

EXHIBIT "B"
TO
DECLARATION OF CONDOMINIUM
WATERSCAPE

SCHEDULE OF SHARES

**IN THE COMMON EXPENSE, COMMON SURPLUS,
AND OWNERSHIP OF THE COMMON ELEMENTS**

UNDIVIDED SHARE OF COMMON ELEMENTS AND COMMON SURPLUS

**CALCULATION OF
ASSESSMENT PER UNIT
TYPE**

	% Ownership		Total % of Ownership	Annual Assessment <i>Without</i> Reserves	Monthly Assessment <i>Without</i> Reserves
	Per Unit	# of Units	Per Type	Per Unit	Per Unit
C1, C1.1, C1-ADA	0.209766	34	7.1321	\$4,196	\$350
C2, C2-ADA	0.201269	39	7.8495	\$4,026	\$336
B1, B1-ADA	0.291342	40	7.2836	\$5,828	\$486
B2, B2-E9, B2-ADA, B2.1, B2.1-E9, B2.1-ADA	0.313678	186	63.0493	\$6,275	\$523
A1, A1.1	0.369033	18	6.6426	\$7,383	\$615
A2, A2.1	0.368790	12	4.4255	\$7,378	\$615
A3, A3-HC	0.361750	10	3.6175	\$7,237	\$603
TOTAL		----- 339	100 %		

NOTE:

The undivided shares are based upon the square footage of each unit (exclusive of porches and/or patios) in uniform relationship to the total square footage of all units in the condominium (exclusive of porches and/or patios) and exclusive of common elements. The square footages are based upon measurement to the outside surface of the perimeter walls of a unit and to the midline of common walls between units. This method of computing square footage does not alter the boundaries of the units as set forth in Paragraph 4 of the Declaration and the Developer disclaims any representation or warranty that the square footage allocated to a Unit for the purpose of determining a Unit's ownership interest in the Common Elements will be exactly equal to the as built square footages of the units.

EXHIBIT “C”
TO
DECLARATION OF CONDOMINIUM
WATERSCAPE

ARTICLES OF INCORPORATION

Waterscape Condominium Association, Inc.

**ARTICLES OF INCORPORATION
OF
WATERSCAPE CONDOMINIUM OWNERS ASSOCIATION, INC.,
A FLORIDA CORPORATION NOT FOR PROFIT**

The undersigned incorporator, for the purpose of forming a corporation not for profit pursuant to the laws of the State of Florida, adopts the following articles of incorporation:

ARTICLE I. NAME

The name of this corporation is WATERSCAPE CONDOMINIUM OWNERS ASSOCIATION, INC. For convenience, the corporation shall be referred to in this instrument as the "Association," these articles of incorporation as the "Articles," and the bylaws of the Association as the "Bylaws."

ARTICLE II. TERM OF EXISTENCE

The Association shall have perpetual existence.

ARTICLE III. PURPOSE

This Association is organized for the purpose of providing an entity under the Florida Condominium Act (the Act) for the operation of a condominium located in Okaloosa County, Florida, and known as Waterscape, a Condominium (the "Condominium"), created pursuant to the Declaration of Condominium (the "Declaration").

ARTICLE IV. MEMBERS

The qualification of members and the manner in which the directors shall be elected or appointed shall be contained in the Bylaws.

ARTICLE V.

INITIAL PRINCIPAL AND REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial principal and registered office of this corporation is 36468 Emerald Coast Pkwy., Suite 11101, Destin, Florida 32541, and the name of the initial registered agent of this corporation at that address is Jason S. White.

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
James M. Rester	176 West Bermuda Drive Santa Rosa Beach, FL 32459

H. Thomas Webb

400 South Tryon St., Suite 1300
Charlotte, NC 28202

Jason S. White

286 Champion Court
Destin, FL 32541

ARTICLE VII. INCORPORATOR

NAME

ADDRESS

W. Christopher Hart

Clark, Partington, Hart, Larry, Bond &
Stackhouse
34990 Emerald Coast Parkway, Destin, FL 32541

IN WITNESS WHEREOF the undersigned incorporator has executed these *Articles of Incorporation* on this ~~14th~~ day of November, 2007.

