

Ketch Courtyard

AMELIA ISLAND, FLORIDA
ADDENDUM

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

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THE CONDOMINIUM

The name of the Condominium is KETCH COURTYARD, a Condominium. The Condominium is located at 3150 South Fletcher Avenue, Fernandina Beach, Nassau County, Florida. The developer of the Condominium is KETCH COURTYARD, INC., whose address is Post Office Box 651, Fernandina Beach, Florida 32034.

The Condominium contains thirty-two (32) units. The developer's plan does not include a program of leasing units and all units will be sold in fee simple. However, the developer reserves the right to lease or rent units owned by it prior to the sale of such units.

DESCRIPTION OF IMPROVEMENTS

The Condominium will consist of one residential building, containing thirty-two (32) units.

The unit building, together with the other commonly owned facilities are described in the text of the Declaration or graphically located on the exhibits thereto. Attached as Exhibits A, B, and D to the Declaration of Condominium are a survey, plot plan and floor plans of units. These drawings show the location and dimensions of all improvements in the condominium including units, recreational facilities, parking and other common areas.

Units contain two (2) or three (3) bedrooms, living/dining rooms, kitchen and two (2) or three (3) baths.

Each unit shall contain the following appliances: Oven/Range; Dishwasher; Refrigerator/Freezer; Disposal.

Construction has not commenced. The estimated latest date of completion of construction is December 31, 1983.

The recreational and other commonly used facilities that will be owned and used by only the owners of the thirty-two (32) units shall be as follows:

* 1. Unheated pool of approximately four hundred fifty (450) square feet of water surface with depth of 3'6" to 6'0" located on the West side of the building; capacity of 19 people.

* 2. Pool deck shall be approximately one thousand six hundred forty (1,640) square feet, and includes restroom and dressing facilities.

THE CONDOMINIUM IS BEING CREATED AND SOLD ON A FEE SIMPLE ESTATE.

There will be no rooms or other facilities located within the Condominium which are owned by persons other than the unit owners or the Association.

The above-described facilities are the sole facilities to be provided by the Developer and will be available for use not later than December 31, 1983. No one except the Association may add to the recreational facilities.

The Condominium shall consist entirely of new construction and shall not involve conversion of any existing building.

COMMON ELEMENTS AND EXPENSES

Each unit has appurtenant to it an undivided interest in the common elements, expenses and surplus, as stated in Article VIII of the Declaration of Condominium. When a unit is sold or otherwise transferred, its appurtenant share of common elements and expenses is automatically transferred to the new owner of the unit.

Attached as Exhibit "G" to the Declaration of Condominium is an estimated budget for the Condominium, the income portion of which is based upon monthly assessments of \$75.00.

DESCRIPTION OF OPERATIONS

All land offered by the Developer for use by the unit owners is to be owned by the unit owners.

Storm drainage is effected through an on-site storm drainage system designed to carry excess surface water from the property.

Garbage collection and sewage disposal are provided by the City of Fernandina Beach, and may be separately metered and billed to each unit. Electricity and water supply are provided by Florida Public Utilities Company and separately billed to each unit. The cost of electrical service to the common areas will be a common expense.

MANAGEMENT

The management of the Condominium and maintenance will be provided by the Association.

The common expenses and ownership of the common elements are apportioned among the units according to a pro rata share divided equally among the number of total units.

ESTIMATED CLOSING COSTS

The following is a statement of estimated closing expenses to be paid by a buyer of a unit:

If Buyer elects to obtain mortgage financing from lenders, he shall be obligated to pay all costs thereof. Real property taxes will be prorated as of the date of closing.

Seller shall provide at Purchaser's expense an owner's title policy in the amount of the purchase price. Seller shall pay the cost of documentary stamps on the deed. Buyer shall pay, in advance at closing, one (1) months maintenance fees, together with a capital contribution of \$100.00.

DESCRIPTION OF DEVELOPER

The Developer is KETCH COURTYARD, INC., a Florida corporation, whose address is 303 Centre Street, Suite 202, Fernandina Beach, Florida 32034.

Developer will operate and sell the condominiums.

Its President, THOMAS G. DAVIS, is President of THE DAVIS-PHOENIX CO. of Fernandina Beach, Florida. Its Vice-President is W. HARVEY ANDERSON, who is also president of W. HARVEY ANDERSON CONSTRUCTION COMPANY, and has been engaged in residential and commercial construction for eighteen (18) years.

USE RESTRICTIONS

The restrictions concerning the use of the Condominium are contained in Article X of the Declaration of Condominium. In general, the restrictions provide that the units may be used in a lawful manner for single-family residential purposes without creating a nuisance and pursuant to the rules and regulations established from time to time by the Association. There are no prohibitions against children and pets allowed, subject to the rules and regulations of the Association.

SCHEDULE OF EXHIBITS

SCHEDULE OF EXHIBITS TO THIS PROSPECTUS ARE AS FOLLOWS:

1. Exhibit "1": Declaration of Condominium, with Exhibits
2. Exhibit "2": Articles of Incorporation of Association
3. Exhibit "3": By-Laws
4. Exhibit "4": Estimated Operating Budget
5. Exhibit "5": Form of Agreement for Sale of Units
6. Exhibit "6": Rules and Regulations
7. Exhibit "7": Escrow Agreement

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E X H I B I T S

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EXHIBIT B : PLOT PLAN

EXHIBIT C : BUILDING MATERIALS & SPECIFICATIONS

EXHIBIT D : FLOOR PLAN

EXHIBIT E : ARTICLES OF INCORPORATION OF
KETCH COURTYARD ASSOCIATION, INC.

EXHIBIT F : BY-LAWS OF KETCH COURTYARD ASSOCIATION, INC.

EXHIBIT G : ESTIMATED OPERATING BUDGET

ARTICLE FOUR

4.1 DESCRIPTION OF LAND: The land on which the buildings and improvements constituting the property are located consists of the following:

Lots Twelve (12), Thirteen (13) and Fourteen (14), in Block Numbered Two (2) of "SOUTH BEACH", a subdivision of Section Six (6), Township Two (2) North, Range Twenty-nine (29) East, in Nassau County, Florida, according to plat of said subdivision recorded in Plat Book 3 at page Eleven (11), public records of Nassau County, Florida.

4.2 A copy of the survey of the real property to be developed is attached hereto as EXHIBIT "A".

ARTICLE FIVE

5.1 DESCRIPTION OF BUILDINGS: There is one (1) building to be constructed on PHASE I of the land, constructed principally of concrete block construction, with stucco exterior on foundations of concrete pad and piling. A plot plan showing the location of the building on the property is attached hereto as EXHIBIT "B".

