

Holiday Surf & Racquet Club  
510 Gulfshore Drive  
Destin, FL 32541

**AMENDED AND RESTATED  
CONDOMINIUM  
DOCUMENTS**

1. Amended And Restated Declaration of Condominium
2. Restated Articles of Incorporation
3. Amended And Restated By-Laws
4. Amended Rules & Regulations

TABLE OF CONTENTS

AMENDED AND RESTATED DECLARATION OF CONDOMINIUM FOR  
HOLIDAY SURF AND RACQUET CLUB  
A CONDOMINIUM

		<u>PAGE NO.</u>
Article I	Definition of Terms	1-3
Article II	Submission of Leasehold Estate and Improvements	3
Article III	Ownership of Condominium Units and Undivided Shares in Common Elements: Prohibition Against Separate Conveyance of Same	3-4
Article IV	Common Expenses: Common Surplus	4
Article V	The Holiday Surf and Racquet Club Condominium Association, Inc.	4-5
Article VI	Membership in the Association: Voting Rights	5
Article VII	Method of Amendment of Declaration of Condominium	5-6
Article VIII	By-Laws, Articles of Incorporation and Rules and Regulations of Condominium Association	6
Article IX	Maintenance, Repair, Alterations and Improvements of Condominium Property	6-8
Article X	Enforcement of Maintenance	8
Article XI	Purchasers' Condominium Fund <b><u>INTENTIONALLY DELETED</u></b>	8
Article XII	Residential Use Restrictions Applicable to Condominium Units	9-10
Article XIII	Insurance	10-14
Article XIV	Easements	14-15
Article XV	Termination	15-16
Article XVI	Prohibition Against Subdividing of Units: Prohibition Against Partition of Common Elements	16
Article XVII	Assessments	17-21
Article XVIII	Remedies in Event of Default	22
Article XIX	Notice to Third Parties	23
Article XX	Subleasing of Units	23
Article XXI	Declaration of Condominium Binding Upon First and Subsequent Unit Owners	23
Article XXII	Right of Kazet, Inc. to Representation on Board of Directors of Association <b><u>INTENTIONALLY DELETED</u></b>	23
Article XXIII	Registration and Rights of Mortgagees	24
Article XXIV	Signs, Rental Program & Brokerage	25
Article XXV	Assignment of Parking Space	25
Schedule of Exhibits		26
	Exhibit A - Legal Description	27 (a-ee)
	Exhibit B - Units Identified and Designed (as previously amended)	28 (a-i)
	Exhibit C - Percentage of Interest (as previously amended)	29 (a)
	Exhibit D - Restated Articles Of Incorporation	30-35
	Exhibit E - Amended And Restated By-Laws (as currently amended)	36-46
	Exhibit F - Amended Rules and Regulations (as currently amended)	47-50
	Exhibit G - Estimated Operating Budget (current/2006)	51 (a-d)

**AMENDED AND RESTATED  
DECLARATION OF CONDOMINIUM  
FOR  
HOLIDAY SURF AND RACQUET CLUB  
A CONDOMINIUM**

The owners of at least the minimum required percentage of the units within Holiday Surf And Racquet Club, A Condominium, in the County of Okaloosa, State of Florida, more particularly described as follows, to wit:

See Exhibit "A" for Legal Description

Desiring to amend and restate the restrictions on the use of said property for the benefit of the Association, the owners and subsequent grantees, do hereby amend and restate the Declaration Of Condominium for Holiday Surf And Racquet Club, A Condominium, originally recorded at O.R. Book 799, Page 01, of the official public records of Okaloosa County, Florida, and subsequently amended at O. R. Book 805, Page 256; O. R. Book 895, Page 215; O. R. Book 1062, Page 322; O. R. Book 1396, Page 501; and O. R. Book 1665, page 755; and Certificate of Amendment to By-Laws recorded at O. R. Book 1455, Page 833, and subsequently amended at O. R. Book 1473, Page 52; O. R. Book 1665, Page 761; O. R. Book 1808, Page 1554; and Certificate of Amendment to Rules and Regulations recorded at O. R. Book 1992, Page 227, all of the public records of Okaloosa County, Florida, as herein set forth and declare that these covenants shall apply and bind them, their successors and assigns, for the term set forth hereinafter and that said covenants shall run with the land, and shall be binding on the Association, the owners and their grantees.

ARTICLE I

DEFINITION OF TERMS

The terms used herein and within the Articles of Incorporation, By-Laws and Rules and Regulations of Holiday Surf and Racquet Club shall have the meanings stated in the Condominium Act and as follows, unless the context otherwise requires:

1. Condominium: Condominium is that form of ownership of condominium property under which units are subject to ownership by one or more owners, and there is appurtenant to each unit as part thereof an undivided share in the common elements.
2. Condominium Documents: Condominium Documents are comprised of the Declaration of Condominium establishing Holiday Surf and Racquet Club and all Exhibits thereto.
3. Declaration of Condominium: Declaration or Declaration of Condominium or Enabling Declaration means this instrument as it may be from time to time amended.
4. Condominium Property: Condominium Property, as the term is used in these Condominium Documents, is comprised of the leasehold interest in the land dedicated to Condominium Ownership and all improvements located thereon intended for use in connection with the Condominium.
5. Condominium Parcel: Condominium Parcel, as the term is used in these Condominium Documents, means a Unit together with an undivided share in the common elements which are appurtenant

to the Unit.