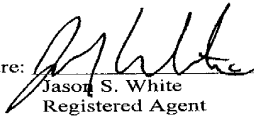


W. Christopher Hart, Incorporator

ACCEPTANCE OF REGISTERED AGENT

Having been named as *registered agent* to accept service of process for WATERSCAPE CONDOMINIUM OWNERS ASSOCIATION, INC., at the place designated in these Articles, I agree to act in this capacity and I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties.

Signature: _____


Jason S. White
Registered Agent

Certificate of Status

I certify from the records of this office that WATERSCAPE CONDOMINIUM OWNERS ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed electronically on November 15, 2007, effective November 15, 2007.

The document number of this corporation is N07000011069.

I further certify that said corporation has paid all fees due this office through December 31, 2007, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code noted below.

Authentication Code: 071115105254-300112322193#1

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Fifteenth day of November, 2007



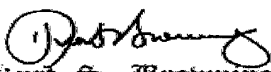

Kurt S. Browning
Secretary of State

EXHIBIT “D”
TO
DECLARATION OF CONDOMINIUM
WATERSCAPE

BYLAWS

Waterscape Condominium Association, Inc.

**BYLAWS
OF
WATERSCAPE
CONDOMINIUM OWNERS ASSOCIATION, INC.**

I. IDENTITY

These are the Bylaws of WATERSCAPE CONDOMINIUM OWNERS ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida (the "Association"), organized for the purpose of operating that certain condominium located in Okaloosa County, Florida, and known as *Waterscape, a Condominium* (the "Condominium").

1.1 Principal Office. Until the Developer transfers control of the Association to the unit owners, the principal office of the Association shall be at 1110 Santa Rosa Boulevard, Fort Walton Beach, Florida 32548, or at such other place as may be designated by the Board of Directors.

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

1.3 Seal. The seal of the Association shall bear the name of the corporation, the word "*Florida*", the words "*Corporation Not for Profit*," and the year of incorporation.

1.4 Definitions. For convenience, these Bylaws shall be referred to as the "Bylaws"; the Articles of Incorporation of the Association as the "Articles"; and the Declaration of Condominium for the Condominium as the "Declaration." "Division" shall mean the Division of Land Sales, Condominiums, and Mobile Homes. "Board" shall mean the Board of Directors for the Association. The other terms used in these Bylaws shall have the same definitions and meaning as those set forth in *F.S. Chapter 718, The Condominium Act* (the "Act"), as well as those set forth in the Declaration and the Articles, unless provided to the contrary in these Bylaws, or unless the context otherwise requires.

II. MEETINGS OF UNIT OWNERS AND VOTING

2.1 Membership-Designation of Unit Owners. Persons or entities shall become members of the Association on the acquisition of a fee simple interest to a Unit in the Condominium after approval of the acquisition in the manner provided in the Declaration, and shall thereafter be Unit Owners. Membership shall be terminated when a person or entity no longer owns a Unit in the Condominium. If a Unit is owned by more than one natural person, or a corporation, partnership or other artificial entity, then the voting interest of that Unit shall be exercised only by such natural person as shall be named in a voting certificate signed by all the natural persons who are owners or by the chief executive officer of the artificial entity and filed with the Secretary of the Association among its official records.

2.2 Annual Meeting. The annual meeting of the Unit Owners shall be held on the date and at the place and time as determined by the Board from time to time, provided that there shall be an annual meeting every calendar year and no later than 13 months after the last annual meeting. The purpose of the meeting shall be to elect Directors and to transact any other business authorized to be transacted by the Unit Owners.

2.3 Special Meetings. Except as modified by the specific requirements for special kinds of Unit Owner meetings as set out in these Bylaws, notice of special meetings shall be delivered to each Unit Owner not less than 14 or more than 60 days before the date of the meeting. Unit Owner special meetings shall be held at such places as provided for annual meetings and may be called by the President or by a majority of the Board, and must be called by the President or Secretary on receipt of a written request from at least 10% of the voting interests of the Association. Requests for a meeting by the Unit Owners shall state the purpose for the meeting, and business conducted at any special meeting shall be limited to the matters stated in the notice for it.