ARTICLE SIX

6.1 UNITS: On each of the four floors of the building there are eight (8) apartment units, which are numbered consecutively from 100 to 107 on the first floor; 200 to 207 on the second floor; 300 to 307 on the third floor; and 400 to 407 on the fourth floor. All units are shown and identified in the sketches and plans comprising description of improvements attached hereto as EXHIBITS "B" through "D".

6.2 Each unit is equipped with a stainless steel kitchen sink, wall cabinets, oven, range, dishwasher, refrigerator-freezer, fiberglass enclosure bathtubs, china toilets, and wash basins.

6.3 BOUNDARIES: Each unit shall be bounded as to both horizontal and parimetrical boundaries as below defined, whether the same exist now or are created by construction, settlement or movement of the building, or permissible repairs, reconstruction or alterations. The boundaries are intended to be as follows and shall be determined in the following manner:

6.4 HORIZONTAL BOUNDARIES: The upper and lower boundaries of the units shall be:

6.5 UPPER BOUNDARY: The underside of the unfinished ceiling of the unit, extended to meet the parimetrical boundaries.

6.6 LOWER BOUNDARY: The upperside of the unfinished, undecorated surface of the floor of the unit and deck extended to meet the parimetrical boundaries.

6.7 PARIMETRICAL BOUNDARIES: The parimetrical boundaries shall be the unfinished interior surfaces of the perimeter walls of the unit and the interior surfaces of the unit's windows and doors that abut the exterior of the building or common areas, and the unfinished surface of the deck.

6.8 UNIT TYPE: Varies with each unit.

6.9 The unit consists of the following rooms and areas: a living room and dining room, or a combination thereof; a kitchen which includes a stainless steel sink; a self-cleaning oven/range; a dishwasher; a refrigerator-freezer; and wall cabinets; two (2) or three (3) bedrooms; and two (2) or three (3) bathrooms, a walk-in utility room, and a locking owner's storage walk-in closet.

ARTICLE SEVEN

7.1 COMMON ELEMENTS: The common elements, shown in detail and in relation to the various units in Exhibits "B" through "D" hereto, consist of all of the Condominium property, except the units, and shall include but not be limited to the following:

- A. The parcel of land described above.
- B. Parking facilities for a minimum of forty-eight (48) vehicles, consisting of 17,000 square feet. Automobile parking will be made available to unit owners so that the occupants of each unit will be entitled to parking for one (1) automobile without charge. The Association shall have the authority to make reasonable charges for the parking of automobiles in excess of one (1) for each unit. Parking areas will not be assigned herein but will be available pursuant to the regulations of the Association.
- There shall be appurtenant to each unit at all times one (1) parking space which shall pass with the title thereto. If allocation of particular spaces is made, it may be made initially by the DEVELOPER by an unrecorded written instrument given a unit purchaser upon closing. Two or more unit owners may exchange the spaces initially allocated to their units by submitting to the Board of Directors signed and witnessed requests for exchange and surrendering their initial or current allocation instruments. The Directors shall thereupon execute and deliver to such unit owners new allocation instruments signed in the name of the Association by an officer of the Board and bearing the Association seal, reflecting the changed allocations. Such changed allocations shall have the same force and effect as the ones they replace.
- C. All improvements and parts of the Condominium property not included within the unit or which do not serve a particular unit.
- D. Easements through the unit for conduits, ducts, plumbing, wiring and other facilities for furnishing utility services to the various units and to the common elements.
- E. All structural beams, posts and members within a unit and an easement of support in every portion of a unit which contributes to the support of the building.
- F. All utility areas and installation and all utility services which are available to more than one unit or available to the common elements.
- G. All parking areas, all driveways, sidewalks, and entrance ways and all other means of egress and ingress to the Condominium property.
- H. All electrical appliances, apparatus and wiring, plumbing pipes and apparatus, telephone wires and all other ducts, conduits, cables, wires or pipes which are outside of the boundaries of the units.
- I. Sundeck in the common area surrounding the pool.

- J. All tangible personal property located on the property required for the maintenance and operation of the Condominium and for the common use and enjoyment of the owners.
- K. Swimming pool.
- L. Elevator and elevator housing.
- M. Stairways.
- N. All other parts of the property necessary or convenient to its existence, maintenance and safety or which are normally in common use.

ARTICLE EIGHT

8.1 OWNERSHIP OF COMMON ELEMENTS: Each owner of a unit shall own in fee simple absolute a proportionate, undivided 1/32 interest in the aforesaid common elements listed under PARAGRAPH 7

ARTICLE NINE

9.1 PROPORTIONATE REPRESENTATION; PARTICIPATION IN COMMON EXPENSES; MAINTENANCE: Each unit owner shall share in the total voting power of the Association of owners, in accordance with such unit owner's interest in the common elements as set forth above. However, such proportionate representation may be limited in accordance with the provisions of the By-Laws attached hereto as Exhibit "F".

9.2 For purposes of this Declaration, "COMMON EXPENSES" means expenses for which unit owners shall be proportionately liable, including:

- (1) All expenses of administration, insurance, maintenance, repair, and replacement of the common elements;
- (2) Expenses agreed upon as common expenses by all unit owners; and,

(3) Expenses declared common expenses by or pursuant to the provisions of the Condominium Act, this Declaration, or the By-Laws.

9.3 MAINTENANCE: The responsibility for the maintenance of a unit shall be as follows:

9.4 BY THE ASSOCIATION: The Association shall maintain, repair, and replace at the Association's expense:

9.5 Such portions of the units as contribute to the support of the building, including but not limited to the perimeter walls, columns, roof and floors. Also, conduit, wiring, piping, ductwork and other mechanical or electrical or other installations or equipment serving the common elements or more than one unit, and all of the common elements.

9.6 Provided that if the maintenance, repair and replacement of any of the above shall be made necessary because of the negligence, act or omission of a unit owner, his family, lessees, invitees and guests, then the work shall be done by the Association at the expense of the unit owner, and the cost shall be secured as an assessment.

9.7 All incidental damage caused to a unit by work done or ordered by the Association shall be promptly repaired by and at the expense of the Association.

9.8 BY THE UNIT OWNER: The responsibility of the unit owner shall be as follows:

9.9 To maintain, repair and replace at his expense, all portions of his unit not maintained, repaired and replaced by the Association. The unit owner's responsibility specifically includes but is not limited to windows, window and balcony glass, doors, heating and air-conditioning equipment, screens and associated hardware, appliances, fixtures, switches, fan motors, compressors, wiring, plumbing, piping and ductwork serving only the particular unit, whether located inside or outside the unit, and the surface finish of the deck floor.