6. Condominium Unit: Condominium Unit or "Unit", as the term is used in these Condominium Documents, refers to that part of the Condominium Property which is subject to private ownership. Excluded, however, from Condominium Units are all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors and above the undecorated and/or unfinished inner surfaces of the ceilings of each Unit, and further excluding all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of all interior and exterior bearing walls and/or bearing partitions, and further, excluding all pipes, ducts, wires, conduits and other facilities running through any interior or exterior wall or partition or balcony for the furnishing of utility services to Units, Club Unit, Common Elements and Limited Common Elements.

7. Unit Owner: Unit Owner, or Owner of a Unit, or Parcel Owner, or Private Dwelling Owner, means the Owner of a Condominium Parcel.

8. Common Elements: Common Elements, as the term is used in these Condominium Documents, means portions of the Condominium Property not included in the Units. Included within Common Elements are easements through Units for conduits, pipes, ducts, plumbing, wiring and other facilities for the furnishing of Utility Services to Units and Common Elements, and shall further include easements in support of the improvements, and shall further include all personal property held and maintained for the joint use of all of the Owners of Units.

9. Limited Common Elements: Limited Common Elements, as the term is used in these Condominium Documents, means and includes those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of other Units.

10. Common Expenses: Common Expenses, as the term is used in these Condominium Documents, means the expense for which the Unit Owners are liable to the Association and shall include, but not be limited to, expenses of administration of Holiday Surf and Racquet Club; expense of maintenance, operation and repair or replacement of the Common Elements; any valid charge against the Condominium as a whole; taxes imposed upon the Common Elements by governmental bodies having jurisdiction over Holiday Surf and Racquet Club; and expenses declared to be Common Expenses by the provisions of the Condominium Documents, as same may be amended from time to time in accordance with the provisions thereof.

11. Common Surplus: Common Surplus, as the term is used in these Condominium Documents, means the excess of all the receipts of the Association, including, but not limited to, assessments, rents, profits and revenues over the amount of the Common Expenses.

12. Association: Association, as the term is used in these Condominium Documents, refers to Holiday Surf and Racquet Club Condominium Association, Inc., a Florida Corporation Not-For-Profit, and its successors and assigns as provided for in the Condominium Act.

13. By-Laws: By-Laws means the By-Laws of the Association specified above, as they exist from time to time.

14. Developer: As used in the Condominium Documents, Developer means Kazet, Inc.

15. Institutional Mortgagee: Institutional Mortgagee or Mortgagee means a bank, savings and

loan association, insurance company, an agency of the United States Government, a real estate investment trust, or a lender generally recognized in the community as an institutional lender.

16. Singular/Plural; Genders: Whenever the context of the Condominium Documents so permits, the use of the plural shall include the singular, the singular the plural, and the use of any gender shall be deemed to include all genders.

ARTICLE II

SUBMISSION OF LEASEHOLD ESTATE AND IMPROVEMENTS  
TO CONDOMINIUM OWNERSHIP

Okaloosa County is the owner in fee simple and the Developer was the owner of a valid leasehold estate in and to certain property located in Okaloosa County, Florida, commonly referred to as Holiday Surf and Racquet Club and more particularly described on Exhibit "A" attached hereto. (All leases and subleases affecting the subject property are set forth in their entirety in Exhibit "A".) Okaloosa County and Developer previously submitted the property described in Exhibit "A" and the improvements thereon to Condominium Ownership in accordance with Chapter 718, Florida Statutes, or its predecessor statute.

On said real property there has been constructed a Condominium project containing one hundred and sixty-six (166) Units, comprised of one high-rise building containing one hundred and sixty-four (164) Units and one low-rise building containing two (2) Units, and other appurtenant improvements. Developer has submitted the above described leasehold interest in real property and improvements to Condominium Ownership and declared the same to be a Condominium known and identified as Holiday Surf and Racquet Club which consists of Units, Common Elements and Limited Common Elements, as said terms have herein been defined and described, which Units are further identified and designated in Exhibit "B" attached hereto.

ARTICLE III

OWNERSHIP OF CONDOMINIUM UNITS AND UNDIVIDED  
SHARES IN COMMON ELEMENTS: PROHIBITION  
AGAINST SEPARATE CONVEYANCE OF SAME

Each Unit shall be conveyed and treated as individual property capable of independent use and partial sublease ownership, subject to the restrictions, rules, regulations and conditions contained in these Condominium Documents, and the Owner of each said Unit shall own, as an appurtenance to the Ownership of each said Unit, an undivided interest in the Common Elements, the undivided interest appurtenant to each said Unit being that which is hereinafter specifically assigned thereto in Exhibit "C" attached hereto. The percentage of undivided interest in the Common Elements assigned to each Unit shall not be changed except with the unanimous consent of all of the Owners of all of the Units.

The undivided interest in the Common Elements declared to be appurtenant to each Unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Unit, and the undivided interest in Common Elements appurtenant to each Unit shall be deemed conveyed, devised, encumbered or otherwise included with the Unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Unit. Any instrument which purports to affect the conveyance, devise or encumbrance or which purports to grant any right, interest or lien into or upon a Unit shall be null, void and of no effect insofar as the same purports

to affect any interest in a Unit and its appurtenant undivided interest in the Common Elements, unless the same purports to convey, devise and encumber or otherwise trade or deal with the entire Unit. Any instrument conveying, devising, encumbering or otherwise dealing with any Unit which describes said Unit by the Unit Number assigned thereto in Exhibit "B", without limitation or exception, shall be deemed and construed to affect the entire Unit and its appurtenant undivided interest in the Common Elements. Nothing herein contained shall be construed as limiting or preventing ownership of any Unit and its appurtenant undivided interest in the Common Elements by more than one person or entity as tenants in common, joint tenants or as tenants by the entirety.

