

FIRST AMENDMENT
TO THE DECLARATION OF
THE SPRINGS ON KING'S BAY, A CONDOMINIUM

THIS FIRST AMENDMENT to the Declaration of Condominium of THE SPRINGS ON KING'S BAY, A CONDOMINIUM, pursuant to Amendment of Declaration of Florida Statutes 718.110, by SOUTHWINES INC., a Florida Corporation, (hereinafter called the "Developer"), for itself, its successors, its grantees and assigns, and THE SPRINGS ON KING'S BAY, A CONDOMINIUM, (hereinafter called the "Association"), for itself, its successors, its grantees and assigns.

WITNESSETH:

WHEREAS, on the 23rd day of February, 1984, SOUTHWINES INC., a Florida Corporation, executed that certain Declaration of Condominium of THE SPRINGS ON KING'S BAY, A CONDOMINIUM, and it was recorded in Official Records Book 659, page 2127, et seq., public records of Citrus County, Florida, and,

WHEREAS, it is the desire and intent of the Developer to modify and revise the original declaration so as to change the Condominium in the following particulars, to wit:

a) to change the escrow agent from FLORIDA LANDMARK COMMUNITIES INC., a Florida Corporation to CITIZENS FIRST NATIONAL BANK OF CRYSTAL RIVER, a banking institution organized and existing under the laws of the State of Florida.

b) to change the name of the real estate agent from FLORIDA LANDMARK COMMUNITIES INC., a Florida Corporation, to SOUTHWINES INC., a Florida Corporation.

c) to change the Manager from JOHN CONROY to SOUTHWINES INC., a Florida Corporation.

WHEREAS, these changes are located in the following described documents being a part of said Declaration, and

said additions are highlighted by underscoring and deletions are lined through with hyphens:

a) "Purchase and Sale Agreement", being Exhibit 3 to Prospectus, has now been changed to read as described in Exhibit "A" attached hereto and made a part hereof.

b) "Escrow Agreement for Reservation Deposits", being Exhibit 4 to Prospectus, has now been changed to read as described in Exhibit "B" attached hereto and made a part hereof.

c) "Management Contract", being Exhibit 5 to prospectus, has now been changed to read as described in Exhibit "C" attached hereto and made a part hereof.

d) "Summary" being page 2 of the prospectus, has now been changed to read as described in Exhibit "D" attached hereto and made a part hereof.

IN WITNESS WHEREOF, the Developer and the Condominium Association by their respective appropriate officers, have executed this First Amendment to the Declaration of Condominium this 31 day of January, 1985, and caused their respective seals to be affixed.

Signed, sealed and delivered
in the presence of:

Shirley L. Eads
Vicki J. Peavy

Shirley L. Eads
Vicki J. Peavy

DEVELOPER:
SOUTHWINES, INC.

[Signature]

corp. seal

ASSOCIATION:
THE SPRINGS ON KING'S HAVEN
A CONDOMINIUM

[Signature]

corp. seal

JOINDER OF MORTGAGEE

Joinder of Mortgagee, First Federal Savings and Loan Association of Citrus County, joins into this Amendment to Declaration and agrees to the changes contained therein.

Patricia L. Hardy
William J. Hardy

FIRST FEDERAL SAVINGS AND
LOAN ASSOCIATION OF
CITRUS COUNTY

Mark F. (unclear)
President

John A. (unclear)
Attest: Secretary

corp. seal

JOINDER OF MORTGAGEE

Joinder of Mortgagee, Citizens First National Bank of Crystal River, joins into this Amendment to Declaration and agrees to the changes contained therein.

Beverly C. Matamoros
Janis L. Wesel

CITIZENS FIRST NATIONAL
BANK OF CRYSTAL RIVER

Robert W. (unclear)
President

Katherine B. (unclear)
Attest: Secretary

corp. seal

JOINDER OF MORTGAGEE

Joinder of Mortgagee, EDGAR E. TOLLE JR., AND KATHERINE B. TOLLE, his wife, joins into this Amendment to Declaration and agrees to the changes contained therein.

Stephanie A. Price
Mary A. Stephens

Edgar E. Tolle Jr.
Edgar E. Tolle Jr.

Katherine B. Tolle
Katherine B. Tolle

THIS INSTRUMENT WAS
PREPARED BY:
CRIDER & ABBOTT, P.A.
POST OFFICE BOX 2410
CRYSTAL RIVER, FLORIDA 32629
904-795-2946

PURCHASE AND SALE AGREEMENT

THE SPRINGS ON KING'S BAY

DEVELOPER: Southwines Inc.,
Post Office Box 563
Ocala, Florida 32678

BUYER: _____

THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER, AND RECEIPT BY BUYER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM BY THE DEVELOPER UNDER SECTION 718.503 FLORIDA STATUTES. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15 DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE ITEMS REQUIRED. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.