9.10 A unit owner shall not paint or otherwise decorate or change the appearance of any portion of the building not within the interior walls of the unit or which is visible from the exterior of the unit, unless the written consent of the Association is obtained in advance. This shall not be construed to require approval of interior shades, drapes or curtains or for placing appropriate furniture on balconies, patios or terraces.

9.11 A unit owner shall not make structural modifications or alterations to his unit or installations located therein without previously obtaining the written approval of the Board of Directors of the Association. Notice shall be sent to the President of the Association and shall set forth in detail the proposed modification or alteration. The Board of Directors of the Association shall consider the proposed modification or alteration and decide whether or not approval should be granted. If the Board has not responded to such a request within ONE HUNDRED EIGHTY (180) days, the unit owner shall be considered to have obtained the Board's approval for modification or alteration. Nothing herein shall be construed to relieve the unit owner from obtaining required approval for modifications or alterations under the provisions of other covenants or restrictions applicable to the unit.

ARTICLE TEN

10.1 COVENANTS AND RESTRICTIONS: DEVELOPER, its successors and assigns, by this Declaration, and all future owners of units, by acceptance of their respective unit deeds, hereby covenant and agree as follows:

10.2 The common elements shall remain undivided, and no right shall exist to partition or divide any of them, except when withdrawal of the property from the Condominium Act is authorized by all unit owners and the holders of all mortgages or other liens affecting all units, or directed by a court of equity

as provided by law. On such authorization, all unit owners, mortgagees, and lienors shall execute and file for record in the office where this declaration is filed, an instrument of revocation of this declaration. On the filing of such instrument of revocation, the owners shall become tenants in common of the property, and each shall own an undivided interest therein equal to the percentage of his undivided interest in the common elements before the filing of such instrument. On the filing of such instrument of revocation, each lien on an individual unit shall become a lien on the individual undivided interest of the owner of such unit as tenant in common of the entire property. Removal of the property from the Condominium Act shall not bar subsequent resubmission to the provisions of such Act in accordance with the terms thereof.

10.3 If any portion of the common elements encroaches on any unit, or if any unit encroaches on any other unit, or any portion of the common elements, as a result of the construction of the building; or if any such encroachment shall occur as a result of settling or shifting of the building, a valid easement for such encroachment and for the maintenance of the same so long as the building stands, shall exist. If the building, or any common element or any unit therein, is partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and then rebuilt, the minor encroachment of parts of the common elements on any unit, or of any unit on any other unit or on any portion of the common elements, due to such rebuilding, shall be permitted and valid easements for such encroachments and the maintenance thereof for so long as the building stands, shall exist.

10.4 Each unit owner shall have an easement in common with the owners of all other units:

(1) To use all streets, walks, and other rights of way serving the units of the Condominium as part of the common

NOTICE OF AMENDMENT TO BYLAWS

NOTICE IS HEREBY GIVEN, of the following amendments to the Bylaws of KETCH COURTYARD ASSOCIATION, INC., approved by the members and adopted by the Board of Directors on October 21, 1995, to-wit:

1. That Section 5.10(c) of said Bylaws is amended to read as follows (strike-through indicates deletion; underline indicates new provision):

(c) Residents shall exercise extreme care about making noises or playing music which may disturb other residents. ~~Residents keeping domestic animals must abide by municipal sanitary regulations. NO animals or pots will be allowed on the premises of the Ketch Courtyard Condominium at any time.~~

2. That Section 9.1 of said Bylaws is amended to read as follows:

9.1 Records Certification

The Secretary shall keep detailed records of all actions of the Governing Board, including financial records and books of account of the Association, kept in accordance with generally accepted accounting principles. Such records shall include a chronological record of all receipts and disbursements. A separate account shall also be kept for each unit containing, among other things, the amount of each assessment against such unit, the date when due, amounts paid thereon, and the balance remaining due. The Governing Board shall also prepare quarterly an annual written report summarizing receipts and disbursements of the Condominium, certified by an independent certified public accountant, which shall be rendered delivered

elements and providing access to the streets and other public ways of the City of Fernandina Beach; and

(2) To use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units and serving his unit.

(3) All such easements for ingress and egress shall not be encumbered by any leasehold or lien other than those on individual units, unless:

(a) Any such lien is subordinate to the rights of the unit owners, or

(b) The holder of any encumbrance or leasehold of any easement has executed and recorded an agreement that the use-rights of each unit owner will not be terminated as long as the unit owner has not been evicted because of a default under the encumbrance or lease, and the use-rights of any mortgagee of a unit who has acquired title to a unit may not be terminated.

10.5 Each unit shall also be subject to such easements in favor of the owners of all other units, but each unit shall have an easement for the exclusive use of any balcony or deck to which it has sole access. The governing board, on behalf of all unit owners, shall have the right of access to each unit to inspect the same, upon reasonable notice, and to maintain, repair, or replace the common elements therein or appurtenant thereto.

10.6 Each unit space shall be occupied and used by its respective owner only as a private dwelling for the owner, his family, tenants, and social guests, and for no other purpose whatsoever.

10.7 Each owner of a unit or units shall, automatically on become owner of such unit or units, become a member of KEICH COURTYARD ASSOCIATION, INC., hereinafter referred to as the "ASSOCIATION", and shall remain a member thereof until such time as his ownership shall for any reason cease, at which time his membership in the Association shall likewise cease.

10.8 Each unit owner shall, immediately on becoming an owner thereof, grant to the governing board, on behalf of all unit owners, an irrevocable power of attorney coupled with an interest, to acquire title to or lease any unit whose owner desires to surrender, sell or lease the same, or that may be the subject of a foreclosure or other judicial sale, and to convey, sell, lease, sublease, mortgage, or otherwise deal with any unit so acquired.

10.9 Any unit leased or acquired by the governing board in any manner whatsoever, shall be held by the Board on behalf of all unit owners, in proportion to the respective common interests of such owners as set forth above.

10.10 Administration of the Condominium shall be in accordance with the provisions of this Declaration and the By-Laws of the Association, attached as EXHIBIT "F".

10.11 Each unit owner, and all occupants of units shall comply with the provisions of this Declaration, their unit deeds, and the By-Laws, rules, regulations, decisions and resolutions of the Association, as lawfully amended from time to time. Failure to comply with any such provisions, decisions, or resolutions shall be grounds for an action for damages, injunctive relief, or both, maintainable by the Association or by any unit owner or by any person who holds a blanket mortgage or unit mortgage and is aggrieved by any such noncompliance.

10.12 No owner of a unit may exempt himself from liability for his proportionate share of the common expenses by waiver of the use or enjoyment of any of the common elements, or by abandonment of his unit.