2.4 Notice of Annual Meeting. Written notice of the annual meeting shall be mailed to each Unit Owner at least 14 days and not more than 60 days before the annual meeting. Notice of an annual meeting at which Directors will be elected shall be delivered pursuant to Provisions 2.9 and 3.3

2.5 Notice of Budget Meeting. The Board shall mail a notice and a copy of the proposed annual budget to the Unit Owners not less than 14 days before the meeting at which the Board will consider the budget. Notice shall be delivered pursuant to Provision 2.9. Evidence of Compliance with this fourteen (14) day notice must be made by an affidavit executed by an officer of the Association or the Condominium Manager and filed among the official records of the Association.

2.6 Notice of Meeting to Consider Excessive Budget. If a budget adopted by the Board requires assessment against the Unit Owners for the calendar year exceeding 115% of assessment for the preceding year (less any lawfully excluded items), the Board, shall conduct a special meeting of the unit owners to consider a substitute budget if the board receives, within twenty-one (21) days after adoption of the annual budget, a written request for a special meeting from at least 10% of all voting interests. The special meeting shall be conducted within sixty (60) days after adoption of the annual budget. At least fourteen (14) days prior to such special meeting, the board shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished to the Association, a notice of the meeting.

2.7 Notice of Meeting to Consider Recall of Directors. A special meeting of the Unit Owners to recall a Director or Directors may be called by 10% of the voting interests giving notice of the meeting as required for a special

meeting of Unit Owners. The notice must be accompanied by a dated copy of a signature list of at least 10% of the Unit Owners. The meeting shall be held not less than 10 days nor more than 60 days from the date the notice of the meeting is given. Recalls shall be held in accordance with Provision 3.7.

2.8 Notice of Meeting to Elect Non-developer Directors. Notice of a meeting to elect a Director or Directors from Unit Owners other than the Developer shall be given as described in Section 3.2 (D) below. The meeting may be called and notice given by any Unit Owner if the Association fails to do so.

2.9 Delivery of Notice; Content; Posting; Waiver. Notice for all meetings, and all other purposes, shall be addressed to the address that the Developer initially identified for that purpose unless one or more of the Unit Owners advises the Association of a different address. If no address is given or the Unit Owners do not agree, the notice shall be delivered to the address provided on the deed of record. Notice for budget meetings shall be mailed or hand delivered to each Unit Owner at the address last furnished to the Association. For all other meetings, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery, including regularly published newsletters, a copy of the notice. An officer of the Association shall provide an Affidavit, to be included in the official records of the Association affirming that notices of the Association meeting were mailed or otherwise delivered to each Unit Owner at the address last furnished to the Association. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail addressed to the Unit Owner at the address as it appears in the records of the Association, with postage prepaid. Payment of postage for notice of any meeting, by whomever called, shall be an obligation of the Association. The notice shall include the date, time and location of the meeting. The notice shall also include an identification of agenda items. A copy of the notice shall also be posted in a conspicuous place on the condominium property at least 14 continuous days before the meeting. A Unit Owner may waive their right to receive notice of any meeting by a writing signed by them and filed with the Secretary of the Association either before, at or after the meeting for which the waiver is given.

2.10 Quorum. A quorum at Unit Owner meetings shall consist of persons entitled to exercise, either in person or by proxy, a majority of the voting interests of the entire membership. Absentee ballots, alone, may not be counted in determining a quorum.

2.11 Participation. Unit Owners shall have the right to participate in meetings of Unit Owners with reference to all designated agenda items. The Association may, however, adopt reasonable rules governing the frequency, duration, and manner of Unit Owner participation. Any such rules must first be adopted in written form. The rules may limit a Unit Owner's presentation time to not less than 3 minutes and may require that a Unit Owner file with the Association, at or a reasonable time before the meeting, a written request to speak at a meeting.