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

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

NAME AND ADDRESS
OF CONDOMINIUM:

The Springs on King's Bay, a
Condominium
Corner of Citrus Avenue and N.W.
Third Street, Crystal River 32629

Lots 1 and 2 in Block 1,
Lots 1 and 2 in Block 2,
Lots 1 and 2 in Block 3, LESS the East 20 feet
of Lot 2 in Block 3,
Lots 1,2,3,5, and 6 in Block 4,
Store Lot West of Block 1 and 2, and
That part of "A" Street, bounded on the North by
Second Avenue, on the East by Lot 1, in Block 3, on the
South by the waters of Crystal River, and on the West
by Lot 2 in Block 1; and
That part of "A" Street bounded on the North by Third
Avenue, on the East by Lots 1 and 6 in Block 4, on the
South by Second Avenue, and on the West by Lot 2 in
Block 2, and the waters of Crystal River;

ALL IN CRYSTAL CITY ADDITION to the CITY OF CRYSTAL RIVER, according to the map or plat thereof recorded in Plat Book 1, page 25, public records of Citrus County, Florida.

THIS AGREEMENT, dated this _____ day of _____, 1985, by and between Southwines Inc., Seller, and the above-named, _____, Buyer(s),

WITNESSETH:

WHEREAS, Seller is the developer of The Springs on King's Bay, a Condominium, fully described in the prospectus relative to it. A copy of the prospectus has, contemporaneously with the execution of this contract or prior thereto, been delivered to and received by Buyer; and

WHEREAS, Buyer desires to purchase unit number _____ of The Springs on King's Bay, a Condominium, said unit being fully described by the documents contained in the prospectus and Seller is agreeable to the purchase; and

WHEREAS, the parties wish to define their respective rights and obligations relative to the purchase,

NOW, THEREFORE, for mutual and valuable considerations, receipt of which is hereby acknowledged by each of the parties, it is agreed as follows:

1. Purchase and Sale: Seller agrees to sell, and Buyer agrees to purchase from Seller, subject to the conditions of this Agreement, the above designated condominium unit (the "Unit") of THE SPRINGS ON KING'S BAY, A CONDOMINIUM, as more particularly described in the Declaration of condominium, recorded or to be recorded in the public records of Citrus County, Florida; together with the undivided interest in the common elements designated in the Declaration of condominium to be appurtenant to such unit, for the purchase price set forth below, payable in the manner hereinafter set forth. All definitions contained in the Florida Condominium Act, Chapter 718, Florida Statutes (the "Act") are adopted herein and reference to any such defined term is intended to have the meaning as defined in the act.

Seller intends to escrow deposit funds prior to closing with Florida-Landmark-Communities, Inc., a Florida Corporation, Plantation Village, West Highway 44, Route 1, Box 406, Crystal River, Florida 32629, Citizens First National Bank of Crystal River, at 450 SE Hwy 19, Crystal River, Florida 32629 solely for the purpose of holding deposit monies.

2. Purchase Price: The purchase price which Buyer agrees to pay to Seller for the condominium unit shall be _____ Dollars (\$))
consisting of:

(a) Apartment price:	\$ _____
TOTAL PRICE:	\$ _____
(b) Reservation Deposit, if any:	\$ _____
(c) Deposit made herewith, receipt of which is hereby acknowledged:	\$ _____
(d) Additional deposit(s) due:	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

TOTAL DEPOSIT: \$ _____

So much of the sum of these payments (b), (c) and (d) as equal ten percent (10%) of the sale price shall be held in an interest bearing escrow account by Florida-Landmark Communities, Inc., Plantation Village, West Highway 44, Route 1, Box 406, Crystal River, Florida 32629, Citizens First National Bank of Crystal River, 450 SE Hwy. 19, Crystal River, Florida 32629, as escrow agent, until closing, at which time the amount of the deposit, excluding interest, shall be a credit to Buyer against the purchase price. All interest earned thereon shall be deemed earned by Seller and shall not be a credit to Buyer against the purchase price. Buyer may, upon request, obtain a written receipt for his deposit from said Escrow Agent.

