

EXHIBIT "F" TO DECLARATION

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

STATE OF FLORIDA
COUNTY OF ESCAMBIA

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

This Declaration made this 9th day of July, 1984, by The City of Pensacola, a municipal corporation, hereinafter called "Declarant" and by Port Royal of Pensacola, Inc., a Florida corporation, hereinafter called "Port Royal", and Port Royal Community Association, Inc., hereinafter called "Association".

W I T N E S S E T H :

WHEREAS Declarant is the owner of certain real property more particularly described on attached Exhibit "A", upon which it is contemplated that there will be constructed certain residential condominium units, amenities and shared facilities the first phase of which will be known as Port Royal, a Condominium, and the second phase of which is not yet named but will be referred to herein as "the second phase".

WHEREAS, Port Royal is the lessee under a 99-year lease from the Declarant to Port Royal effective November 15, 1982, and recorded in Official Record Book 1743, at page 764 of the public records of Escambia County, Florida, as amended by Amendment to Lease Agreement dated the 28th day of March, 1983, recorded in Official Record Book 1749 at page 251 of the Public Records of Escambia County, Florida, as further amended by Second Amendment to Lease Agreement dated March 22, 1984, recorded in Official Record Book 1889 at page 656 of the Public Records of Escambia County, Florida, and as further amended by Third Amendment to Lease Agreement dated May 11, 1984, recorded in Official Record Book 1913 at page 227 of the Public Records of Escambia County, Florida, demising property and easements described on Exhibit "B" attached hereto, upon which Port Royal proposes to develop the condominium project known as Port Royal, a Condominium; and Declarant has not yet selected a lessee for development of the second phase, and

WHEREAS, it is contemplated that certain amenities and easements herein called "shared facilities", serving the said Port Royal, a Condominium will also serve the second phase if

and when the said second phase is developed; and among those shared facilities shall be an entrance road and utility easement described as the Entrance Road Easement on attached Exhibit "B", a guard shack, a pool and landscaping adjacent to the said facilities, all of which are to be constructed in conjunction with Port Royal, a Condominium, and it is contemplated that in connection with the second phase there shall be a community center with adjoining landscaping to be constructed in conjunction with, either Port Royal, a Condominium, or with the second phase, and

WHEREAS, the parties desire to provide for the operation, administration, maintenance and control of all the shared facilities and have agreed upon the incorporation of a Florida non-profit corporation by the name of Port Royal Community Association, Inc. for this purpose with these responsibilities, obligations, and rights to arise upon the filing of a Declaration of Condominium for Port Royal, a Condominium, but not prior thereto.

NOW, THEREFORE, the Declarant and Port Royal hereby declare that all the property described on Exhibits "A", "B", and "C" hereto, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness thereof. These easements, covenants restrictions and conditions shall run with the land and shall be binding on all parties having or acquiring any right, title or interest therein or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

SECTION 1. "Association" shall mean and refer to Port Royal Community Association, Inc., a Florida corporation not for profit, its successors and assigns.

SECTION 2. "Owner" shall mean and refer to the record title holder of a partial assignment of long term lease on a condominium unit in Port Royal, a condominium, or of the second phase which partial assignment of lease expires not earlier than the year 2080, and which carries with it the exclusive right to possession of said condominium unit.

SECTION 3. "Shared Facilities" shall mean the easement property described on Exhibit "A" hereof, the pool to be constructed in connection with Port Royal, a Condominium, the community building to be constructed in connection with the second phase, and all other properties or facilities which may come within the jurisdiction of the Association pursuant to the provisions hereof or of any amendments hereto.

ARTICLE II

RIGHTS OF OWNERS

SECTION 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Shared Facilities which shall be appurtenant to and shall pass with the owners' interest in every condominium unit in Port Royal, a Condominium, or in the second phase, subject to the following provisions:

(a) The right of the Association to suspend the use rights of any owner for any period during which any assessment authorized by this Declaration against his unit remains unpaid; and also for a period not to exceed sixty (60) days for any infraction of the Association's published rules.

(b) The right of the City of Pensacola or of the Association to grant permits, licenses and easements over the shared facilities for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the shared facilities or of Port Royal, a Condominium or of the second phase.