2.12 Voting; Number of Votes; Majority Vote. In any Unit Owner meeting, each Unit shall have one vote. The vote of a Unit is not divisible. The acts approved by a majority of the voting interests present in person or by proxy at a meeting at which a quorum is present shall be binding on all Unit Owners for all purposes unless the Act, the Declaration, the Articles, or these Bylaws require a larger percentage, in which case that larger percentage shall control.

2.13 Proxies; Powers of Attorney. Voting interests may be exercised in person or by proxy. Except as specifically provided herein, Unit Owners may not vote by general proxy, but may vote by limited proxy substantially conforming to a limited proxy form provided by the Association. Limited proxies and general proxies may be used to establish a quorum. No proxy, limited or general, shall be used in the election of Directors. Limited proxies shall be used for votes taken to waive or reduce Association reserves, for votes taken to waive the requirement of the Association to deliver to the Unit Owners a complete set of financial statements for each preceding fiscal year, for votes taken to amend the Declaration of Condominium, for votes taken to amend the Articles of Incorporation or Bylaws, or for any other matter for which a Unit Owner is required or permitted to vote. General proxies may be used for other matters for which limited proxies are not required. Each proxy shall set forth specifically the name of the person voting by proxy, the name of the person authorized to vote the proxy, and the date the proxy was given. Each proxy shall contain the date, time, and place of the meeting for which the proxy is given. If the proxy is a limited proxy, it shall set forth those items that the holder of the proxy may vote and the manner in which the vote is to be cast. The proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings. No proxy shall be valid for a period longer than 90 days after the date of the first meeting for which it was given, and it may be revoked at any time at the pleasure of the Unit Owner executing it. The proxy shall be signed by the Unit Owner or by the designated person mentioned in 2.1, or the duly authorized attorney-in-fact of that person or entity (provided the power of attorney is filed with the Secretary of the Association). The proxy shall be filed with the Secretary before or at the meeting for which the proxy is given. One holding a power of attorney from a Unit Owner, properly executed and granting such authority, may exercise the voting interest of that Unit. If the proxy expressly provides, any proxy holder may appoint, in writing, a substitute to act in his place. If no such provision is made, substitution is not authorized. Nothing contained herein shall prevent Unit Owners from voting in person.

2.14. Adjourned Meetings. If any meeting of Unit Owners cannot be organized because a quorum is not present, the Unit Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present; except that in the cases where meetings have been called to consider the enactment of a budget to replace a proposed budget which exceeds 115% of the assessments for the preceding year, or to determine to provide no reserves or reserves less adequate than required, they may not be adjourned for lack of a quorum and if a quorum is not present the excessive budget, or the reserves as the case may be, shall go into effect as scheduled. The time and place to which the meeting is adjourned shall be announced at the meeting at which the adjournment is taken and a notice and a copy of the meeting agenda shall be posted in a conspicuous place on the condominium property as soon thereafter as may be practical stating the time and place to which the meeting is adjourned.

2.15 Action by Unit Owners Without a Meeting. Unit Owners may take action by written agreement without a meeting, provided written notice is given to the Unit Owners in the manner prescribed elsewhere in these Bylaws

appropriate to the subject matter to be agreed on, unless that notice is waived as provided in these Bylaws. The decision of a majority of the Unit Owners, or a larger percentage vote as otherwise may be required by the Act, the Declaration, the Articles or these Bylaws (the decision to be evidenced by written response to be solicited in the notice), shall be binding on the membership. The notice shall set forth a time period within which responses must be made by the Unit Owners, and responses received after that shall not be considered.

2.16 Minutes of Meetings. The minutes of all meetings of Unit Owners shall be kept in a book open to inspection by any Unit Owner or the authorized representative of such Owner, and Directors at all reasonable times. The minutes shall be retained by the Association for a period of not less than seven (7) years. Unit Owners and their authorized representatives shall have the right to make or obtain copies at the reasonable expense, if any, of the Unit Owner.

