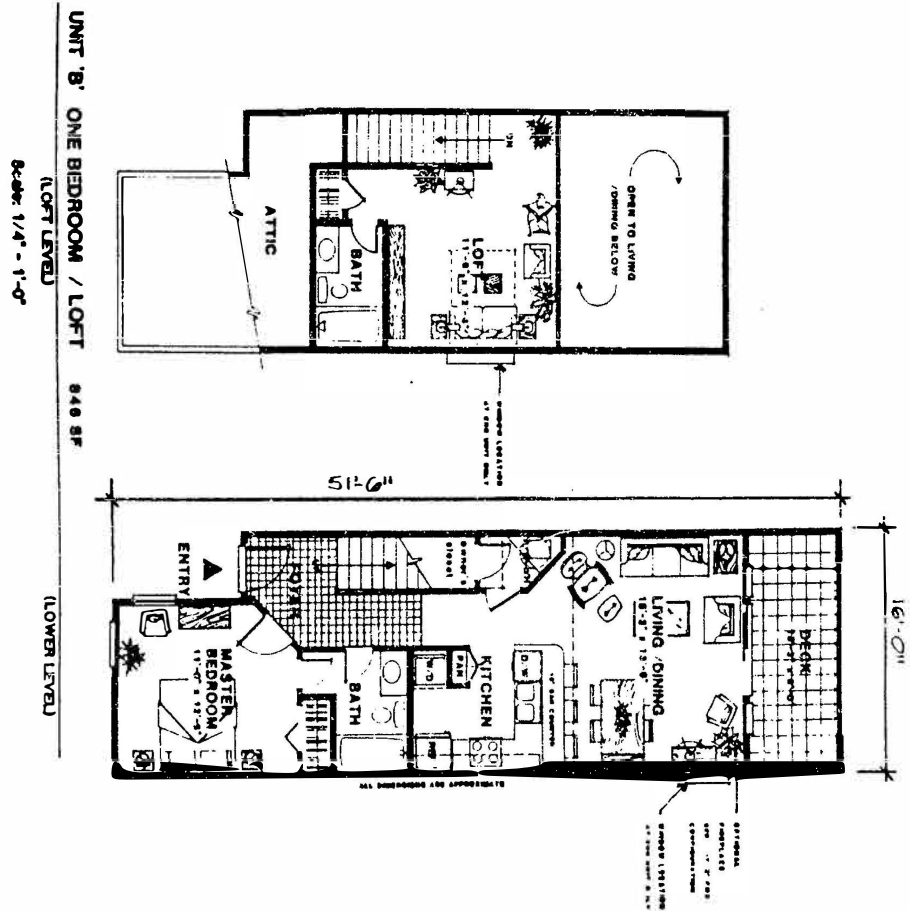
** OFFICIAL RECORDS **
BK 960 PG 78

EXHIBIT E TO
THE DECLARATION OF CONDOMINIUM

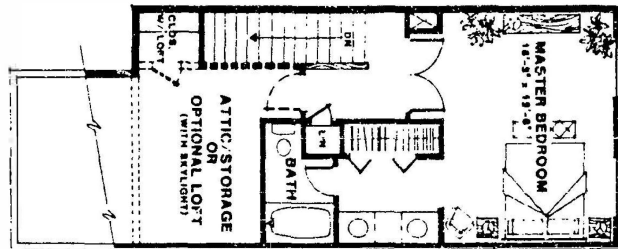