10.13 Reasonable regulations concerning the use of the Condominium property may be made and amended from time to time by a majority vote of the voting interests of the Association. Copies of the regulations and amendments shall be furnished by the Association to all unit owners. No regulation may

discriminate against any group or class of users. No new or amended regulation may be enforced prior to approval by the owners.

10.14 Each unit owner shall be entitled to one vote in the Association allocated to each unit owned. If a unit is owned by one person, his right to vote shall be established by record title to his unit. If a unit is owned by more than one person, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all the record owners of the unit and shall be filed with the Secretary of the Association. If a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated by a certificate of appointment signed by the president or vice-president of the corporation and attested by the secretary of assistance secretary of the corporation and filed with the Secretary of the Association. Such certificate shall be valid until revoked or suspended by subsequent certificate or until a change in the ownership of the unit concerned. A vote may be exercised in person or by proxy.

ARTICLE ELEVEN

11.1 ASSESSMENT LIENS: The Association shall have a lien on each unit for any unpaid assessments duly assessed against such unit, together with interest thereon and reasonable attorney's fees paid or incurred by reason of the non-payment thereof. Any such lien may be foreclosed by suit brought in the name of the Association in the same manner as a suit to foreclose a mortgage on real property, and the Association shall have the power to bid on the unit at any such foreclosure sale, and to acquire, hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid assessments may also be maintained without foreclosing or waiving the lien securing the same.

11.2 The Board of Directors of the Association may impose special or individual assessments on unit owners for the cost and expense of repairs or replacements within an individual unit for which said unit owner is responsible, which repairs he has failed or refused to make and which, if not made, impair or endanger the use, value or appearance of the common elements or other condominium units, and said Association is granted a right of entry into each condominium unit to make repairs or replacements of this character necessary or required in the common interest, including the right to abate or eliminate any nuisance, or any condition deemed hazardous by the insurance underwriters.

11.3 The lien conferred by Chapter 718, Florida Statutes, shall extend to and include any special assessments, which special assessments may be enforced in the same manner as a regular assessment on the same terms and conditions provided therefor.

11.4 The DEVELOPER may elect to guarantee to purchasers of units in that assessments for common expenses during any stated period of time shall not exceed a specified dollar amount and that DEVELOPER shall pay any common expenses in excess of the guaranteed level. Should the DEVELOPER elect to make such a guarantee to OWNERS, the DEVELOPER shall be exempted from liability for common expenses attributable to units owned by the DEVELOPER, during the period of the guarantee.

11.5 If the DEVELOPER elects not to make such a guarantee, then it shall nonetheless be exempt from payment of any common expenses attributable to units in owned by the DEVELOPER for a period of time terminating on the first (1st) day of the fourth (4th) calendar month following the month in which the closing of the purchase and sale of the first condominium unit occurs.

11.6 However, during this period, the DEVELOPER will pay the portion of common expenses incurred during the period which exceeds the amount assessed against other unit owners.

ARTICLE TWELVE

12.1 ACQUISITION OF UNITS AT FORECLOSURE SALE; EFFECT: Where an approved mortgagee of a first mortgage of record obtains title to a unit by foreclosure, or by deed in lieu of foreclosure, such mortgagee and its successors and assigns shall not be liable for that unit's assessments or share of the common expenses which become due prior to acquisition of title unless it is secured by a claim of lien for assessments recorded prior to the recordation of the mortgage.

12.2 Any such unpaid share of common expenses or assessments shall be deemed common expenses collectible from all units, including the unit acquired by such purchaser, his heirs, successors and assigns.

12.3 Such mortgagee may also take title, occupy, lease, sell or otherwise dispose of a unit without the approval of the Association. Any amendment to the Declaration or the By-Laws which would impair the security, priority or validity of an approved first mortgage of record must be consented to in writing by the mortgagee.

ARTICLE THIRTEEN

13.1 RENTAL OF UNITS: Unit owners shall have the absolute right to lease their units, provided such leases are made subject to the covenants and restrictions contained in this Declaration and in the By-Laws as they may from time to time be amended. !

ARTICLE FOURTEEN

14.1 DESTRUCTION OF OR DAMAGE TO PROPERTY; EFFECT:
In the event of any damage to or destruction of: (a) any

improvements on the Condominium property or any part thereof; or (b) any common element or elements or any part thereof, required by this Declaration, the By-Laws, or by law to be insured by the Association, such improvements or common elements shall be promptly repaired and restored by the Association using the proceeds of such insurance. If such proceeds are inadequate to cover the cost of such repair and restoration, unit owners shall be assessed on an equitable basis according to the benefit derived by them from such repair and restoration. However, if, (a) the proceeds of such insurance are inadequate by a substantial amount to cover estimated costs of repair and restoration of an essential improvement or common element, or (b) such damage constitutes substantially total destruction of the Condominium property or of one or more buildings comprising the Condominium property, or (c) those unit owners entitled to exercise seventy-five percent (75.0%) or more of the total voting power held by those unit owners directly affected by such damage or destruction, voting in accordance with the procedure established in the By-Laws, shall determine not to repair or restore, the Association shall proceed to realize the salvage value of that portion of the Condominium property so damaged or destroyed by sale or otherwise, and shall collect the proceeds of any insurance. Thereupon, the net proceeds of such sale or other disposition of the property, together with the proceeds of any insurance, after making provisions for the removal of all debris and the restoration of the land to level grade, if appropriate, shall be considered as one fund and shall be divided among unit owners directly affected by such damage or destruction in the proportion to their respective undivided ownership of the common elements. Any liens or encumbrances on any affected unit shall be relegated to the interest of the owner thereof in the fund.

ARTICLE FIFTEEN

15.1 EMINENT DOMAIN: If all or any part of the common elements shall be taken, injured, or destroyed by eminent domain, each unit owner shall be entitled to notice of such taking and to participate through the Association in all condemnation and other proceedings. Any damages shall be for the taking, injury, or other destruction as a whole and shall be collected by the Association and distributed by it among unit owners in proportion to their respective undivided interests in the common elements or limited common elements so taken, injured, or destroyed, except that such funds as are deemed by the Association necessary or appropriate to be applied to the repair or restoration of property so injured or destroyed may be so applied.

ARTICLE SIXTEEN

16.1 FIRE AND EXTENDED COVERAGE INSURANCE: The governing board of the Association, or the managing agent, shall obtain and continue in effect insurance against loss by fire or other casualties normally covered under broad form fire and extended coverage insurance as written in Florida, covering all common elements and all structural portions of the Condominium property, in the amount of not less than ninety percent (90.0%) of the assessed value thereof. The premiums for such insurance shall be a common expense to be paid by monthly assessments levied by the governing board. In the event of any damage to or destruction of any portion of the property so insured, insurance proceeds shall be collected, applied, and disbursed as provided in ARTICLE 14 of this Declaration.