2.17 Order of Business. The order of business at annual Unit Owner meeting and as far as practical at other Unit Owner meetings, shall be:

- A. Call to order.
- B. Collection of ballots.
- C. Election of a chairman of the meeting, unless the President or Vice President is present, in which case he or she shall preside.
- D. Calling of the roll, certifying of proxies, determination of a quorum.
- E. Proof of notice of meeting or waiver of notice.
- F. Reading and disposal of any unapproved minutes.
- G. Reports of Officers.
- H. Reports of Committees.
- I. Appointment of inspectors of election.
- J. Election of Directors.
- K. Unfinished business.
- L. New business.
- M. Adjournment.

2.18 Actions Specifically Requiring Unit Owner Approval. The following actions require approval by the Unit Owners and may not be taken by the Board acting alone:

- A. Amendments to the Declaration, except those made by the Developer as otherwise provided specifically in the Declaration.
- B. Merger of two or more independent condominiums of a single complex to form a single condominium.
- C. Purchase of land or recreation lease.
- D. Cancellation of grants or reservations made by the Declaration, a lease or other document and any contract made by the Association before the transfer of control of the Association from the Developer to Unit Owners that provides for operation, maintenance or management of the Condominium Association or property serving the Unit Owners.
- E. Exercise of Option to purchase recreational or other commonly used facilities lease.
- F. Providing no Reserves, or less than adequate reserves.
- G. Recall of Directors.
- H. Other matters contained in the Declaration, the Articles or these Bylaws that specifically require a vote of the Unit Owners.

III. DIRECTORS

3.1 Number and Qualifications. The affairs of the Association shall be managed initially by a Board of three Directors selected by the Developer. When Unit Owners other than the Developer are entitled to elect a majority of the Directors, the Board shall be composed of any odd number of Directors that the Unit Owners may decide. The number of Directors, however, shall never be less than three. Other than those selected by the Developer, Directors must either be Unit Owners, or an Officer, Member, or Partner of the owning entity or an Officer, Member, or Partner of an entity which is a member or General Partner of the owning entity. No Director (except those selected by the Developer) shall continue to serve on the Board after he ceases to be a Unit Owner or qualify as set forth above.

3.2 Transfer of Control of Association.

- A. One Third. When Unit Owners other than the Developer own 15% or more of the Units in any one Condominium that will be operated ultimately by the Association, they shall be entitled to elect no less than one third of the Directors.
- B. Majority. Unit owners other than the Developer are entitled to elect not less than a majority of the Directors at the earliest of:
 - (i) three years after 50% of the Units that ultimately will be operated by the Association have been conveyed to purchasers; or
 - (ii) three months after 90% of the Units that ultimately will be operated by the Association have been conveyed to purchasers; or
 - (iii) when all the Units that ultimately will be operated by the Association have been completed, some of them have been conveyed to purchasers and none of the others are being offered for sale by the Developer in the ordinary course of business; or
 - (iv) when some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or
 - (v) seven (7) years after recordation of the Declaration of Condominium, whichever occurs first.

Transfer of Association Control shall be in accordance with *F.S. 718.301*.