UNIT 'A' ONE BEDROOM FLAT 680 SF



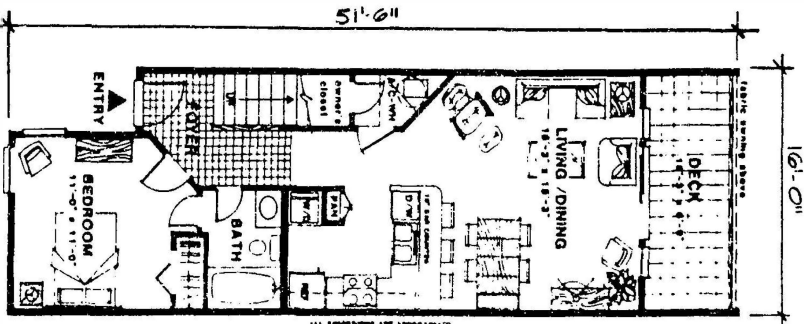
7988

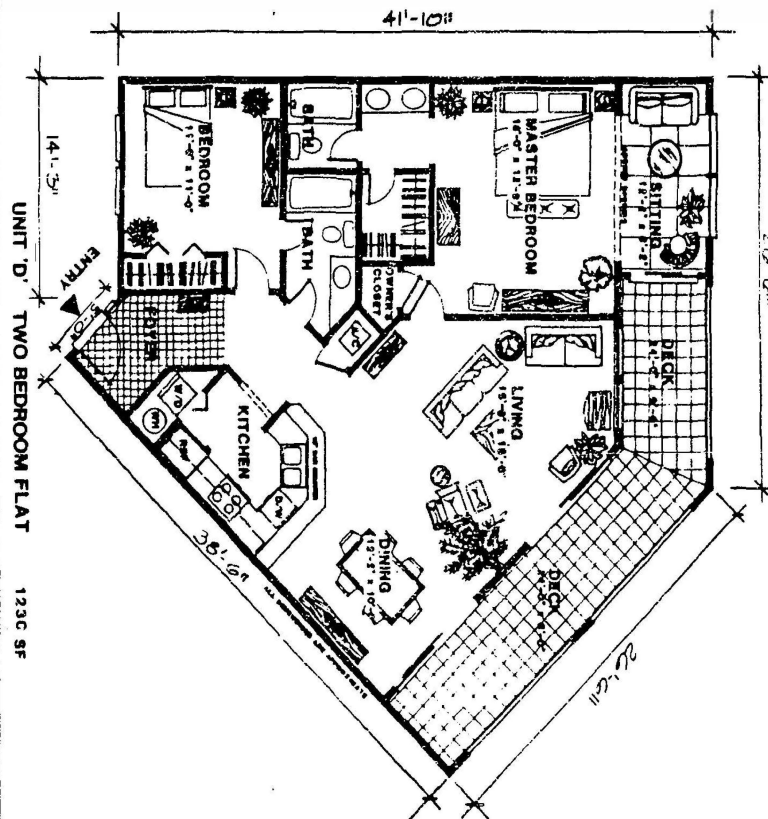


UNIT 'C' TWO BEDROOM TOWNHOME
 (UPPER LEVEL)
 Scale: 1/4" = 1'-0"