ARTICLE SEVENTEEN

17.1 LIABILITY INSURANCE: The governing board of the Association, or the managing agent, shall obtain and continue in effect insurance against liability for personal injury and death and for damage to property arising from accidents occurring within the common elements in such amounts, satisfactory to mortgagees holding first mortgages on the units, or as shall be determined by the governing board.

ARTICLE EIGHTEEN

18.1 INSURANCE BY ASSOCIATION; EFFECT: Any insurance obtained or maintained by the Association or the governing board thereof, or by any managing agent, retained by the Association or governing board, shall be without prejudice to the rights of unit owners to obtain and maintain such unit insurance as they see fit.

ARTICLE NINETEEN

19.1 CONVEYANCE OF UNITS; LIABILITY FOR ASSESSMENTS:
Whenever a unit is voluntarily conveyed, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the latter for his share of common expenses up to the time of conveyance, without prejudice to the grantee's right to recover from the grantor any amount paid by the grantee for such assessments. Any grantee or mortgagee shall be entitled, within thirty (30) days after request therefor, to a certificate from the governing board of the Association setting forth the amount of any unpaid assessments due the Association from the grantor.

ARTICLE TWENTY

20.1 AGREEMENTS AND DETERMINATION OF ASSOCIATION:

All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in the By-Laws annexed hereto as EXHIBIT "F" shall be binding on all unit owners, their heirs, successors and assigns.

ARTICLE TWENTY-ONE

21.1 DUTIES, LIABILITIES AND RIGHTS OF DEVELOPER: So long as DEVELOPER, its successors and assigns, owns one or more of the units established and described herein, DEVELOPER, its successors and assigns, shall be subject to the provisions of this Declaration and of all exhibits attached hereto. DEVELOPER covenants to take no action that would adversely affect the right of the Association with respect to assurances against latent defects in the property, or other rights assigned to the Association by reason of the establishment of the Condominium.

21.2 Notwithstanding anything herein to the contrary, the DEVELOPER is irrevocably empowered to sell, lease or rent units to any person. The DEVELOPER shall have the right to transact on the Condominium property any business necessary to consummate the sale, lease or rental of units, including but not limited to the right to maintain models, have signs, maintain an office and employees on the property and use the common elements to show units. Any sales and rental office, signs and all items pertaining to sales and rentals shall not be considered common elements and shall remain the property of the DEVELOPER.

ARTICLE TWENTY-TWO

22.1 UNIT OWNERS' ASSOCIATION: The administration and management of the Condominium shall be vested in an Association, to be known as KETCH COURTYARD ASSOCIATION, INC.

The Association shall be organized as a Florida corporation not for profit and shall be governed by the By-Laws. A copy of the Articles of Incorporation of the Association is attached hereto as EXHIBIT "E".

ARTICLE TWENTY-THREE

23.1 DECLARATION OF MANAGERIAL AND ADMINISTRATIVE DUTIES: Any right, privilege, or duty herein granted to or imposed on the Association or the governing board thereof, other than the determination and levy of assessments for common charges and the enforcement of liens for failure to pay the same, may be delegated to a professional corporate managing agent by mutually binding contract entered into between the president or authorized agent of the Association and such managing agent.

ARTICLE TWENTY-FOUR

24.1 AMENDMENT OF DECLARATION: This Declaration may be amended or supplemented only by the affirmative vote of those unit owners entitled to exercise sixty-seven percent (67.0%) of the total voting power of the Association, cast in person or by proxy at a meeting duly called and held in accordance with the By-Laws. No such amendment shall be effective until recorded in the Office of the Clerk of the Circuit Court of Nassau County, Florida.

24.2 Until the completion of the contemplated improvements to the Condominium property, and closing of all unit sales, the developer specifically reserves the right, without the joinder of any person, to make amendments to the Declaration and its exhibits or in the place of development, as may be required by any lender, governmental authority or as may be, in its judgment, necessary or desirable. The changes permitted under this section shall not however, affect the number and general size of the units in the condominium, nor each units' percentage

ownership in the common elements. This Paragraph shall take precedence over any other provision of the Declaration or its attachments.

ARTICLE TWENTY-FIVE

25.1 INVALIDITY: If any one or more provisions of this Declaration are declared invalid, such invalidity shall in no way impair or affect the validity, enforceability or effect of the remainder of this Declaration.

ARTICLE TWENTY-SIX

26.1 WAIVER: No provision contained in this Declaration shall be deemed waived by reason of any failure to enforce the same, irrespective of the number of violations or the consistency of such failure of enforcement.

ARTICLE TWENTY-SEVEN

27.1 "Reserved for Future Use"

ARTICLE TWENTY-EIGHT

28.1 "Reserved for Future Use"

ARTICLE TWENTY-NINE

29.1 EASEMENT FOR ACCESS AND UTILITIES: The DEVELOPER expressly reserves a perpetual easement for ingress and egress and for all utility installation and maintenance over, across and under all portions of the land on which no structures exist.

ARTICLE THIRTY

30.1 DEVELOPER'S RIGHT TO MANAGE: Subject to the provisions of the Condominium Act, DEVELOPER hereby reserves unto itself the right to manage all of the affairs of this Condominium

and all of the affairs of the Association so long as the DEVELOPER owns more than EIGHTY-FIVE PERCENT (85.0%) of the units in the Condominium.

30.2 DEVELOPER's rights reserved herein shall include the sole and exclusive right to take all actions and do all things on behalf of the Association for the maintenance and operation of the Condominium property, the determination and collection of assessments, the enactment and enforcement of regulations for the use of the Condominium property and the payment of all common expenses. DEVELOPER shall have all powers provided by the Condominium documents.

30.3 Within sixty (60) days after unit owners become entitled to elect any members of the Board of Directors pursuant to the Condominium Act, or if DEVELOPER elects at any earlier time, the DEVELOPER shall call a meeting of the Association for the election of directors. The unit owners shall be given notice of the meeting as provided in the By-Laws and the Condominium Act. At the meeting, the owners shall elect the number of directors to which they are entitled to elect, who shall take office immediately and serve until the next regularly scheduled annual meeting of the Association.

ARTICLE THIRTY-ONE

31.1 PROHIBITED ACTIONS: As long as DEVELOPER is the owner of record title to any unit, and holds that unit for sale in the ordinary course of business, none of the following actions may be taken without approval in writing from the DEVELOPER:

- (a) Assessment of DEVELOPER as a unit owner for capital improvements;
- (b) Any action that would be detrimental to the sale of units by DEVELOPER; provided, however, that a uniform increase in assessments for common expenses without discrimination against the DEVELOPER shall not be deemed detrimental.