- (f) Mortgage to be obtained by
BUYER if any, (if condition to
closing, see attached Financing
Rider): \$ _____
- (g) Additional cash due at time of closing: \$ _____

3. Deposits Held in Escrow: All deposits toward the purchase price paid by Buyer under this contract shall be delivered to and held in escrow pursuant to Florida Statutes Chapter 718 by ~~Florida Landmark Communities Inc.~~, Citizens First National Bank of Crystal River, 450 SE Hwy. 19, Crystal River, Florida, escrow agent, who shall give Purchaser a receipt for the deposit upon request, and the deposit shall be disbursed in accordance with this contract. The escrow agent is empowered to invest the escrow funds in securities of the United States or any of its agencies or in savings or time deposits in institutions insured by an agent of the United States. Disbursement from escrow shall be as follows:

(a) provided that the escrow agent has not received from Buyer a written notice of dispute between Buyer and Seller, funds constituting the first ten percent of the purchase price held in escrow by the escrow agent and any accrued interest shall be disbursed to Seller at the closing of the transaction. If escrow agent has received written notice from Buyer of a dispute between Buyer and Seller, the escrow agent shall not release the escrowed funds to the Seller or Buyer until the dispute has been settled;

(b) notwithstanding the provision of sub-paragraph (a) above, all escrowed funds together with interest earned thereon shall be released to Seller if Buyer defaults in the performance of this contract. If Buyer properly terminates this contract pursuant to its terms or Florida Statutes Chapter 718, the escrowed funds, excluding interest, shall be returned to Buyer within forty-five (45) days from said date.

4. Incomplete Construction: If Buyer's unit has not been completed as of the date of the execution of this contract, it is understood by the parties that the unit previously referred to will consist of a condominium apartment to be constructed substantially in accordance with the plans, drawings, renderings or model as previously viewed and examined by Buyer. The unit shall contain those appliances, fixtures and equipment described in Seller's sales information literature. Seller have the right to substitute materials, appliances, furnitures and equipment whenever necessary because of the unavailability of intended items as long as the substitutes are of equivalent durability and value.

5. Completion of Construction: If Buyer's unit is one that has not yet been completed, or is in the process of construction, Seller shall use all reasonable diligence to complete construction of it. Delay in completion of construction due to strike, acts of God, national emergency, labor or material shortage, or other cause beyond the control of Seller shall be an excusable delay and shall not give rise to any right of Buyer to cancel or rescind this contract; provided, however, that in all events the latest date of completion of construction, finishing and equipping Buyer's unit shall be eighteen (18) months from the execution of this contract. Buyer acknowledges that Buyer has reviewed or had an opportunity to review the construction plans and specifications relating to the Buyer's unit and the condominium improvements at the office of the escrow agent, at the address given hereinabove.

6. Warranties. Seller shall honor all governing valid statutory warranties relative to construction existing as of the time of commencement of construction. No other express or implied warranties are extended, and same are hereby disclaimed. Prior to the closing of the transaction, it shall be the duty of the Buyer to inspect the unit, and the appurtenances in the presence of the Seller and present to the Seller at that time a written list of any defects in workmanship and material, which list is to be signed by the Buyer. As to those items set forth in such list which are truly defects in workmanship and material according to the standards of construction prevalent in Citrus County, Florida, relating to the type and price of construction involved in this development, the Seller shall be obligated to correct the same at its own discretion and cost within a reasonable period of time, but the Seller's obligation to correct shall not be a ground for deferring the closing nor for imposition of any condition thereon. Except as set forth herein, and in said list, Seller is not obligated to make repairs, corrections or modification to any portion of the unit or appurtenances.

7. Discharge of Lien: Any mortgages and liens now or hereafter encumbering the real estate or unit will be discharged or released at or prior to closing, but until that discharge or release, Buyer acknowledges and agrees that his rights under this contract are subordinate to the lien of any construction loan mortgage that now or hereafter shall encumber the property prior to closing.

8. Right of Assignment: (a) Buyer shall not have the right to assign this contract, except with the written consent of the Seller. The fact that Seller refuses to give its consent to an assignment will not give rise to any claim for damages against Seller.

(b) If Buyer cancels this contract as provided by the statutory provisions contained in bold type on the face, Buyer agrees to return to Seller the prospectus that Buyer has received within ten days after notice of cancellation.

(c) Buyer shall not directly or indirectly record this contract in the public records.

(d) All terms and provisions of this agreement are and shall be subject and subordinate to the lien of any construction loan mortgage previously or subsequently made, and any advances previously or subsequently made on it, and any payments or expenses already made or incurred, or subsequently made or incurred pursuant to the terms of the mortgage or incidental to it or to protect its security as to the full extent of it, without the execution of any further instrument by the Purchaser in order to effectuate this subordination. The subordination shall apply whether the advances are voluntary or involuntary and whether they are made in accordance with the construction loan schedule of payments or accelerated by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments.