#### ARTICLE IV

##### COMMON EXPENSES: COMMON SURPLUS

Common Expenses shall be shared and Common Surplus shall be owned by the Owners of all Units in the same proportion that the undivided interest in Common Elements appurtenant to each Owner's Unit bears to the total of all undivided interest in Common Elements appurtenant to all Units, as stated in Exhibit "C". Any Common Surplus which exists at the end of a fiscal year shall automatically be reapportioned to the budget of the next fiscal year.

#### ARTICLE V

##### THE HOLIDAY SURF AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC.

Holiday Surf and Racquet Club Condominium Association, Inc., a Corporation Not for Profit, hereinafter called "Association", shall maintain, manage and operate the condominium property.

All Unit Owners shall automatically become members of the Association after completion of closing of the purchase of a Unit in Holiday Surf and Racquet Club.

The Officers and Directors of the Association shall have the powers set forth in this Declaration and the Association By-Laws and shall at all times have a fiduciary relationship to the members of the Association and shall operate and manage the Association in the best interest of its members.

No person, except in a capacity as an Officer of the Association, shall have authority to act for the Association.

The Association shall have the irrevocable right to have access to every unit in Holiday Surf and Racquet Club from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units.

The Association shall have the power to make and collect assessments, and to lease, maintain, repair and replace the Common Elements and assign parking spaces and keep accurate records thereof.

The Association shall maintain accounting records according to good accounting practices which shall be open to inspection by Unit Owners or their authorized representatives at reasonable times and written summaries of which shall be supplied at least annually to Unit Owners or their authorized representatives. Failure of the Association to permit inspection of its accounting records by Unit Owners or their authorized representatives shall entitle any person prevailing in an action for enforcement to

recover reasonable attorney fees from the Association. Such records shall include:

- (a) A record of all receipts and expenditures.
- (b) An account for each Unit which shall designate the name and address of the Unit Owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due.

The Association shall have the power to purchase Units in the Condominium and to acquire and hold, lease, mortgage and convey the same and approve Purchasers and Lessees and issue Certificates of Approval.

In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the Unit Owners, the Association shall give notice of the exposure within a reasonable time to all Unit Owners who may be exposed to the liability, and they shall have the right to intervene and defend.

A copy of each insurance policy obtained by the Association shall be made available for inspection by Unit Owners at reasonable times.

The Association shall have all powers granted by Chapter 718, Florida Statutes.

#### ARTICLE VI

##### MEMBERSHIP IN THE ASSOCIATION: VOTING RIGHTS

Membership in the Association shall be restricted to all of the record Owners of Units in Holiday Surf and Racquet Club. A purchaser shall become a member of the Association automatically upon the completion of closing of the purchase of a Unit in Holiday Surf and Racquet Club.

On all matters upon which the membership shall be entitled to vote, each member shall be entitled to one vote for each Unit owned in Holiday Surf and Racquet Club, which vote may be exercised or cast by the Owner of each Unit in the manner provided in the By-Laws (Exhibit "E") adopted by the Association and as amended from time to time and in accordance with applicable provisions of the Florida Statutes.

#### ARTICLE VII

##### METHOD OF AMENDMENT OF DECLARATION OF CONDOMINIUM

Except as elsewhere provided otherwise, this Declaration of Condominium and the Articles and By-Laws of the Association may be amended in the following manner:

- A. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.
- B. A Resolution for the adoption of a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Directors

and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

- (a) Not less than sixty-six and two thirds percent (66-2/3%) of the entire membership of the Board of Directors and by not less than fifty-one percent (51%) of the votes of the entire membership of the Association, or
- (b) Not less than seventy-five percent (75%) of the votes of the entire membership of the Association, or
- (c) In the alternative, an amendment may be made by an agreement signed and acknowledged by all Unit Owners in the manner required by law for the execution of a deed, and such amendment shall be effective when recorded in the Public Records of Okaloosa County, Florida. Provided, however,
  - (1) That no amendment shall be made or be valid which shall in any manner impair the security of any institutional lender having a mortgage or the lien against any Condominium Parcel.
  - (2) That no amendment shall be made increasing or decreasing a Unit Owner's percentage of ownership in the Common Elements as hereinabove stated, unless the Unit Owner or Unit Owners so affected and all record owners of liens thereon shall join in the execution of the amendment.
  - (3) **[INTENTIONALLY DELETED]**

C. A copy of each amendment shall be certified by the President or a Vice-President and Secretary or Assistant Secretary of the Association as having been duly adopted and shall be effective when recorded in the Public Records of Okaloosa County, Florida.

ARTICLE VIII

BY-LAWS, ARTICLES OF INCORPORATION AND RULES AND REGULATIONS OF CONDOMINIUM ASSOCIATION

The Holiday Surf and Racquet Club Condominium Association, Inc. has been incorporated as a Florida Corporation Not-for-Profit, known as Holiday Surf and Racquet Club Condominium Association, Inc., and its Articles of Incorporation and By-Laws and Rules and Regulations as amended, are included within these Condominium Documents and attached hereto as Exhibits "D", "E" and "F", respectively.