ARTICLE THIRTY-TWO

32.1 CAPTIONS: Captions are inserted for convenience and reference only, and shall not be taken in any way to limit or describe the scope of this Declaration or any provision hereof.

IN WITNESS WHEREOF, DEVELOPER and owner have executed this Declaration of Condominium on the first above written date.

SIGNED, SEALED and DELIVERED
in the presence of:

KETCH COURTYARD, INC.

By Its _____

Witnesses as to Developer
Attest _____
Its _____
(Corporate Seal)

CLYDE GILMORE

Witnesses as to Owner
EILA MAE GILMORE

ARTICLE THIRTY-TWO

32.1 CAPTIONS: Captions are inserted for convenience and reference only, and shall not be taken in any way to limit or describe the scope of this Declaration or any provision hereof.

IN WITNESS WHEREOF, DEVELOPER and owner have executed this Declaration of Condominium on the first above written date.

SIGNED, SEALED and DELIVERED
in the presence of:

KETCH COURTYARD, INC.

By Its _____

Witnesses as to Developer
Attest _____
Its _____
(Corporate Seal)

CLYDE GILMORE

Witnesses as to Owner
EILA MAE GILMORE

STATE OF FLORIDA
COUNTY OF NASSAU

BEFORE ME personally appeared _____ and the individuals described in and who executed the foregoing instrument as _____, to me well known and known to me to be the above named KETCH COURTYARD, INC., a corporation, and severally acknowledged to and before me that they executed such instrument as such officers, respectively, of said corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that it was affixed to said instrument by due and regular corporate authority, and that said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal, this _____ day of _____, 1983.

Notary Public
State of Florida at Large

My Commission Expires:

STATE OF OHIO
COUNTY OF _____

BEFORE ME personally appeared CLYDE GILMORE and EILA MAE GILMORE, to me well known and known to me to be the persons described in and who executed the foregoing instrument, and acknowledged to and before me that they executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal, this _____ day of _____, 1983.

Notary Public
State of Ohio at Large

My Commission Expires:

Foundation - concrete pilings to hurricane specifications.
Floor System - all levels - 6" concrete slab with pad and sound insulation.

Party Wall - 8" concrete with two layers of 5/8" gypsum board rated Firecode "X".

Exterior Wall - Stucco over styrofoam insulated concrete block pured solid.

Roof Assembly and Roofing Materials - 5-ply built-up as per Standard Building Code.

Range and Hood - 30" model with continuous cleaning oven, glass door with busy bake window, clock with timer. Matching 30" range hood, ventless series, with two speed fan control.

Refrigerator - frostless top freezer with icemaker, 14.7 cubic foot model.

Disposal - Heavy duty, continuous feed, 1/2 h.p. model.

Dishwasher - four cycle, with power miser, large capacity.

Kitchen Sinks - Double bowl stainless steel with Delex trim.

Bath Tub - Tub and shower enclosures, acrylic finish with Delex trim.

Lavatories - Formica with American Standard bowl, Delex trim.

Water Closet - American Standard - elongated cadet with seat and cover.

Hot Water Heater - Jackson - quick recovery double element or equal.

Central Heating and Air Conditioning - Systems for each unit.

All systems energy efficient with support strip heat.

Windows - Special casement, insulated glass.

Exterior Doors - Flush face, high efficient, weatherproofed.

Interior Doors - Wood veneer with locking owner storage room.

Living room, dining area, bedrooms - carpeted with polyester deep plush carpet. Kitchen area, laundry area, interior storage area, and bathrooms finished with no wax vinyl flooring.

Ceiling - skip trowel texture spray.

Interior Walls - painted gypsum wall board unless otherwise noted.

All cabinetry custom made and constructed of solid wood-stained finish and formica finishes.

Kitchen Counter Tops - plastic laminate formica.

Custom formica.

Interior Hardware:

Weister-Troy design, bright brass finish.

Deck Areas:

All exterior deck areas - solid masonry slabs with anodized aluminum railing.

Miscellaneous:

Smoke Detector - smoke detection/heat sensor system located in each unit.

Medicine Cabinets - all bathrooms.

Washer & Dryer connections for all units.

(Developer reserves right to substitute equal or better specified materials.)

Additional Amenities:

Ample parking.

Large pool and deck area.

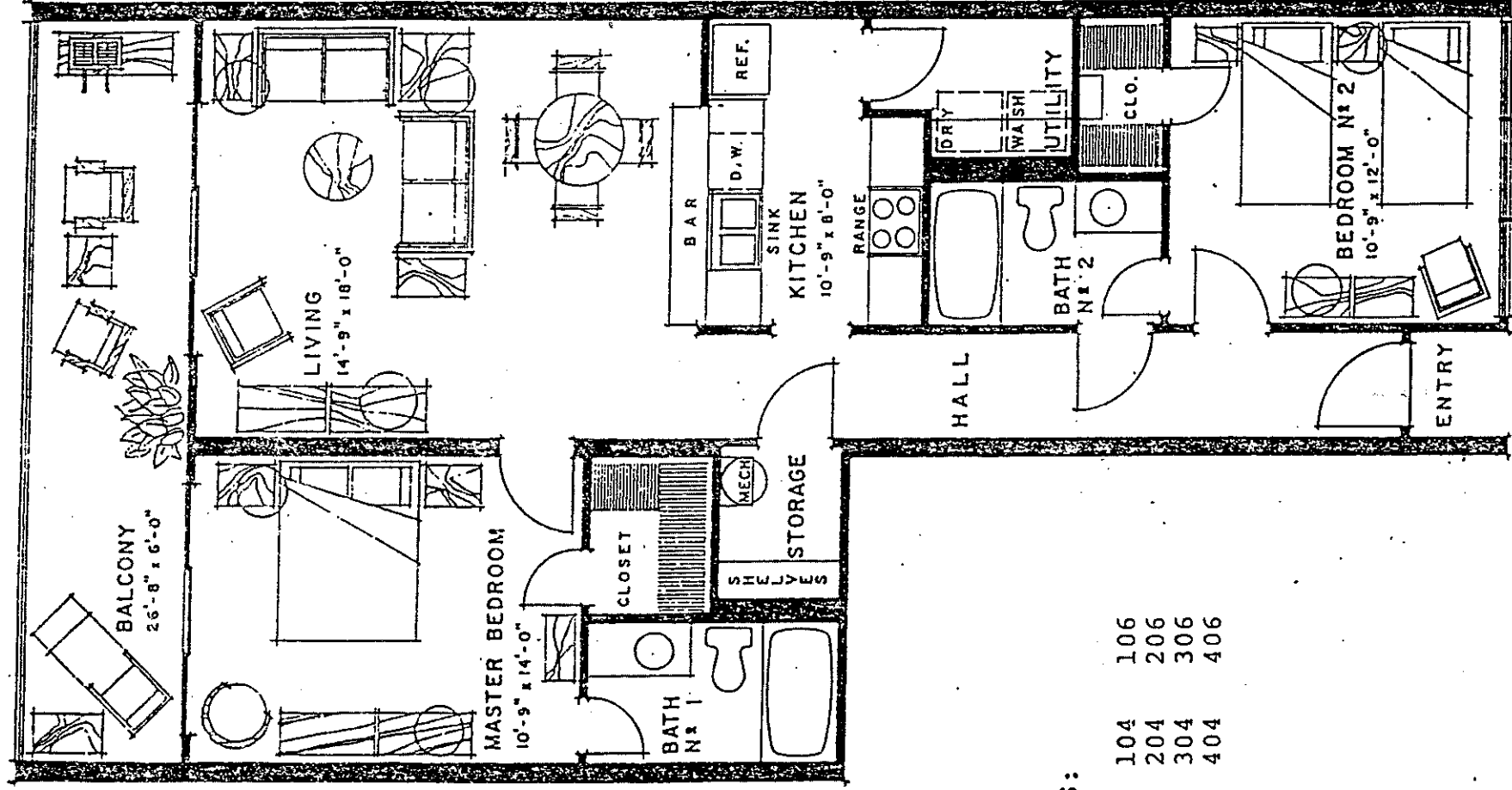
Beach rinse shower areas located at pool deck.