9. Unit Ownership and Use Subject to Condominium Documents: Buyer agrees that the purchase of the Unit, the occupancy of said Unit, and all of the obligations of the Buyer will, at all times, be subject to and bound by the provisions of the instruments and documents comprising the condominium documents, specifically including, but not limited to, those provisions which require the buyer of an individual unit to pay to the monthly condominium association assessments based on the annual operation budget of THE SPRINGS ON KING'S BAY, A Condominium Association, (hereinafter referred to as the "Association"). The association is responsible for the maintenance and operation of the condominium property. Buyer further agrees to pay any and all special assessments as may be required from time to time by the association to

defray unanticipated additional expenses, payment of which expenses inures to the benefit of all unit owners.

10. Closing Time and Place: (a) The closing shall be held at a time agreeable to the parties no later than thirty (30) days following written notice by the Seller to the Buyer. Said written notice shall contain a certificate evidencing the completion of construction.

(b) Notwithstanding the foregoing, the Seller acknowledges its obligation to complete and to deliver the unit to Buyer within not more than ten (10) months from the date of this Agreement. In the event the Unit has not then been completed the Buyer shall have the option to rescind this transaction and procure the return of all deposits made under this Agreement. However, Buyer may elect, at that time, to preserve this Agreement intact and to defer the closing of this transaction until the Unit is completed and ready for occupancy. Seller shall then have the right, however, to request a binding written confirmation of such election by Buyer and Buyer shall execute such confirmation of such election within fifteen (15) days if Seller so requests. Failure to so respond shall give to the Seller, the option, but not the obligation, to presume the rescission of this Agreement.

11. Prorations: Taxes, association assessments, and hazard insurance premiums shall be prorated between Buyer and Seller as of the date of closing. The cash payment due at closing from Buyer shall be adjusted as may be required by the proration of said items. If the amount of taxes for the current year cannot be determined, rates, millages, and assessed valuations for the previous year, with known or reasonable expected changes, shall be used. However, tax prorations based on an estimate may subsequently be readjusted to account for actual taxes or payments due.

12. Title: The title which Seller obligates itself to deliver to Buyer at closing will be an insurable title and will be subject to (a) taxes for the year in which the transaction is closed, which taxes will be prorated as of the date of closing; (b) the Florida Condominium Act; (c) declaration of condominium, as amended, and the exhibits which are attached thereto; (d) restrictions, conditions, reservations, limitations and easements of record; (e) the usual exceptions contained in an owner's policy of title insurance. The Seller, within five (5) days before closing, will deliver to Buyer, at Buyer's expense, a binder for an owner's title insurance policy, purchased from a title company of Seller's choice in Citrus County, in the amount of the purchase price. If the Seller is unable to deliver insurable title as aforesaid, the Seller shall be afforded a period of not more than sixty (60) days from receipt by Seller of written notice of such title defects within which to cure any objections or defects in title, at Seller's option and if Seller does not cure such objections or defects in title, Buyer may accept title in its then existing condition and close the transaction, but without any reduction of the purchase price, or Buyer may terminate this Agreement and be entitled to the return of all deposits minus interest earned thereon and, upon such return, the parties shall be released of any and all liability to each other and this Agreement shall thereafter be null and void.

13. Closing Costs: Buyer shall pay to Seller at closing, in addition to the purchase price of the Unit, all closing costs and expenses, including fee title insurance which Seller shall furnish. Prorations will be made in accordance with paragraph 11 hereof. If Buyer shall elect to obtain a mortgage loan, Buyer shall be responsible for any and all costs incident to any financing of the purchase contemplated hereby, including commitment fees, stamp taxes and recording fees. Buyer shall be responsible for all

prepaid requirements of any lender, including but not limited to interest, taxes, and insurance escrows.

14. Payments to Association: At the closing, Buyer shall pay to the association the pro rata portion of the monthly assessment installment as provided in the proration paragraph hereof and as provided in the Declaration and a capital contribution equal to two months' maintenance assessment to the association for the initial operation expenses of the association.

15. Conveyance and Possession: (a) Seller agrees that it will convey fee simple title to the unit buyer by Warranty Deed and will deliver possession of the Unit at closing. The delivery of the Warranty Deed will constitute instruction to any escrow agent to deliver any escrowed funds to Seller. The form of the Warranty Deed is incorporated in this offering package as Exhibit_____ to the Declaration.

(b) It is contemplated and understood by the parties that at the time of closing, construction of other improvements may be in progress at or near the Unit or the condominium. This shall not in any way relieve the Buyer from the obligation to close on the Unit.

