

CFN # 742005, OR BK 2457 Page 914, Recorded 12/12/2002 at 01:12 PM, Martha
Ingle, Walton County Clerk of Court, Deputy Clerk S BELL

Upon recording, return to:
St. Joe/Arvida Company, Inc.
1701 East County Road 30-A
Santa Rosa Beach, Florida 32459
Attn: Kenneth Borick

Cross-Reference: Declaration: Book 2350
Page 158

**FIRST AMENDMENT TO THE DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
WATERSOUND**

THIS FIRST AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR WATERSOUND ("Amendment") is made this 11th day of December, 2002, by The St. Joe Company, a Florida corporation ("Declarant").

W I T N E S S E T H

WHEREAS, on September 10, 2001, Declarant recorded that certain Declaration of Covenants, Conditions, and Restrictions for WaterSound in Official Records Book 2350, Page 158, *et seq.*, of the Official Records of Walton County, Florida (as amended and supplemented from time to time, the "Declaration"); and

WHEREAS, pursuant to Section 20.1 of the Declaration, during the Class "B" Control Period, Declarant may unilaterally amend the Declaration for any purpose; and

WHEREAS, the Class "B" Control Period has not expired or been terminated; and

WHEREAS, Declarant desires to amend the Declaration;

NOW, THEREFORE, pursuant to Declarant's reserved authority, Declarant hereby amends the Declaration as follows:

1.

In order to reflect the change in the name of the community from WaterSound to WaterSound Beach, Section 2.1 of the Declaration is hereby amended by deleting the definition of "Community" or "WaterSound" contained in such Section in its entirety and substituting the following therefor:

"Community" or "WaterSound Beach": The real property described in Exhibit "A," together with such additional property as is subjected to this Declaration in accordance with Article IX.

2.

Exhibit "C" to the Declaration, paragraph (v), Use of Golf Carts, is hereby amended by deleting such paragraph in its entirety.

3.

Exhibit "D" to the Declaration is hereby amended by deleting such Exhibit in its entirety and substituting therefor the Exhibit "D" attached to this Amendment and incorporated herein by this reference.

4.

All references in the Declaration and the other Governing Documents to "WaterSound" as a defined term identifying property subject to the Declaration shall be deemed to be references to "WaterSound Beach."

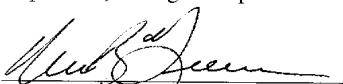
[Signatures set forth on the following page]

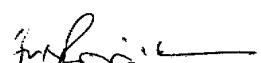
IN WITNESS WHEREOF, Declarant has executed this First Amendment the day and year first above written.

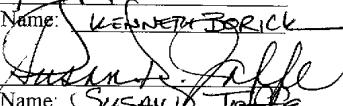
DECLARANT: THE ST. JOE COMPANY, a Florida corporation

By: St. Joe/Arvida Company, L.P., a Delaware limited partnership, as its authorized agent
By: St. Joe/Arvida Company, Inc., a Florida corporation, as its general partner

Witnessed By:

By: 
William B. Greene, Vice President

By: 
Print Name: KENNETH J. BERRICK

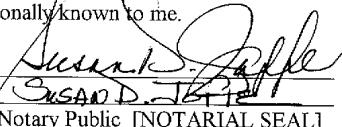
By: 
Print Name: SUSAN D. JOFFE

State of Florida)

) ss

County of Walton)

The foregoing instrument was acknowledged before me this 12th day of December, 2008, by William B. Greene, Vice President of St. Joe/Arvida Company, Inc., general partner for St. Joe/Arvida Company, L.P., authorized agent for The St. Joe Company, a Florida corporation, on behalf of the corporation. He is personally known to me.

By: 
Name: SUSAN D. JOFFE
Title: Notary Public [NOTARIAL SEAL]



Susan D. Joffe
MY COMMISSION # DD130217 EXPIRES
September 23, 2006
BONDED THRU TROY PAIN INSURANCE, INC.

5297/WaterSound/CADocs/Supp

EXHIBIT "D"**Formula for Allocating Assessments****Determination of Equivalent Units.**

The allocation of assessments under the Declaration shall be based upon "Equivalent Units." Each Lot shall be assigned Equivalent Units based upon the Lot's classification. The total number of Equivalent Units assigned to a Lot shall be determined as follows:

<u>Lot Classification</u>	<u>Equivalent Units</u>
• Residential Lots (per Lot)	1.00
• Non-Residential Lots (per Lot)	
⇒ Prior to issuance of certificate of occupancy*	1.00
⇒ Upon issuance of certificate of occupancy	As provided below
• General retail, commercial business, or restaurant (for each square foot of gross floor area**)	.00025
• Inn/Bed and Breakfast	
⇒ Per room (without regard to gross floor area) (multiplied by designated multiplier***)	1.00
⇒ Hallways, lobby areas, pool decks, stairways, and other components of the inn/bed and breakfast from which no income is derived independent of transient room rental income	0
⇒ Non-public access service areas within inn/bed and breakfast (e.g., laundry areas, kitchen, and storage areas, etc.)	0
• Exempt Property (under Section 8.10 of the Declaration)	0

* A "certificate of occupancy" is that certificate or approval issued by the local municipality as a final condition of occupancy of a Lot for its intended use.

** "Gross floor area" shall be the area within an enclosed structure intended for occupancy or other use and for which an initial certificate of occupancy has been issued or which is substantially complete, as determined by a licensed engineer or architect, but shall not include parking lots or parking garages.

*** Multiplier shall be the greater of .35 or the actual, average occupancy rate for the inn/hotel's prior calendar year.

Declarant shall initially determine a Lot's Classification at the time of conveyance or commencement of assessments based on the intended use of the Lot in accordance with the

Master Plan. Declarant shall provide the Association notice of each Lot's Classification upon its annexation to the Declaration. In the event that the Lot Classification for a particular Lot is not apparent, Declarant's determination shall be controlling during the Development and Sale Period. Thereafter, if a Lot Classification for a particular Lot is not apparent, the reasonable determination of the Board shall be controlling.

During the Development and Sale Period, Declarant unilaterally may change Lot Classifications or amend this Exhibit "D" to create additional Lot Classifications or to change the Equivalent Units assigned to any particular classification.

Allocation of Assessments.

The allocation of assessments shall be computed by multiplying the total amount to be assessed by a fraction, the numerator of which is the number of Equivalent Units assigned to a Lot, and the denominator of which is the total Equivalent Units assigned to all Lots subject to assessment. The formula is illustrated as follows (The result, "A," being the assessment to be assigned, in dollars, to the particular Lot.):

$$\begin{array}{l} \text{EU's Assigned to} \\ \text{a Particular Lot} \\ \hline \text{Total EU's Assigned} \\ \text{to All Lots} \end{array} \quad \times \quad \text{Budget (\$)} \quad = \quad A$$

The Board shall compute the Equivalent Units annually, and notice of the allocation of Equivalent Units (including a summary of the computations) shall be sent to each Owner with its notice of assessment. Upon annexation of additional property into the jurisdiction of the Association, the Board shall recompute the assessment allocations and send a notice of recomputed percentages to each Owner; however, no adjustments of assessments previously levied shall be made within the fiscal year to reflect the recomputation nor shall any Owner be entitled to a refund of any assessment paid based upon any such recomputation.