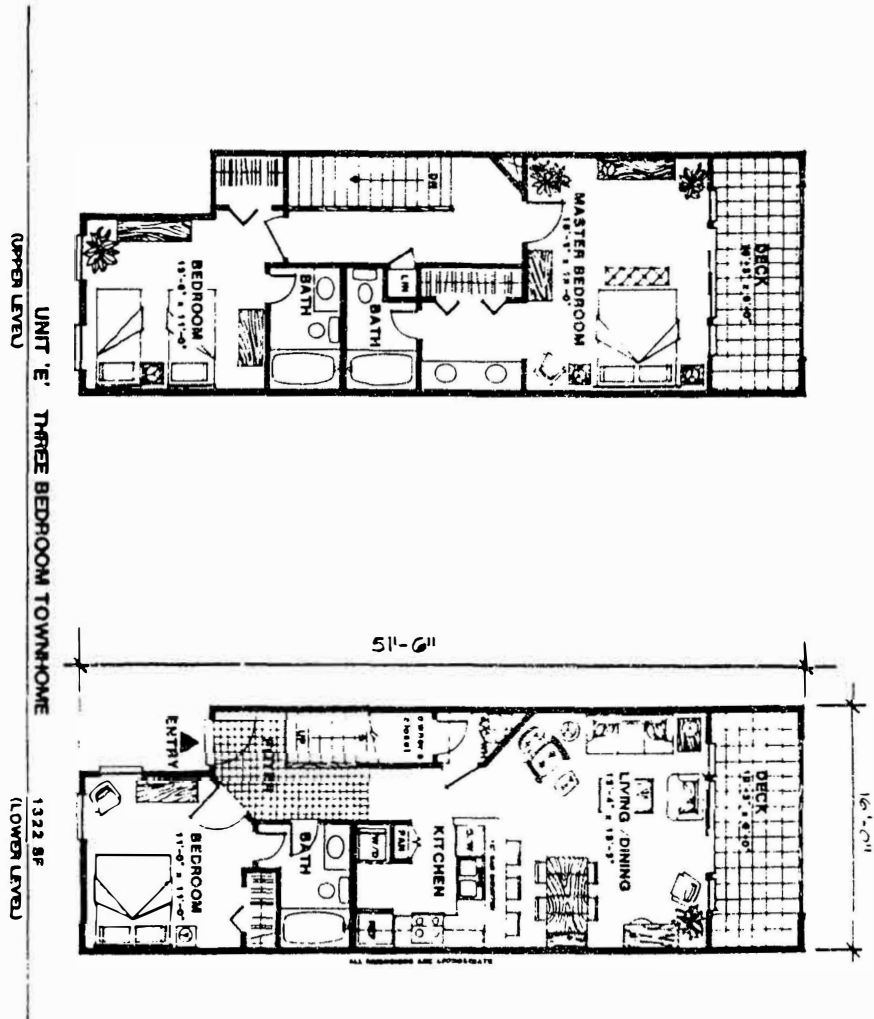


1062 SF
 (LOWER LEVEL)





3077



88562

** OFFICIAL RECORDS **
BK 960 PG 84

EXHIBIT F

TO THE DECLARATION OF CONDOMINIUM

**ARTICLES OF INCORPORATION
OF
VILLAS OF ST. THOMAS, II,
CONDOMINIUM ASSOCIATION, INC.
A FLORIDA CORPORATION NOT FOR PROFIT**

FILED
JUN 20 1967
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned incorporators by these articles associate themselves for the purpose of forming a corporation not for profit pursuant to the laws of the State of Florida, and adopt the following articles of incorporation:

ARTICLE I. NAME

The name of this corporation is VILLAS OF ST. THOMAS, II, CONDOMINIUM ASSOCIATION, INC.

ARTICLE II. TERM OF EXISTENCE

This corporation is organized for the purpose of providing an entity under the Florida Condominium Act (the Act) for the operation of a condominium located in Bay County, Florida, and known as Villas of St. Thomas, II, Condominium, created pursuant to the declaration of condominium therefor.

ARTICLE III. PURPOSE

The purpose of this corporation is to engage in any activities or business permitted under the laws of the United States of America and the State of Florida.

ARTICLE IV. MEMBERS

The qualification of members and the manner of their admission shall be as regulated by the bylaws of the corporation.

**ARTICLE V. INITIAL REGISTERED OFFICE
AND REGISTERED AGENT**

The street address of the initial registered office of this corporation is 8600 Thomas Drive, Panama City Beach, Florida 32407, and the name of the initial registered agent of this corporation at that address is R. T. Brinkley, II.

ARTICLE VI. FIRST BOARD OF DIRECTORS

The number of persons constituting the first board of

directors shall be three and their names and addresses are as follows:

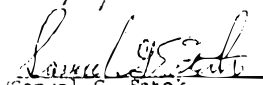
NAME	ADDRESS
Samuel G. Estok	4341 Thomas Drive, D-16 Panama City Beach, Florida 32407
Patricia Ann Estok	4341 Thomas Drive, D-16 Panama City Beach, Florida 32407
R. T. Brinkley, II	409 Spyglass Drive Panama City Beach, Florida 32407

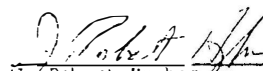
ARTICLE VII. INCORPORATORS

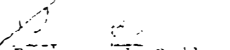
The name and address of the initial incorporators are as follows:

NAME	ADDRESS
Samuel G. Estok	4341 Thomas Drive, D-16 Panama City Beach, Florida 32407
J. Robert Hughes	209 East Fourth Street Panama City, Florida 32401-0125
Benjamin W. Redding	209 East Fourth Street Panama City, Florida 32401-0125

IN WITNESS WHEREOF the undersigned incorporators have executed these articles of incorporation on July 22, 1983



Samuel G. Estok
Incorporator


J. Robert Hughes
Incorporator


Benjamin W. Redding
Incorporator

STATE OF FLORIDA
COUNTY OF BAY

The foregoing instrument was acknowledged before me this 27th day of July, 1983 by Samuel G. Estok, J. Robert Hughes and Benjamin W. Redding.


Notary Public
Notary Public, State of Florida
My Commission Expires 2001
Notary Public, State of Florida

7988