16. Buyer's Receipt of Condominium Documents. Buyer hereby acknowledges receipt of the condominium documents listed on Exhibit 1 attached hereto on the date shown on the first page hereof. Buyer further acknowledges that the Seller has advised Buyer that a copy of the complete plans and specifications for the construction of the Unit and the improvements to the common elements appurtenant to the Unit are available at the office of ~~Florida Landmark Communities, Inc., located in the Plantation Village Office Complex on West State Road 44, Route 1, Box 466, Crystal River, Florida, 32629,~~ Southwines Inc., at The Springs on King's Bay, Corner of Citrus Avenue and N.W. Third Street, Crystal River, Florida 32629 and at their corporate office at Post Office Box 563, Ocala, Florida 32678.

17. Amendments to Condominium Documents. The Seller reserves the right to amend any of the instruments and documents referred to in the prospectus, provided that a copy of said amendment is transmitted to Buyer prior to closing. The declaration of condominium, and amendments thereto, referred to in the prospectus will be recorded in the public records of Citrus County, Florida. Buyer herein specifically grants authority to the Seller to file and place among the public records of Citrus County, Florida, all documents described in the declaration of condominium and amendments thereto. Buyer likewise acknowledges this to be a subscription to membership in the association and specifically authorizes the first board of directors of the association to enter into such agreements as may be necessary to fulfill the terms and conditions of this agreement. The Seller reserves the right at any time to make reasonable changes to the plans and specifications of the building comprising the condominium and the right to substitute fixtures, hardware, and equipment with items of equal or better quality. Should the Seller's amendments made hereto materially alter or modify the offering to the Buyer, Buyer shall have a fifteen (15) day voidability period in which to cancel this contract.

18. Default By Buyer: Should Buyer fail to make any of the payments becoming due hereunder, as hereinabove scheduled, or fail or refuse to execute the instruments required to close this transaction, or refuse to pay any costs or other sums required by this Agreement, or otherwise default hereunder, and shall fail to correct such default within ten (10) days after Seller has given Buyer written notice of such default, then Seller may declare this Contract terminated and retain all deposits and other monies

paid by Buyer together with any interest earned thereon, as liquidated and agreed upon damages, and thereupon the parties hereto will be released and relieved from all obligations hereunder. The provisions herein contained for liquidated damages is in full settlement of any claim for damages, and the Buyer and Seller shall be relieved of all further obligation to each other under this Agreement. Buyer hereby unconditionally instructs the escrow agent to disburse to Seller any escrowed funds constituting liquidated damages and to hold the escrow agent harmless for so doing.

19. Default by Seller: Should Seller default hereunder or be unable to deliver insurable title as hereinafter defined in Paragraph 12 hereof, Buyer shall have the right to demand the return of the deposit money paid pursuant hereto, minus any interest earned thereon, and the parties shall have no further rights, obligations, or liabilities hereunder. The acceptance of a deed by the Buyer and the closing of the transaction shall be acknowledged by the Buyer as the full performance by the Seller of all of its agreements, obligations and responsibilities under this Agreement, and no performance of any agreements, obligation or representation of the Seller shall survive the closing except the warranties contained in the deed or in Florida Statutes Chapter 718.

20. Termite Inspection: Seller agrees to furnish to association a subterranean termite bond prior to the closing of the first unit in the condominium.

21. Loss or Damage: The Seller assumes all risk of loss or damage to the property to be conveyed pursuant to this Agreement until the closing of this purchase.

22. Damage to Unit: If between the date of this Agreement and closing of title, the Unit is damaged by fire or other casualty, the following shall apply:

(a) In the event of loss to the Unit by fire or other casualty Buyer shall have the right to reject title or receive a credit against or abatement in the purchase price. In such event, Seller shall be entitled to a reasonable period of time within which to complete said repairs or replacement. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss or damage shall (subject to the rights of the Board of Directors in the event the Declaration shall have been filed) be paid to Seller and if such proceeds shall be paid to Buyer, Buyer shall promptly upon receipt thereof turn same over to the Seller to be applied to restoration or disbursed to Buyer as a refund of Buyer's Deposits.

(b) If Seller notifies Buyer that it does not elect to repair or replace any such loss or damage or in the event that the association does not resolve to make such repairs, then Buyer's deposit, minus interest, shall be returned to him within ten (10) days of such notification.

23. Miscellaneous Provisions.

(a) Complete Agreement. This Agreement shall supersede any prior understandings and agreements and constitutes the entire agreement between the parties hereto; no oral representations or statements shall be considered a part hereof, nor shall any amendment hereto or collateral agreement be valid unless in writing and signed by both parties. All rights and representations shall merge with the closing of title.