SECTION 2. Delegation of Use. Any owner may delegate in accordance with the by-laws, rules, the Articles of Incorporation of the Association and this Declaration, his right of enjoyment to the Shared Facilities to the members of his family, his tenants, occupants or contract purchasers who reside in his condominium unit.

ARTICLE III**SHARED FACILITIES**

SECTION 1. Easement Property. There is hereby created a non-exclusive easement on the Entrance Road Easement described on Exhibit "A" attached hereto in favor of the Association, all owners, occupants and condominium associations, now or subsequently holding any interest in the property described in Exhibit "A" hereof for the purpose of ingress, egress and the installation and maintenance of utilities and landscaping thereon; however, no construction or improvements shall be commenced or completed thereon without the prior written approval of Declarant.

SECTION 2. SWIMMING POOL. By agreement with Declarant, Port Royal has agreed to develop Port Royal, a Condominium, on property described on attached Exhibit "B" and as part of the development, to construct and convey to the Association by partial assignment of lease, a swimming pool which will be available for use by the owners and occupants of the second phase which it is contemplated will be developed in due time on property described on attached Exhibit "C".

SECTION 3. COMMUNITY BUILDING. Declarant has committed to Port Royal that when it enters into a lease or other agreement relating to the second phase to be developed on property described on Exhibit "C", it will require that a community building be provided, either as a separate building or as a part of one of the condominium buildings to be constructed as part of the second phase, and that the Community Building will be made available to the owners and occupants of Port Royal, a Condominium, and of the second phase.

SECTION 4. OTHER SHARED FACILITIES. It may be that swimming pool(s) and/or other amenities will be constructed for the use of the owners and occupants of both phases. These shall be designated by amendment to this Declaration duly executed by Declarant, Port Royal, the Association, and the lessee, if any, of the property described on Exhibit

"C", and shall be conveyed to the Association by partial assignment of lease.

ARTICLE IV

ASSOCIATION CONTROL AND RESPONSIBILITY

SECTION 1. EFFECTIVE DATE OF COVENANTS AND ASSOCIATION

CONTROL. The Association shall have full authority over, and assume responsibility relating to the shared facilities upon the completion of each shared facility as the same is completed, but not prior to the recording of a Declaration of Condominium on Port Royal, a Condominium.

SECTION 2. Conveyance to Association. Upon the completion of each shared facility and after full payment of the cost of completion by the responsible party, each shared facility and easement shall be conveyed to the Association, either by lease, partial assignment of lease or easement.

SECTION 3. Association Responsibility. The Association shall be responsible for the management and control of the easement property, shall keep the roadway, landscaping, utilities, guard shack and other improvements thereon, as well as the grounds, in good, clean, attractive and sanitary condition, order and repair; the management, control, and repair of the pool to be constructed in Phase I, the Community Building to be constructed in connection with the second phase and for such other amenities as may come under its control pursuant to the provisions of this Declaration; shall hold a leasehold interest in said easement and amenities, shall pay any taxes or lease payments levied thereon, shall carry adequate public liability insurance covering all property for which it is responsible, shall carry hazard, flood and windstorm insurance if available in the amount of the full replacement value of the buildings, structures and improvements for which it is responsible, and shall establish reasonable rules and regulations for the use of the shared facilities, including the charging of appropriate fees for the use thereof.

ARTICLE V**MEMBERSHIP AND VOTING RIGHTS**

SECTION 1. Every owner of a condominium unit in Port Royal, a Condominium, and in the second phase, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any unit which is subject to assessment. Declarant, The City of Pensacola, shall, by virtue of its underlying ownership of the fee simple title to the property involved, be a member of the Association, but shall not have voting rights. The Declarant shall, however, have certain approval rights as set forth hereinafter and in the Articles of Incorporation and by-laws of the Association. There shall be no other classes of membership.

ARTICLE VI**COVENANT FOR MAINTENANCE ASSESSMENTS**

SECTION 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant and Port Royal hereby covenant and each owner of any condominium unit in Port Royal, a Condominium and in the second phase, by acceptance of title to one of such condominium units, whether or not it shall be expressed in any such instrument, is and shall be deemed to covenant and agree to pay to the Association for each and every assessable unit held (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual assessments and special assessments, together with such interest thereon and costs of collection as hereinafter provided, shall be a charge on the interest of individual condominium units in Port Royal, a Condominium and the second phase, and shall be a continuing lien thereon. Each such assessment, together with interest, costs and reasonable attorneys fees, shall also be the personal obligation of the person or entity who was the owner of such condominium unit at the time when the assessment fell due.