ARTICLE IX

MAINTENANCE, REPAIR, ALTERATIONS AND IMPROVEMENTS OF CONDOMINIUM PROPERTY

The responsibility for the maintenance of the Condominium Property and restrictions upon its



alteration and improvement shall be as follows:

- A. By the Association: The Association shall maintain, repair and replace at the Association's own expense:
  - (a) All Common Elements and Limited Common Elements.
  - (b) All air-conditioning and heating systems and equipment outside of the individual Condominium Units.
  - (c) All portions of the Units (except interior wall surfaces) contributing to the support of the building, which portions shall include, but not be limited to, the outside walls of the building, and load-bearing columns, but excluding interior non-bearing walls.
  - (d) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of the Unit contributing to the support of the building or within interior boundary walls, and all such facilities contained within a Unit which service part or parts of the Condominium other than the Unit within which contained.
  - (e) All incidental damage caused to a Unit by such work shall be promptly repaired at the expense of the Association.
  
- B. By the Condominium Unit Owner: The responsibility of the Condominium Unit Owner shall be as follows:
  - (a) To maintain, repair and replace at his expense all portions of the Unit except the portions to be maintained, repaired and replaced by the Association. Included within the responsibility of the Unit Owner shall be windows, screens and doors opening into or onto his Unit, sliding glass doors and plate glass. All such maintenance, repairs and replacement shall be done without disturbing the rights of other Unit Owners.
  - (b) Within the Unit, to maintain, repair and replace at his expense all fans and air-conditioning and heating equipment, stove, refrigerator or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage, and sanitary service to his Condominium Unit. The Unit floors and interior walls and the floor and interior wall of any balcony attached to Condominium Units shall be maintained by the Condominium Unit Owner thereof at his own expense.
  - (c) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the building.
  - (d) To promptly report to the Association any defects or need for repairs, the responsibility for the remedy of which is that of the Association.

- (e) No Condominium Unit Owner shall make any alterations in the portions of the building which are to be maintained by the Association or remove any portion thereof or make any additions thereto or do any work which would jeopardize the safety or soundness of the building or impair any easement without first obtaining approval from the Board of Directors of the Association.
- C. Alteration and Improvement: There shall be no material alterations or substantial additions to Common Elements or Limited Common Elements, except as the same are authorized by the Board of Directors and ratified by the affirmative vote of voting members casting not less than seventy-five percent (75%) of the total votes of the members of the Association present at any regular or special meeting of the Unit Owners called for that purpose and approved by the Institutional Mortgagee holding the greatest dollar volume of mortgage on the condominium. The cost of the foregoing shall be assessed as Common Expenses of this Condominium. Where any alterations or additions as aforesaid are exclusively or substantially exclusively for the benefit of the Unit Owner(s) requesting same, then the cost of such alterations or additions shall be assessed against and collected solely from the Unit Owners exclusively or substantially exclusively benefitting, and the assessment shall be levied in such proportion as may be determined as fair and equitable by the Board of Directors of the Association. Where such alterations or additions exclusively or substantially exclusively benefit Unit Owners requesting same, said alterations or additions shall be made only when authorized by the Board of Directors and ratified by not less than seventy-five percent (75%) of the total votes of the Unit Owners exclusively or substantially exclusively benefitting therefrom, and where said Unit Owners are ten or less, the approval of all but one shall be required. Alterations and improvements or repairs of an emergency nature may be made upon authorization by a vote of a majority of the Directors available for consultation if same is necessitated and in the best interests of the Unit Owners.

## ARTICLE X

### ENFORCEMENT OF MAINTENANCE

In the event the Owner of a Unit fails to maintain it as required above, the Association or any other Unit Owner shall have the right to proceed in a court of equity to seek compliance with the foregoing provisions, or the Association shall have the right to assess the Unit Owner and the Unit for the necessary sums to maintain the improvements within the Unit in good condition. After such assessments, the Association shall have the right to have its employees or agents enter the Unit and do the necessary work to enforce compliance with the above provision.

## ARTICLE XI

### PURCHASERS' CONDOMINIUM FUND

**[INTENTIONALLY DELETED]**

## ARTICLE XII

### RESIDENTIAL USE RESTRICTIONS APPLICABLE TO CONDOMINIUM UNITS

In order to provide for a congenial and compatible occupancy of the Condominium Building and to provide for the protection of the value of the Units, the use of the Condominium Property shall be restricted to and be in accordance with the following provisions:

1. Each unit is hereby restricted to single family residential use by only the owner thereof, his immediate family, guests, invitees or lessees, whether the Unit be leased on a temporary or a permanent basis, daily or for a longer period. Every Unit owner shall have the absolute right to lease said Unit to whomever he shall choose without the approval of the Association being necessary and to occupy said Unit, unless it is deemed by the Board of Directors as unsafe to occupy after, and as a result of, a natural disaster.

2. The use of Common Elements by the Owners or lessees of all Units, and all other parties authorized to use same, shall be at all times subject to such Rules and Regulations as may be prescribed and established in the Condominium Documents governing such use or which may be hereafter prescribed and established in the Condominium Documents by the Association.

3. No immoral, improper, offensive or unlawful use shall be made of any Unit or of the Common Elements or of any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction over Holiday Surf and Racquet Club shall be observed.

4. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the cost of insurance paid by the Association, without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the Condominium Property or contents thereof, or which would be in violation of any law. No wasting of Condominium Property will be permitted.

5. No nuisance shall be allowed upon the Condominium Property, nor shall any use or practice be allowed which is an unreasonable source of annoyance to Unit Owners or which interferes with the peaceful and proper use of the Condominium Property by any Unit Owner, including but not limited to repairs made within a Unit before 8:00 a.m. or after 8:00 p.m. or other hours approved by the Board of Directors if deemed necessary for repairs due to a natural disaster.