(b) Seller's Right to Lease Unsold Units: Seller may rent any units owned by Seller from time to time to tenants selected by Seller, and Seller may subsequently sell such units to purchasers acceptable to Seller without notice,

prior consent, or right of first refusal to Buyer or the association.

(c) Captions: The captions contained in this Agreement are for convenience only and are not intended in any way to limit or enlarge the terms or provisions of this Agreement.

(d) Time: Time is of the essence of this Agreement.

(e) Notice: Whenever either party desires or is required to give notice under the terms of this Agreement, the same shall be deemed given when deposited in the United States Mail, postage prepaid, and addressed to the other party at the address set forth on page 1 of this Agreement. Either party may change the address to which notice is to be delivered by giving written notice thereof in accordance with the terms of this paragraph;

(f) Attorney's Fees: If the parties resort to litigation because of either party's failure to comply with all of the terms, covenants and conditions hereof, then the prevailing party shall be entitled to reasonable attorneys' fees, and attorneys' fees on appeal.

(g) Governing Law: This agreement shall be construed in accordance with the laws of the State of Florida, and shall, except as otherwise expressly provided herein, bind and inure to the benefit of the heirs, personal representatives, successors and assigns of Buyer and Seller. As used in this agreement, the word "Buyer" shall mean all purchasers, jointly and severally, if there be more than one.

IN WITNESS WHEREOF, the parties have caused these presents to be executed and have set their hands and seals hereto on this day and year first above written.

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

Signed, sealed and delivered
in the presence of:

BUYER:

As to Buyer

SELLER:

SOUTHWINES INC.,

As to Seller

By: _____

(Corporate Seal)

ESCROW AGREEMENT
FOR RESERVATION DEPOSITS

THIS AGREEMENT, dated the 19 day of February 1985, by and between Southwines Inc., a Florida corporation, hereafter referred to as Developer, and ~~FLORIDA LANDMARK COMMUNITIES, INC., a Florida Corporation,~~ CITIZENS FIRST NATIONAL BANK OF CRYSTAL RIVER, a Banking institution organized under the laws of the State of Florida, hereafter referred to as Escrow Agent.

W I T N E S S E T H :

WHEREAS, the Developer intends to develop a certain condominium project known as THE SPRINGS ON KING'S BAY, A CONDOMINIUM, located in Citrus County, Florida; and

WHEREAS, Developer wishes to have Escrow Agent act as Escrow Agent in accordance with Florida Statute Chapter 718 and the Rules of the Division of Florida Land Sales and Condominiums; and

WHEREAS, Escrow Agent is qualified to act as such pursuant to Florida Statute Chapter 718, and is agreeable to the above; and

WHEREAS, the parties wish to define their respective rights and obligations.

NOW, THEREFORE, it is agreed as follows:

1.

Developer shall deliver to Escrow Agent all deposit and down payment funds received from Developer from various condominium purchases relative to the project along with true copies (showing execution) of all reservations or contracts under which those funds have been paid. Escrow Agent's address is: ~~Plantation Village, West Highway 44, Route 1, Box 406, Crystal River, Florida~~ Citizens First National Bank of Crystal River, 450 SE Hwy. 19, Crystal River, Florida 32629.

2.

Escrow Agent shall receive the funds and hold them in accordance with the contracts and Reservation Agreements, depositing them, when permitted by law or by agreement, in savings or time deposits in institutions insured by an agent of the United States or investing them in securities of the United States or any of the agencies, with the interest earned thereon to be paid to Developer.

3.

The escrowed funds shall be held by the Escrow Agent in accordance with the Contract or Reservation Agreement and in accordance with the applicable Florida statutes and rules and shall be disbursed in accordance with those statutes and rules or, in the event of notice of a dispute being received by Escrow Agent prior to disbursement, held until the dispute is settled or deposited in the registry of a court of competent jurisdiction, if so elected by the Escrow Agent.

4.

Developer agrees to save and hold Escrow Agent harmless in the event of misdelivery and shall indemnify Escrow Agent for all costs and expenses incurred relating to misdelivery or any claim resulting therefrom unless the misdelivery was the willful and intentional act of Escrow Agent.

5.

Escrow Agent shall have the right to resign by giving written notice of its intent to resign to Developer and to all parties for which Escrow Agent is holding funds. Within seven days after receipt of the notice Developer shall appoint a successor escrow agent and notify Escrow Agent of that appointment. Developer shall also notify all parties for whom Escrow Agent is holding funds of the name and address of the successor escrow agent. Upon receipt of the notice of appointment of a successor escrow agent, Escrow Agent shall deliver all escrowed funds together with copies of all Reservation Agreements, contracts or other documentation under which the funds are held to the successor escrow

agent and upon delivery shall be relieved of all responsibility relating to them.