SECTION 2. Purpose of Annual and Special Assessments.

The annual and special assessments levied by the Association shall be used exclusively for the purpose of maintaining the easement property and for promoting the recreation, health, safety and social welfare of the residents in Port Royal, a Condominium and the second phase, through the improvement, operation and maintenance of the shared facilities within the jurisdiction of the Association.

SECTION 3. Maximum Annual Assessment. Until January 1 of the year immediately following the effective date of this declaration, the maximum annual assessment shall be \$ 250⁰⁰ per unit for the total expenses of the Association. From and after January 1 of the year immediately following the effective date of this declaration, the maximum annual assessment may be increased by the Board of Directors of the Association without a vote of the membership by an amount not to exceed 115% of the prior year's assessment. The maximum annual assessment may be increased above the 115% increase allowed, by the affirmative vote of the Declarant and of two-thirds of the other members who are voting in person or by proxy at a meeting called for this purpose, written notice of which shall be sent to the Declarant, and to all members of the Association not less than twenty-five (25) days nor more than fifty (50) days in advance of the meeting, setting forth the purpose of the meeting and the proposed budget to be considered. After consideration of current operating and maintenance costs and future needs of the Association, the Board of Directors of the Association shall fix the annual assessment at an amount not in excess of the maximum as defined above, but in an amount sufficient to meet the obligations imposed by this Declaration. Regardless of the provisions above, the Association shall be obligated to pay all ad valorem real property taxes on the shared facilities, and no limitation above shall ever prohibit the Association from increasing the annual assessment to an amount sufficient to pay such taxes.

SECTION 4. Special Assessments for Capital Improvements

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a Special Assessment for the purpose of defraying, in whole or in part, the costs of any construction, reconstruction, repair or replacement of a described capital improvement upon property of which the Association has jurisdiction, including resurfacing, striping, repairing and reconstructing of improvements on the easement area as well as the pool, community building, guard shack, and other amenities, the landscaping and the necessary fixtures and personal property related thereto, provided that any such assessment (except an assessment pursuant to Article VI, Section I above) shall have the assent of Port Royal, if Port Royal still owns any unit and more than two-thirds of the other Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than twenty-five (25) days nor more than fifty (50) days in advance of the meeting setting forth the purpose of the meeting; and provided further that the sum of all Special Assessments to be collected in any assessment year shall not exceed an amount equal to the then current maximum Annual Assessment. The terms of collection and expenditure of the Special Assessment shall be as determined by the Board of Directors of the Association.

SECTION 5. Uniform Rate of Assessments.

Annual Assessments shall be pro rated among the condominium units in accordance with their ownership of the common elements and may be collected annually, quarterly or monthly in advance, or on other periodic basis as determined by the Directors of the Association.

SECTION 6. Quorum for Any Action Authorized Under

Sub-Sections 3 and 4. At the first meeting called, as provided in Sections 3 and 4 hereof, the presence at the meeting of Members or of proxies entitled to exercise the powers of the Declarant and, in addition, sixty percent (60%) of all the votes of the remaining Members shall constitute a quorum. If the required

quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in said Subsections 3 and 4, and the required quorum shall then include the Declarant at any such subsequent meeting plus one-half (1/2) of the required quorum of the remaining Members at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 7. Date of Commencement of Annual Assessments:
Due Dates. The Annual assessments provided for herein shall commence as to each condominium unit on the first day of the first month after the condominium unit becomes an assessable unit. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of the Association shall fix the amount of the Annual assessment against each unit at least thirty (30) days in advance of each annual assessment period (which shall be the calendar year); but in the absence of such action by the Board of Directors the Annual assessment shall be in the amount last fixed; and for the first full calendar year of assessments, the Annual assessment shall not exceed \$ 250⁰⁰ per unit. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified unit have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid. There shall be no assessment on units not conveyed to an owner by Port Royal or by the Developer of the second phase, but Port Royal (as to Port Royal, a Condominium) and the Developer of the second phase (as to the second phase) shall contribute any sums required to fund a shortfall, all based on equitable principles and the number of units they continue to own from time to time.