Lush planted areas.

Privacy wall and entrance for owner.

Direct access to beachwalk over the dunes of Ketch Courtyard.

The widest, whitest beaches on Amelia Island, and, of course, the Atlantic Ocean.

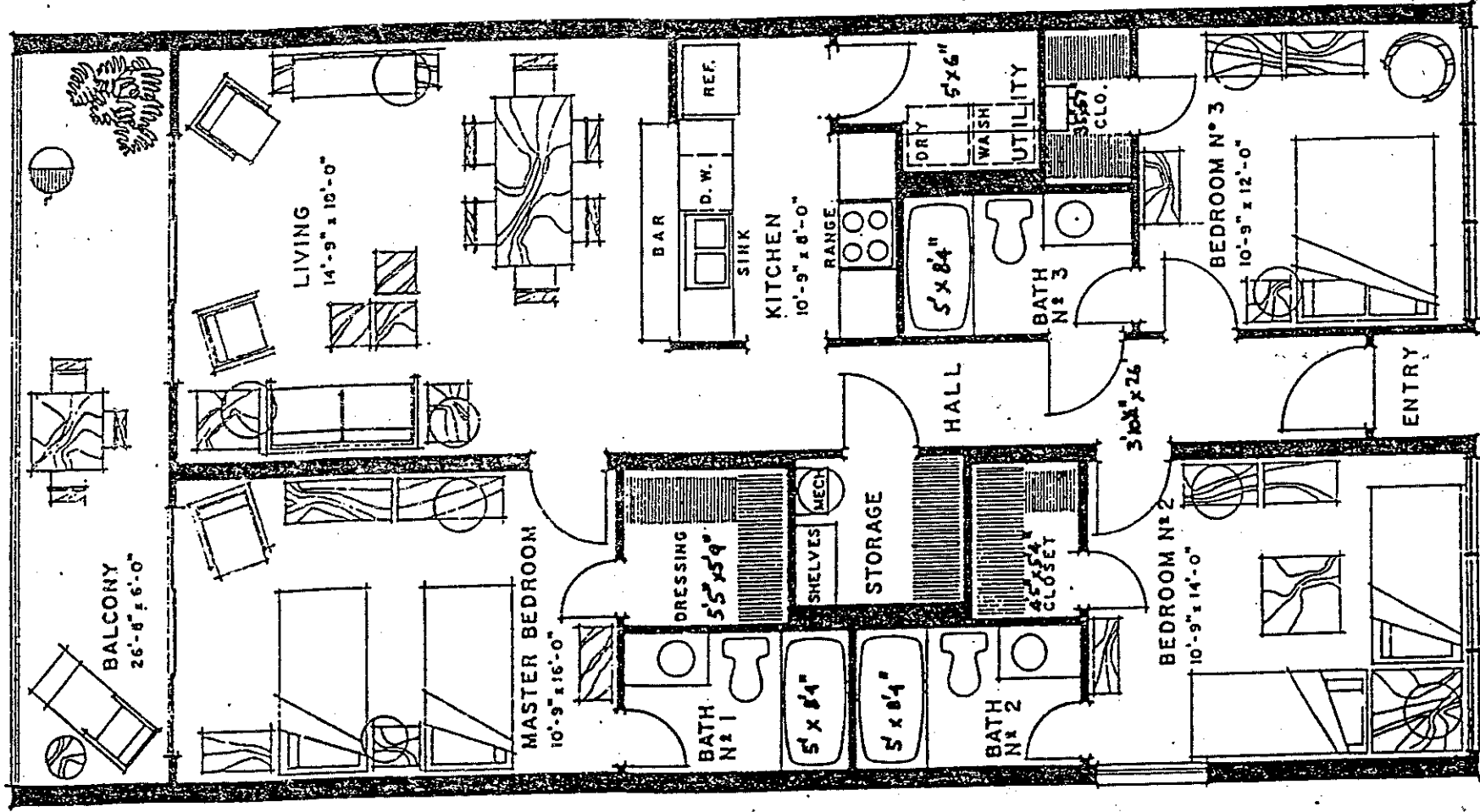


UNITS:

102	104	106
202	204	206
302	304	306
402	404	406

UNIT TYPE "A"

SQUARE FOOTAGE 1,020 φ



UNIT TYPE "C"

SQUARE FOOTAGE 1,300 φ

UNITS:	107	100
	207	200
	307	300
	407	400

RESERVES HAVE BEEN BASED UPON THE FOLLOWING FORMULA:

	<u>Replacement Cost</u>	<u>Per Year Useful Life</u>	<u>Requirement</u>
Roof	\$ 30,000.00	20 years	\$ 1,500.00
Painting	2,500.00	5 years	500.00
Paving & Sidewalks	<u>10,000.00</u>	10 years	<u>1,000.00</u>
	<u>\$ 42,500.00</u>		<u>\$ 3,000.00</u>

NOTE: DEVELOPER MAY ELECT TO GUARANTEE TO PURCHASERS OF UNITS THAT ASSESSMENTS FOR COMMON EXPENSES DURING ANY STATED PERIOD OF TIME SHALL NOT EXCEED A SPECIFIED DOLLAR AMOUNT AND THAT DEVELOPER SHALL PAY ANY COMMON EXPENSES IN EXCESS OF THE GUARANTEED LEVEL. SHOULD DEVELOPER ELECT TO MAKE SUCH A GUARANTEE TO OWNERS, DEVELOPER SHALL BE EXEMPTED FROM LIABILITY FOR COMMON EXPENSES ATTRIBUTABLE TO UNITS OWNED BY DEVELOPER DURING THE PERIOD OF THE GUARANTEE. (REF. ART. 11.5, DECLARATION OF CONDOMINIUM).