IN WITNESS WHEREOF, the parties to this agreement have affixed their respective signatures and seals this 19 day of February, 1985.

WITNESSES:

Harley L. Eads
Vicki J. Peavy

DEVELOPER

SOUTHWINES INC.,

By: [Signature]

(SEAL)



WITNESSES:

Kathleen Patricia Murphy
Beverly C. Pastreus

ESCROW AGENT

CITIZENS FIRST NATIONAL BANK
OF CRYSTAL RIVER,

By: [Signature]

(SEAL)

MANAGEMENT CONTRACT

THIS AGREEMENT is made and entered into as of the day of _____, 198____, by and between THE SPRING'S ON KING'S BAY, A CONDOMINIUM ASSOCIATION, INC., a not for profit corporation to be formed (the "Association"), and ~~JOHN CONROY~~ SOUTHWINES INC., a Florida Corporation, (the "Manager").

WITNESSETH:

A. The Association is the entity responsible for the operation of THE SPRINGS ON KING'S BAY, a Condominium (the "Condominium"), established or to be established by the Declaration of Condominium therefor recorded or to be recorded in the Public Records of Citrus County, Florida, (the "Declaration").

B. The Association desires to retain the Manager, and the Manager desires to be so retained, to manage the Condominium.

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration received by each party from the other, the receipt and sufficiency of which is hereby acknowledged, and in further consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. EXCLUSIVE MANAGER. The Association hereby retains and appoints the Manager, and the Manager hereby accepts such retainer and appointment, on the terms and conditions hereinafter set forth, as exclusive Manager of the Condominium.

2. TERM. This Agreement shall commence on the date of the closing of the purchase and sale of the first Unit in the Condominium and shall continue for a term ending one (1) year thereafter, unless terminated sooner in accordance with the provisions hereinafter set forth. This Agreement shall automatically be annually extended for an additional term of one (1) year unless either Association or Manager notifies the other in writing at least thirty (30) days prior to the expiration of the initial or any subsequent term, that such notifying party does not desire to extend the term of this Agreement; and, in that event, this Agreement shall terminate upon the expiration of the one (1) year term then in effect.

3. MANAGER'S DUTIES. It is the intention of the manager to provide for the maintenance and operation of all improvements located in the condominium and the maintenance of the landscaping of the grounds of the condominium. Manager's responsibility in this regard will, herefore, be specifically to do the following:

- a. Keep watered and neatly trimmed all greenage and plants located on the condominium property.
- b. Keep the grounds and all other condominium lands free of refuse, garbage, trash and discarded containers and papers such as cans, cartons, napkins, and other such discards.
- c. Monitor and inspect on a weekly basis the exterior of all condominium living units and association-owned improvements to determine the need for any exterior structural repair or cosmetic clean-up as may have been caused by the wind or the elements.
- d. No less than monthly, manager is to prepare for his records, which are to be available to the

condominium association president at any time, a list of deficiencies in this regard wherein the cost of repair and/or clean-up is in excess of Twenty-Five Dollars for each item.

- e. Report to each condominium owner individually any serious damage to a condominium living unit, or to the condominium association president, if such damage is done to the association improvements and amenities, so that the unit owner or the association president, as the case may be, may instruct manager to take appropriate action, at the individual or association's expense, to correct the damage.
- f. Inspect the exterior of the roofs of the living units and all phases of the amenities, including the parking lots, carefully, no less than each six months with a view to recommendation to the association, corrective and protective action such as painting or shingle roof repair as appears necessary.
- g. Keep all parking lots clear of refuse, etc. and no less than once each month provide for a hosing cleaning of said parking lots if this frequency is required.

To handle routine and periodic grounds clean-up as specified above, manager affirms that no less than one additional person, in addition to himself, shall be available monthly to provide the services he will render the association as specifically outlined above. Manager affirmatively states that he has no financial or ownership interest in the developer corporation of this condominium project. Further, manager declares that the developer holds no financial or ownership interest in manager's company nor is manager beholden to developer in any manner whatsoever. If manager fails to provide maintenance or manager services as detailed above in this paragraph, and in accordance with this agreement, the association is authorized to procure said services from some other party and shall be entitled to collect any fees or charges paid for service performed by another party from the manager herein who has contracted to provide the maintenance or management services.

4. DEPOSITS. All funds collected by the Manager for the account of the Association shall be deposited in a bank, the deposits of which are insured by an agency of the United States or in such other manner as the Association shall direct. Such account will be styled so as to indicate the custodial nature thereof and the funds therein will not be commingled with other funds collected by the Manager as agents for others or otherwise. The Manager shall not be liable for any loss resulting from the insolvency of such depository.