SECTION 8. Effect of Nonpayment of Assessments:

Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If any such assessment or installment due with respect to a unit is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the highest rate allowed by law, provided however, that the Board of Directors may waive such interest for good cause shown. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the unit. By acceptance of a conveyance for a unit each Owner shall be deemed to consent to the lien and the foreclosure thereof as a mortgage (and the Declarant hereby consents to such procedures). Upon default in the payment of any one or more installments, the Association may declare the entire balance of such assessment due and payable in full, along with interest, costs and reasonable attorney's fees incurred, which shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the property over which the Association has jurisdiction or abandonment of his unit. Voting rights appurtenant to a unit shall be automatically suspended for the entire period during which the assessment or installment due with respect to such unit is delinquent for thirty (30) or more days after the due date. In such case, the rights of the unit Owner or his delegate to enjoyment and use of the property over which the Association has jurisdiction and facilities located thereon may be curtailed or suspended pursuant to any rules or regulations adopted by the Association.

SECTION 9. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage on any unit. Foreclosure of any such first mortgage shall extinguish such lien for assessments due prior to such foreclosure (and such lien shall attach to any excess proceeds of the foreclosure) but no such foreclosure shall relieve such unit from liability for any assessments thereafter becoming due or from the lien thereof.

SECTION 10. No Assessments Against Declarant.

In no event shall any assessment hereunder be the obligation of Declarant.

ARTICLE VII

AUTHORITY TO GRANT EASEMENTS

SECTION 1. EASEMENTS. Declarant and the Association

and any assignee to whom such right is expressly assigned, reserves the right, whether or not such right is expressly reserved in any lease or other instrument of conveyance of any part of the property over which the Association has jurisdiction, to grant easements over, along, under and through the shared facilities to any governmental agency, or any utility company for access, drainage or utility purposes.

ARTICLE VIII

GENERAL PROVISIONS

SECTION 1. Enforcement. The Association, the

Declarant or any Member shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

SECTION 2. Severability. Invalidation of any

one or more of these covenants or restrictions by statute, ordinance or court order shall in no way affect any other provisions hereof, which shall remain in full force and effect.

SECTION 3. Amendment. The covenants and restrictions

of this Declaration shall run with and bind the land, and shall inure to the benefit of, and be enforceable by the Declarant, the Association or any Member, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, unless at the expiration of the thirty (30) year term or any ten (10) year extension

period these covenants and restrictions are expressly terminated by a duly recorded instrument executed by not less than seventy-five percent (75%) of the Members. Any amendment must be duly recorded.

SECTION 4. Public and Emergency Vehicles. The Association shall permit access to the paved interior streets and parking areas comprising a part of its Common Area or common Area Easements by public-service type vehicles, including, without limitation, police and fire department vehicles, garbage trucks, other municipal vehicles or rescue squads, ambulance companies and utility companies, and, the Association shall not promulgate any rules or regulations which will materially interfere with the utilization of the said interior streets and parking areas by such vehicles.

SECTION 5. Limitation on Association While Controlled by Developers. So long as the Association shall be under the control of Port Royal and/or the Developer of the second phase, the functions of the Association shall be limited to the operation, maintenance and payment of taxes on the shared facilities as set forth herein and of such other shared facilities located on property described on Exhibit "A" hereto as may subsequently come under the jurisdiction of the Association pursuant to the provisions hereof. After the Association is no longer under the control of Port Royal and/or the Developer of the second phase, the Association may elect to provide other shared facilities or services to promote the health, safety and welfare of the residents of Port Royal, a Condominium, and of the second phase. In addition, the Association may elect to procure other properties, whether adjacent to Port Royal, a Condominium or the second phase or not, for recreational or other purposes. Provided, however, that no activity of the Association not already provided by herein, shall be commenced without approval of Declarant and of 60% of the owners of units in Port Royal, a Condominium, and of the second phase (as heretofore stated, each unit to have one vote) if the activity shall necessitate the expenditure of more than a nominal sum.

SECTION 6. Reserve Fund. The Association is required to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the shared facilities, which fund is to be maintained out of regular assessments for common expenses.

SECTION 7. Working Capital. Unless Port Royal reasonably determines that expenses of the Association shall be less during the initial months of the operation, so that no working capital fund is necessary, there shall be collected at closing of the initial sale of each unit a sum equal to at least two (2) months assessments for each unit, which fund shall be transferred to the Association at closing and shall be kept in an account for the benefit of the Association.