6. In order to preserve the residential character of the Condominium, no business, trade or profession of any type whatsoever shall be conducted from within any Unit in the Condominium without the prior written consent of the Board of Directors. The Board of Directors shall possess the additional authority to promulgate rules and regulations governing the manner, method and to what degree said uses may be permitted, and further shall have the power to revoke the granting of such permitted uses, when in the Association's sole discretion the use in question has become excessive and/or violates the residential character of the Condominium.

7. In order to preserve aesthetic qualities of the Condominium, all colored materials used as draperies or other window treatment located within the interior of any Unit which can be viewed from the exterior of said Unit through the windows thereof from any heights or location, must be lined, finished or otherwise covered with white drapery linings, except that the Board of Directors of the Association may

from time to time adopt and amend rules and regulations specifying certain window treatments including, but not limited to, Scotchtint sun control film.

8. In case of any emergency originating in or threatening any Unit, regardless of whether the Owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, or the Building Superintendent or Managing Agent, shall have the right to enter such Unit for the purpose of remedying or abating the cause of such emergency. Such right of entry shall be immediate, and to facilitate entry in the event of any such emergency, the Owner of each Unit, as required by the Association, shall deposit a key with the Association.

9. Whenever it shall be necessary to enter any Unit for the purpose of performing any maintenance, alteration, or repair to any portion of the Common Elements, the Owner of each Unit shall permit the Owners or their representatives, or the duly constituted and authorized Agent of the Association, to enter such Unit for such purpose, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

10. No Owner of a Unit shall permit any structural modifications or alterations to be made within such Unit without first obtaining the written consent of the Association, which consent may be withheld in the event that a majority of the Board of Directors of said Association determines, in its sole discretion, that such structural modifications or alterations would affect or in any manner endanger the Condominium in part or in its entirety. If the modifications or alterations desired by the Owner of any Unit involve the removal of any permanent interior partition, the Association shall have the right to permit such removal so long as the permanent interior partition to be removed is not a load bearing partition and so long as the removal thereof would in no manner affect or interfere with the providing of utility services constituting Common Elements located therein.

11. The Association shall not have the right to make or cause to be made such alterations or improvements to the Common Elements which prejudice the rights of the Owner of any Unit in the use and enjoyment of his Unit, unless, in each instance, such Owner's written consent has been obtained. The making of such alterations and improvements must be approved by the Board of Directors of the Association, and the cost of such alterations or improvements shall be assessed as Common Expense to be assessed and collected from all of the Owners of Units. However, where any alterations and improvements are exclusively or substantially for the benefit of the Owner of a Unit requesting the same, then the cost of such alterations and improvements shall be assessed against and collected solely from the Owner of the Unit exclusively or substantially benefitted. Such assessment is to be levied in such proportion as may be determined by the Board of Directors.

### ARTICLE XIII

#### INSURANCE

1. Personal Liability and Risk of Loss of Owners of Condominium Units and Separate Insurance Coverage, Etc.: The Owner of each Unit may, at his expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects and other personal property belonging to such Owner, and may, at his expense, obtain insurance coverage against personal liability for injury to the person or property of another while within such Owner's Unit or upon the Common Elements. All such insurance obtained by the Owner of each Unit shall, whenever such provision shall be available, provide that the insurer waives its right of subrogation as to any claims against other Owners of Units or the Association and their respective servants, agents and guests. Risk of loss of or damage to any furniture,

furnishings and personal property constituting a portion of the Common Elements belonging to or carried on the person of the Owner of each Unit, or which may be stored in any Unit, or in, to, or upon Common Elements, shall be borne by the Owner of each Unit. All furniture, furnishings and personal property constituting a portion of the Common Elements and held for the joint use and benefit of all Owners of Units shall be covered by such insurance as shall be maintained in force and effect by the Association as hereafter provided. The Owner of a Unit shall have no personal liability for any damage caused by the Association or its Agents in connection with the use of the Common Elements. The Owner of a Unit shall be liable for injuries or damage resulting from an accident within his own Unit to the same extent and degree that the Owner of any residence would be liable for an accident occurring within his residence. Any and all insurance or re-insurance placed or contracted for by any Owner having an interest in any Unit must be so placed with an insurer licensed and authorized to do business in the State of Florida and maintaining a licensed agent in the State of Florida.

2. Insurance Coverage to be Maintained by Association; Insurance Trustee; Appointment and Duties; Use and Distribution of Insurance Proceeds, Etc.: The following insurance coverage shall be maintained in full force and effect by the Association covering the operation and management of the Condominium.

- A. Casualty insurance covering all of the Units and Common Elements in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, as determined annually by the insurance carriers; or, if approved by the Board of Directors of the Association, said casualty insurance may be carried on not less than an 80% co-insurance basis; such coverage to afford protection against (i) loss or damage by fire or other hazards, including windstorm, covered by the standard extended coverage or other perils endorsement, subject to such deductible provision as the Board of Directors of the Association may approve from time to time; and (ii) such other risks of a similar or dissimilar nature as are, or shall be customarily covered with respect to buildings similar in construction, location and use to the Condominium, including, but not limited to, vandalism, malicious mischief, windstorm, water damage and war risk insurance, if available.
- B. Public liability and property damage insurance in such amount and in such form as shall be required by the Association to protect said Association and the Owners of all Units, including, but not limited to, water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverage.
- C. Worker's Compensation and flood insurance to meet the requirements of law.
- D. Such other insurance coverage as the Board of Directors of the Association, in its sole discretion, may determine from time to time to be in the best interests of the Association and the Owners of all Units.

All liability insurance maintained by the Association shall contain cross liability endorsements to cover liability of all Owners of Units as a group and each Unit Owner individually.