IF DEVELOPER ELECTS NOT TO MAKE SUCH A GUARANTEE, THEN IT SHALL NONETHELESS BE EXEMPT FROM PAYMENT OF ANY COMMON EXPENSES ATTRIBUTABLE TO UNITS IN PHASE I OWNED BY DEVELOPER FOR A PERIOD OF TIME TERMINATING ON THE FIRST (1ST) DAY OF THE FOURTH (4TH) CALENDAR MONTH FOLLOWING THE MONTH IN WHICH THE CLOSING OF THE PURCHASE AND SALE OF THE FIRST CONDOMINIUM UNIT OCCURS.

ESCROW AGREEMENT

THIS AGREEMENT made this _____ day of _____, 1983, by and between KETCH COURTYARD, INC., of Post Office Box 651, Fernandina Beach, Florida 32034, hereinafter called the "DEVELOPER"; and GREAT SOUTHERN FEDERAL SAVINGS AND LOAN ASSOCIATION, of Post Office Box 8206, Savannah, Georgia 31412, hereinafter called "ESCROWEE";

WHEREAS, DEVELOPER is desirous of creating a condominium community in Fernandina Beach, Nassau County, to be known as "KETCH COURTYARD", a condominium;

WHEREAS, DEVELOPER has not completed the construction of the condominium in accordance with the plans and specifications, and desires to establish an escrow agreement and account in accordance with and pursuant to the provisions of Florida Statute Section 718.202; and

WHEREAS, ESCROWEE has agreed to act as escrow agent for the purpose of accepting and holding such sales deposits;

NOW, THEREFORE, WITNESSETH:

1. ESCROWEE shall accept all sales deposits up to ten percent (10%) of the purchase price from the prospective purchasers of condominium units at KETCH COURTYARD, a condominium and shall place such deposits in an escrow account in its office at Savannah, Georgia, hereinafter called the "ASSOCIATION", such deposits may be commingled in common escrow or trust accounts handled or received by the Association; the Association may invest the escrow funds in securities of the United States, or

any agency thereof or in savings or time deposits in institutions insured by an agency of the United States. All reference hereafter made of disbursements from the escrow account shall refer to disbursements to be made from the entire fund or its balance existing from time to time.

2. Funds shall be released from escrow as follows:

(a) If a purchaser properly terminates the Purchase and Sale Contract pursuant to its terms or pursuant to Chapter 718, Florida Statutes, the funds shall be paid to the purchaser, together with any interest earned;

(b) If the purchaser defaults in the performance of his obligations under the Contract of Purchase and Sale, the funds shall be paid to the DEVELOPER, KETCH COURTYARD, INC.

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

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

3. All payments in excess of the ten percent (10%) of the sale price described in Paragraph 1 above, received prior to completion of construction by DEVELOPER from the purchaser on a contract for purchase of a condominium parcel shall be held in a separate escrow account with ESCROWEE and may not be used by DEVELOPER prior to closing the transaction, except as provided in Paragraph 4, or except for refund to the purchaser. If the money remains in this special account for more than three (3) months

8. Units shall be occupied and used by their respective owners only as private dwellings for such owners, their families, tenants, and social guests, and for no other purposes.

9. Units may be rented only in entirety.

10. Residents shall exercise extreme care about making noises or playing music which may disturb other residents. No residents shall play or allow to be played any musical instrument, radio, television, phonograph, or the like between the hours of 11:00 o'clock p.m., and the following 8:00 o'clock a.m., if the same will disturb or annoy any other resident.

11. Residents shall be permitted to keep domestic animals only if such animals do not disturb or annoy other residents. Residents keeping domestic animals shall abide by municipal sanitary regulations and shall be responsible for any inconvenience or damage caused by such animals.

12. Owners shall not take or cause to be taken without their units any action which would jeopardize the soundness or safety of any part of the condominium property or impair any easement or right appurtenant thereto or affect the common elements without the unanimous consent of all unit owners who might be affected thereby.

13. Owners shall not permit anything to be done or kept in their units that would increase the rate of fire insurance thereon or on the condominium as a whole.

14. No owner, lessee, or licensee shall install wiring for any electrical or telephone installation, or any television

and earns interest, the interest shall be paid as provided in Paragraph 2 above.

4. If the contract for sale of the condominium unit so provides, the DEVELOPER may withdraw escrow funds in excess of ten percent (10%) of the purchase price from the special account required by Paragraph 3 above when the construction of improvements has begun. DEVELOPER may use the funds in the actual construction and development of the condominium property in which the unit to be sold is located. However, no part of these funds may be used for salaries, commissions, or expenses of salesmen or for advertising purposes. A contract which permits advance payments for these purposes shall include the following legend conspicuously printed or stamped in boldfaced type on the first page of the contract and immediately above the place for signature of the purchaser:

ANY PAYMENT IN EXCESS OF TEN PERCENT (10%)
OF THE PURCHASE PRICE MADE TO DEVELOPER
(SELLER) PRIOR TO CLOSING PURSUANT TO THIS
CONTRACT MAY BE USED FOR CONSTRUCTION
PURPOSES BY THE DEVELOPER (SELLER).

5. "Completion of Construction" means issuance of a certificate of occupancy for the entire building or improvement, or the equivalent authorization issued by the CITY OF FERNANDINA BEACH, FLORIDA: if no certificate of occupancy or equivalent authorization is issued, it means substantial completion of construction, finishing and equipping of the building or improvements according to the plans and specifications.

6. ESCROWEE shall give to any purchaser a receipt for the deposit made by him, upon request.

7. The parties acknowledge that this Agreement is executed in contemplation of Section 718.202, Florida Statutes.

EXECUTED at Fernandina Beach, Florida, this _____ day of _____, 1983.

SIGNED, SEALED and DELIVERED
in the PRESENCE of:

"DEVELOPER"

KETCH COURTYARD, INC.

By _____

Its:

(Witnesses as to Developer)

(corporate seal)

"ESCROWEE"

GREAT SOUTHERN FEDERAL SAVINGS
AND LOAN ASSOCIATION

By _____

Its:

(Witnesses as to Escrowee)

Attest _____

Its:

(corporate seal)

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0898
12/27/83