SECTION 8. Invalidation of any of these covenants or restrictions or portions thereof by judgment or court order shall in no wise affect any other provision, which shall remain in full force and effect.

SECTION 9. In addition to its other rights specified herein, Declarant shall have the following rights, powers and duties:

a. Architectural Control. The right to exercise architectural control over all structures and improvements. No structures may be constructed or altered nor shall any improvements be made or altered without the prior written approval of Declarant.

b. Veto Power. The right to veto any action of the Association which Declarant reasonably determines shall not be in the best interests of the Declarant and of the property.

c. Relocation of Improvements. Declarant may relocate the entranceway, the access road, the Gatehouse and other shared facilities to another location on the properties at its expense provided the relocation does not unreasonably interfere with the use and enjoyment of the owners of condominium units on the property.

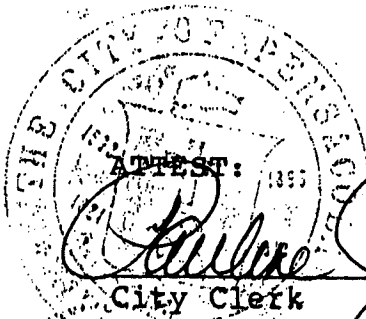
d. Modification of Improvements. Declarant may at its expense, modify the drainage structures and plan, curbing, curb cuts, landscaping and utilities, provided the same does not unreasonably interfere with the use and enjoyment of the owners of condominium units on the property.

e. Relocation of Railroad or Other Rights of Way. Declarant may at its expense, relocate the railroad tracks or any right of way to a point not further south than the present south line of Cedar Street, but shall not do so in such manner as to unduly interfere with access to Port Royal, a Condominium or of the second phase.

f. Maintenance of Grounds. Until such time as declarant shall have executed a lease or leases covering all the property covered by these covenants, declarant shall be responsible for keeping that portion not leased by it in presentable condition so as not to unduly interfere with the use and enjoyment of the owners of condominium units on the property.

g. Interference with Subsequent Phases or Construction. The Declarant shall have the right, free from interference by the Association, to designate the location and relocation subsequent shared facilities and to supervise and determine the location and configuration of the second phase, and the location, configuration and land uses of subsequent phases.

IN WITNESS WHEREOF, The City of Pensacola, Port Royal of Pensacola, Inc., and Port Royal Community Association, Inc. have executed this Declaration of Covenants, Conditions and Restrictions on the date and year first above mentioned.



ATTEST:

City Clerk

ATTEST:

Secretary

ATTEST:

Secretary

THE CITY OF PENSACOLA

BY: [Signature]
City Manager

PORT ROYAL OF PENSACOLA, INC.

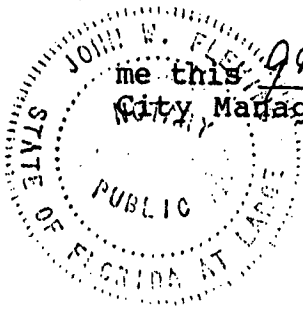
BY: [Signature]
President

PORT ROYAL COMMUNITY ASSOCIATION, INC.

BY: [Signature]
President

STATE OF FLORIDA
COUNTY OF ESCAMBIA

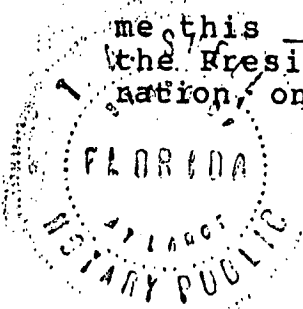
The foregoing instrument was acknowledged before me this 9th day of JULY, 1984, by STEVE GARMAN, City Manager of the City of Pensacola.



[Signature]
Notary Public
My commission expires: 6/31/86

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 6th day of JULY, 1984, by James D. Cronley, the President of Port Royal of Pensacola, Inc., a Florida corporation, on behalf of the corporation.



[Signature]
Notary Public
My commission expires: 4/11/88

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 6th day of JULY, 1984, by JAMES D. CRONLEY the President of Port Royal Community Association, Inc., a Florida corporation on behalf of the corporation.



[Signature]
Notary Public
My commission expires: 4/11/88