All insurance coverage authorized to be purchased shall be purchased by the Association for itself and for the benefit of all Owners of all Units. The cost of obtaining the insurance coverage authorized above is declared to be a Common Expense, as are any other fees and expenses incurred which may be necessary or incidental to carrying out the provisions hereof.

All policies of fire and casualty insurance covering the Condominium shall provide for the insurance proceeds covering any loss to be payable to the Insurance Trustee hereinafter named, or to its successor, and the insurance proceeds from any fire and casualty loss shall be held for the use and benefit of the Association and all Owners of all Units and their respective mortgagees, as their interests may appear, and such insurance proceeds shall be applied or distributed in the manner herein provided. The Association is hereby declared to be and is appointed as Authorized Agent for all Owners of all Units for the purpose of filing such proof of loss as may be required under the policy of fire and casualty insurance and negotiating and agreeing to a settlement as to the value and extent of any loss which may be covered under any policy of casualty insurance, and is granted full right and authority to execute in favor of any insurer a release of liability arising out of any occurrence covered by any policy of casualty insurance and resulting in loss of or damage to insured property.

The Board of Directors shall have the right to select the insurance company or companies with whom insurance coverage may be placed and shall have the right to designate the Insurance Trustee, and all parties beneficially interested in such insurance coverage shall be bound by the selection so made from time to time, but the foregoing shall not be to the exclusion of the rights reserved unto Institutional Lenders herein.

The Insurance Trustee shall be a banking institution having trust powers and doing business in the State of Florida. The Insurance Trustee shall not be liable for the payment of premiums nor for the renewal of any policy of fire and casualty insurance, nor for the sufficiency of coverage, nor for the form or content of the policies, nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds of fire and casualty insurance as are paid and to hold the same in trust for the purposes herein stated for the benefit of the Association and the Owners of all Units and their respective mortgagees. Such insurance proceeds are to be disbursed and paid by the Insurance Trustee as herein provided. The Association, as a Common Expense, shall pay a reasonable fee to said Insurance Trustee for its services rendered hereunder, and shall pay such costs and expenses as said Insurance Trustee may incur in the performance of any duties and obligations imposed upon it hereunder. Said Insurance Trustee shall be liable for its willful misconduct, bad faith or gross negligence, and then for only such money which comes into the possession of said Insurance Trustee. Whenever the Insurance Trustee may be required to make distribution of insurance proceeds to Owners of Units and their mortgagees, as their respective interests may appear, or to any other party for repair, replacement or reconstruction of property, the Insurance Trustee may rely upon a Certificate of the President and Secretary of the Association, executed under oath, and which Certificate will be provided to said Insurance Trustee upon request of said Insurance Trustee made to the Association. Such Certificate is to certify unto said Insurance Trustee the name of the Owner of each Unit, the name of the mortgagee who may hold a mortgage encumbering each Unit, and the respective percentages of any distribution which may be required to be made to the Owner of any Unit, and his respective mortgagee, as their respective interests may appear, or to certify the name of the party to whom payments are to be made for repair, replacement or reconstruction of property. In the event any insurance proceeds are paid to the Insurance Trustee for any fire or casualty loss, the holder of any mortgage encumbering a Unit shall not have the right to elect to apply insurance proceeds to the reduction of any mortgage, unless such insurance proceeds represent a distribution to the Owner of any Unit, and his respective mortgagee, by reason of loss of or damage to personal property constituting a part of Common Elements and as to which a determination is made not to repair, replace or restore such personal property.

In the event of the loss of or damage to only Common Elements, real or personal, which loss or damage is covered by fire and casualty insurance, the proceeds paid to the Insurance Trustee to cover such loss or damage shall be applied to the repair, replacement or reconstruction of such loss or damage. If the

insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of such Common Elements, then such excess insurance proceeds shall be paid by the Insurance Trustee to the Owners of all Units, the distribution to be separately made to the Owner of each Unit and his respective mortgagee as their interests may appear, in such proportion that the share of such excess insurance proceeds paid to the Owner of each Unit and his said mortgagee shall bear the same ratio to the total excess insurance proceeds as does the undivided interest in Common Elements appurtenant to each Unit bears to the total undivided interest in Common Elements appurtenant to all Units. If it appears that the insurance proceeds covering the casualty loss or damage payable to the Insurance Trustee are not sufficient to cover the cost of the repair, replacement or reconstruction of such Common Elements, then the Association shall deposit with the Insurance Trustee a sum which, together with the insurance proceeds received or to be received, will enable said Insurance Trustee to completely pay for the repair, replacement or reconstruction of any loss or damage. The monies to be deposited by the Association with the Insurance Trustee, in said latter event, may be paid by the Association out of its Reserve for Replacement Fund, and if the amount in such Reserve for Replacement Fund is not sufficient, or if the Board of Directors determines not to use such Fund for said purpose, then the Association shall levy and collect the assessment against the Owners of all Units in an amount which shall provide the funds required to pay for said repair, replacement or reconstruction.