- C. Developer Member. The Developer is entitled to elect at least one Director as long as the Developer holds for sale in the ordinary course of business at least 5% of the Units that ultimately will be operated by the Association, if that number shall be fewer than 500 Units, and 2% if that number shall be more than 500 Units.
- D. Election. Within 75 days after the Unit Owners other than the Developer are entitled to elect a Director or Directors, the Association shall call, and give not less than 60 days notice of a meeting of the Unit Owners to elect a Director or Directors. The meeting may be called and the notice given by any Unit Owner if the Association fails to do so. Any eligible person may nominate himself. Nominations must be provided in written form to the Association not less than 40 days before the meeting. Written notice of the meeting at which elections will be held, including an agenda and a ballot, shall be mailed or delivered to each unit owner at least fourteen (14) days prior to the meeting and shall be posted in a conspicuous place on the condominium property at least fourteen (14) days preceding the meeting. Elections shall be held by ballot in accordance with procedures adopted by the Division. Neither general or limited proxies shall be used for the election of Directors. Elections shall be decided by a plurality of the votes cast. There shall be no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors. Upon election of the first Unit Owner other than the Developer to the Board, the Developer shall forward to the Division the name and mailing address of the Unit Owner Director. Notice of the meeting shall be provided pursuant to Provision 2.9.
- E. Relinquishment of Control. At the time that Unit Owners other than the Developer elect a majority of the Directors, the Developer shall relinquish control of the Association and the Unit Owners shall accept control. Simultaneously, the Developer shall deliver to the Association at the Developer's expense, all property of the Unit Owners and of the Association held or controlled by the Developer, including but not limited to those items specified in the Act. After relinquishing control of the Association, the Developer may exercise the right to vote any Developer-owned units in the same manner as any other Unit Owner except for purposes of re-acquiring control of the Association or selecting the majority of the Board.
- F. Compelling Compliance. In any action brought to compel compliance with *F.S. 718.301* regarding transfer of Association control and election of Directors by Unit Owners other than the Developer, the summary procedure provided for in *F.S. 51.011* may be employed, and the prevailing party shall be entitled to recover reasonable attorneys' fees.
- G. Early Transfer. Nothing contained in this 3.2 shall be deemed to prevent the Developer from transferring control of the Association to Unit Owners other than the Developer before the occurrence of the events described in this section.

3.3 Election of Directors after Transfer of Control of Association. After the initial election of Directors by Unit Owners pursuant to Provision 3.2(D.), Directors shall be elected at the annual Unit Owner meeting. Each Unit Owner shall be entitled to cast votes for each of as many nominees as there are vacancies. Neither general or limited proxies shall be used for the election of Directors. There shall be no cumulative voting. Not less than 60 days before an annual meeting at which an election is scheduled, the Association shall mail or deliver to each Unit Owner entitled to vote a first notice of the election. Any eligible person may nominate himself. Nominations must be provided in written form to the Association not less than 40 days before a scheduled election. The Association shall mail or deliver a second notice of the election to all Unit Owners entitled to vote, together with a ballot listing all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8-1/2" by 11", which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot. The failure of the Association to mail or deliver all information sheets provided shall void the election. The Association shall be responsible for the cost of mailing and copying. The Association shall not be liable for the contents of the information sheets prepared by the candidates. Elections shall be decided by a plurality of votes. There shall be no quorum requirement; however, at least 20% of the eligible voters must vote to have a valid election. No Unit Owner shall permit any other person to vote his ballot, and any such ballots shall be void. A Unit Owner who needs assistance in voting for the reasons stated in *F.S. 101.051* may obtain such assistance. Notwithstanding the provisions of this section, an election is not required unless more candidates are available for election than vacancies exist on the Board. Any Notice required herein shall be provided pursuant to Provision 2.9.

3.4 Election Procedures. Elections shall be held in accordance with the Act and any Division regulations.

3.5 Term. Each Director's term of service shall extend until the next annual Unit Owner meeting and thereafter until his successor is duly elected and qualified or until he is removed in the manner provided in Provision 3.7. The Unit Owners, however at any annual meeting after the Developer has relinquished control of the Association and to provide a continuity of experience, may vote to create classes of directorships having a term of one, two, or three years to create a system of staggered terms.

3.6 Vacancies. Except for vacancies resulting from removal of Directors, vacancies occurring between annual Unit Owner meetings of members shall be filled by majority vote of the remaining Directors. Any Director elected to fill a vacancy shall hold office only until the next election of Directors, irrespective of the length of the remaining term of the vacating Director.

3.7 Removal. Any Director, except those selected by the Developer, may be recalled and removed from office with or without cause by the vote or agreement in writing of a majority of all voting interests. A special meeting of the Unit Owners to recall a Director or Directors may be called by 10% of the voting interests giving notice of the meeting as required in these Bylaws. The notice shall state the purpose of the meeting. Any vacancy on the Board thus created shall