5. AGENCY. All actions taken by the Manager with respect to management and maintenance under the provisions of this Agreement shall be taken as agent for the Association, and all obligations or expenses incurred in the performance of the Manager's duties and obligations shall be for the account, on behalf and at the expense of the Association. The Manager shall not be obligated to make any advances to or for the account of the Association or to pay any sum, except out of funds held or provided by the Association or by its members or occupants of Units, nor shall the Manager be obligated to incur any liability or obligation on behalf of the Association without assurance that the necessary funds for the discharge thereof will be provided. Since the Manager will be acting at all times for and on behalf of the Association, it is understood and

agreed that the public liability insurance carried and maintained by the Association shall be extended to and shall cover the Manager, its agents and employees, as well as the Association, all at the expense of the Association. The Association agrees to indemnify and hold the Manager harmless from any and all liabilities for any injury, damage or accident to any member of the Association, a guest, lessee or invitee of any such member, or to any third person, and for any damage to property, arising out of or in the course of the performance of its duties hereunder.

6. COST REIMBURSEMENT. All of the foregoing management services provided to the Association shall be rendered on a basis of "actual cost" and the Association shall pay or reimburse the manager for all costs which may be incurred by the Manager in providing services, materials and supplies to the Association, except that the Manager shall not be entitled to reimbursement for salaries of officers of the Manager and general office overhead of the Manager, as said items are actually included within the fee hereinafter provided to be paid to the Manager.

7. MANAGER'S UNDERTAKING. The Manager, by the execution of this Agreement, assumes and undertakes to perform, carry out and administer all management, operational and maintenance responsibilities imposed upon the Association as set forth in the Declaration and as herein provided. Such assumption of obligations is limited, however, to operation, management and maintenance as agent, and does not require the Manager to pay any of the costs and expenses which are the obligation of the Association, except as specifically in this Agreement assumed by the Manager.

8. CONSIDERATION. The services of manager shall be performed upon a fixed fee plus cost basis. The fixed fee shall be \$15.00 per month per unit. The costs to be reimbursed to Manager shall be the costs of all materials, supplies and services other than management and overhead of Manager. The cost of services to be reimbursed will include the costs of all employees of Manager for the time spent directly upon the performance of matters required by the terms of this agreement. These costs and monthly fees shall be paid to Manager within ten (10) days after billing, but the billing shall be no more frequently than monthly at the end of the month.

9. DESIGNATION. The Association shall designate a single individual and two (2) alternates who shall be authorized to deal with the Manager on any matter relating to this Agreement. In the absence of any such designation, the President of the Association shall have this authority.

10. NOTICES: All notices required hereunder shall be in writing and shall be effective when deposited in the United States mail, with proper postage for ordinary mail prepaid, and addressed:

If to the Association: 1333 SE 22 Road
Ocala, Florida 32671

If to the Manager: ~~Post Office Box 1410~~
~~Crystal River, Florida 32629~~
1333 SE 22 Road
Ocala, Florida 32671

or to such other address as either party shall, from time to time, designate for itself, in writing, to the other party, provided that notice of any change of address shall not be effective until received.

11. EFFECT: This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12. DISCLOSURE: The Developer herewith discloses that it will provide the maintenance for management services and accepts this responsibility, but various parts of the maintenance of the condominium will be sub-contracted by said developer to various persons and/or companies.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Witnesses:

Shirley L. Eads
Vicki G. Peavy
(As to Association)

Shirley L. Eads
Vicki G. Peavy
(As to Manager)

THE SPRINGS ON KING'S BAY
CONDOMINIUM ASSOCIATION,
INC.,

By [Signature]
President

(Corp. seal)

MANAGER:
SOUTHWINDS INC.
[Signature]
President

SUMMARY

1. THE SPRINGS ON KING'S BAY, A CONDOMINIUM IS BEING CREATED AND SOLD AS FEE SIMPLE INTERESTS, AND NOT AS LEASEHOLD INTERESTS.
2. RECREATIONAL FACILITIES MAY BE ADDED WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION.
3. THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.
4. THERE IS TO BE A CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH ~~JOHN-CONROY~~ SOUTHWINES INC., a Florida Corporation.
5. THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.
6. THE SALE, LEASE OR TRANSFER OF UNITS IS RESTRICTED OR CONTROLLED.

VERIFIED BY:
[Signature]
D.C.

85 APR 19 AM 11 45

FILED AND RECORDED
CLERK OF COUNTY FLORIDA
CLERK

409266

EXHIBIT "D" TO AMENDMENT

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