In the event of the loss of or damage to Common Elements and any Unit, which loss or damage is covered by the fire and casualty insurance, the proceeds paid to the Insurance Trustee to cover such loss or damage shall be first applied to the repair, replacement or reconstruction of Common Elements, and then any remaining insurance proceeds shall be applied to the repair, replacement or reconstruction of any Unit which may have sustained any loss or damage so covered. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of the Common Elements and the Units sustaining any loss or damage, then such excess insurance proceeds shall be paid and distributed by the Insurance Trustee to the Owners of all Units, and to their mortgagees, as their respective interests may appear. Such distributions are to be made in the manner and in the proportions as are provided herein. If it appears that the insurance proceeds covering the fire and casualty loss or damage payable to the Insurance Trustee are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be sufficient, then the Board of Directors of the Association shall, based on reliable and detailed estimates obtained by it from competent and qualified parties, determine and allocate the cost of repair, replacement or reconstruction between the Common Elements and the Units sustaining any loss or damage. If the proceeds of said fire and casualty insurance are sufficient to pay for the repair, replacement or reconstruction of any loss of or damage to the Common Elements, but not be sufficient to repair, replace or reconstruct any loss of or damage to any Units, then the Association shall levy and collect an assessment from the Owner of the Unit sustaining any loss or damage, and the assessment so collected from said Owner shall be deposited with said Insurance Trustee so that the sum on deposit with said Insurance Trustee shall be sufficient to completely pay for the repair, replacement or reconstruction of all Common Elements and Units. In said latter event, the assessment to be levied and collected from the Owner of each Unit sustaining loss or damage shall be apportioned between such Owners in such manner that the assessment levied against each Owner of a Unit and his Unit shall bear the same proportion to the total assessment levied against all of the said Owners of Units sustaining loss or damage as does the cost of repair, replacement or reconstruction of each Owner's Unit bears to the cost applicable to all of said Units sustaining loss or damage. If the fire and casualty insurance proceeds payable to the Insurance Trustee in the event of the loss of or damage to Common Elements and Units is not in an amount which will pay for the complete repair, replacement or reconstruction of the Common Elements, it being recognized that such insurance proceeds are to be first applied to payment for repair, replacement or reconstruction of said Common Elements before being applied to the repair, replacement or reconstruction of a Unit, then the cost to repair, replace or reconstruct said Common

Elements in excess of available fire and casualty insurance proceeds shall be levied and collected as an assessment from all of the Owners of all Units in the same manner as would be levied and collected had the loss or damage sustained been solely to Common Elements and the fire and casualty insurance proceeds been not sufficient to cover the cost of repair, replacement or reconstruction. The cost of repair, replacement or reconstruction of each Unit sustaining loss or damage shall then be levied and collected by assessment of the Owners of Units sustaining the loss or damage in the same manner as is above provided for the apportionment of such assessment between the Owners of Units sustaining such loss or damage.

In the event of loss of or damage to property covered by such fire and casualty insurance, the Association shall, within sixty (60) days after any such occurrence, obtain reliable and detailed estimates of the cost of restoring damaged property to a condition as good as that which prevailed before such loss or damage. Such estimates are to contain and include the cost of any professional fees and premiums for such bonds as the Board of Directors of the Association may deem to be in the best interests of the membership of said Association. Whenever it shall appear that the insurance proceeds payable for such loss or damage will not be sufficient to defray the cost of repair, replacement or reconstruction thereof, the additional monies required to completely pay for such repair, replacement or reconstruction of said loss or damage, whether to be paid by all of the Owners of Units or only by the Owners of Units sustaining loss or damage, or both, shall be deposited with said Insurance Trustee not later than thirty (30) days from the date on which said Insurance Trustee shall receive the monies payable under the policies of fire and casualty insurance.

In the event of the loss of or damage to personal property belonging to the Association, the insurance proceeds, when received by the Insurance Trustee, shall be paid to the Association. Should the Board of Directors of the Association determine not to replace lost or damaged property constituting a portion of the Common Elements, the insurance proceeds received by the Insurance Trustee shall be paid to Owners of Units and their respective mortgagees, as their interests may appear, in the manner and in the proportions herein provided for the distribution of excess insurance proceeds.

Contracts for repair, replacement or reconstruction of loss or damage shall be let by the Board of Directors in the name of the Association and said Board of Directors shall authorize payments to be made thereunder by the Insurance Trustee. The Board of Directors may enter into such agreements with the Insurance Trustee as it may deem in the best interests of the Association for the purpose of effectuating the intent hereof.

Any and all of the above stated or any other insurance including re-insurance placed or contracted for by the Association must be placed with an Insurer licensed and authorized to do business in the State of Florida, which maintains a licensed Agent in the State of Florida.

#### ARTICLE XIV

#### EASEMENTS

1. The Units and Common Elements shall be, and the same are hereby declared to be, subject to the restrictions, easements, conditions and covenants prescribed and established in the Condominium Documents governing the use of said Units and Common Elements and setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the Common Elements. Said Units and Common Elements are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the real property and improvements of the Condominium.



2. Utility Easements are reserved throughout the whole of the Condominium Property, including Units, as may be required for utility services, in order to adequately serve the Condominium, provided, however, such easements through a Unit shall be only in accordance with the plans and specifications of the Condominium Property, or as the building is constructed, unless changes thereto are approved in writing by the Unit Owner.

3. The Common Elements shall be, and the same are hereby declared to be, subject to perpetual non-exclusive easements of way over all roads and walkways in favor of all Unit Owners, for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended for the enjoyment of said Unit Owners, but subject to all restrictions in the Condominium Documents.

4. In the event that any Unit shall encroach upon any Common Element for any reason not caused by the purposeful or negligent act of the Unit Owner, or agents of such Owner, then an easement appurtenant to such Unit shall exist for the continuance of such encroachment upon the Common Elements, for so long as such encroachment shall naturally exist; and in the event that any portion of the Common Elements shall encroach upon any Unit, then an easement shall exist for the continuance of such encroachment of the Common Elements upon any Unit for so long as such encroachment shall naturally exist.

5. Perpetual easements are reserved over and upon all of the Common Elements of the Condominium for the purpose of non-exclusive use and ingress and egress of the Association, its agents, guests, designees, successors, and assigns for purposes of maintaining and repairing Condominium property and facilities.

## ARTICLE XV

### TERMINATION

Notwithstanding anything to the contrary contained in this Declaration, in the event of fire or other casualty or disaster which shall totally demolish the Condominium, or which shall destroy the Condominium so as to require more than two-thirds (2/3) of said buildings and improvements, as determined by the Board of Directors of the Association, to be reconstructed, then this Declaration of Condominium and the Plan of Condominium Ownership established herein shall terminate, unless seventy percent (70%) of all of the Owners of Units agree that said Condominium shall be reconstructed, or unless any policy of casualty insurance which may cover the damage or destruction of said buildings requires the reconstruction thereof as a condition precedent to the payment of insurance proceeds under such policy, notwithstanding the fact that the Owners of seventy percent (70%) of all Units agree not to reconstruct said buildings. If such policy of casualty insurance requires the same to be reconstructed, this Declaration of Condominium and the Plan of Condominium Ownership established herein shall still be terminated if there exists any regulation or order of any governmental authority having jurisdiction of the property which may then prevent the reconstruction of said Condominium, although nothing herein contained shall be construed as releasing or in any manner changing any obligation which may be owed to the Association, for itself and for the benefit of the Owners of all Units, under any insurance policy then existing.

If, as above provided, this Declaration of Condominium and the Plan of Condominium Ownership established herein is to be terminated, then a Certificate of Resolution of the Board of Directors of the Association to said effect, and notice of the cancellation and termination hereof, shall be executed by the President and Secretary of the Association in recordable form and such instrument shall be recorded in the

Public Records of Okaloosa County, Florida. Upon termination of this Declaration of Condominium and the Plan of Condominium Ownership established herein, all of the Owners of Units shall be and become tenants in common as to ownership of the real property herein described, and any then remaining improvements thereon. The undivided interest in such real property and remaining improvements held by the Owner of each Unit shall be the same as the undivided interest in Common Elements which was formerly appurtenant to such Unit, and the lien of any mortgage or other encumbrance upon each Unit shall attach to the percentage of undivided interest of the Owner of a Unit in the property and then remaining improvements as above provided. Upon termination of this Declaration of Condominium and the Plan of Condominium Ownership established herein, the Owners of all Units still habitable shall, within sixty (60) days from date of recording of said Certificate of Resolution, deliver possession of their respective Units to the Association. Upon such delivery of possession, the Owners of habitable Units and their respective mortgagees as their interests may appear, shall become entitled to participate proportionately together with all Owners of unhabitable Units in the distribution of the proceeds in the possession of the Insurance Trustee. Upon termination of this Declaration of Condominium and the Plan of Condominium Ownership established herein, the Insurance Trustee shall distribute any insurance indemnity which may be due under any policy of casualty insurance to the Owners of the Units and their mortgagees, as their respective interests may appear, such distribution to be made to the Owner of each Unit in accordance with his then undivided interest in the real property and remaining improvements as herein provided. The assets of the Association upon termination of the Plan of Condominium Ownership created hereby shall then be distributed to the Owner of each Unit and his mortgagee, as their respective interests may appear, in the same manner as was above provided for the distribution of any final insurance indemnity.

Except in the event of this Declaration of Condominium and the Plan of Condominium Ownership established herein being terminated as herein provided, this Declaration of Condominium and said Plan of Condominium Ownership may only be otherwise terminated by the unanimous consent of all Owners of all Units and all parties holding mortgages, liens or other encumbrances against any of said Units, in which event, the termination of the Condominium shall be by such plans as may be then adopted by said Owners and parties holding any mortgages, liens or other encumbrances. Such election to terminate this Declaration of Condominium and the Plan of Condominium Ownership established herein shall be executed in writing by all of the aforementioned parties, and such instrument shall be recorded in the Public Records of Okaloosa County, Florida.

## ARTICLE XVI

### PROHIBITION AGAINST SUBDIVIDING OF UNITS: PROHIBITION AGAINST PARTITION OF COMMON ELEMENTS

1. No Unit may be divided or subdivided into a smaller Unit than is shown on Exhibit "C" nor shall any Unit, or portion thereof, be added to or incorporated into any other Unit, except by the express prior written consent of the Board of Directors of the Association.

2. Recognizing that the proper use of a Unit by an Owner is dependent upon the use and enjoyment of the Common Elements in common with Owners of all other Units, and that it is in the interest of all Owners of the Units that the ownership of the Common Elements be retained in common by the Owners of Units, it is declared that the percentage of the undivided interest in the Common Elements appurtenant to each Unit shall remain undivided and no Owner of any Unit shall bring or have any right to bring any action for partition or division thereof.

## ARTICLE XVII

## ASSESSMENTS

1. Liability, Lien and Enforcement: The Association is given the authority to administer the operation and management of the Condominium, it being recognized that the delegation of such duties to one entity is in the best interest of the Owners of all Units. To properly administer the operation and management of the Condominium, the Association will incur costs and expenses for the mutual benefit of all of the Owners of Units, which will be continuing and/or recurring costs, as the case may be, which costs and expenses are sometimes herein referred to as "Common Expenses". To provide the funds necessary for such proper operation, the Association has heretofore been granted the right to make, levy and collect assessments against the Owners of all Units and said Units. In furtherance of said grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation and management of the Condominium, the following provisions shall be effective and binding upon the Owners of all Units.

- A. All assessments levied against the Owners of all Units and said Units shall be uniform and unless specifically otherwise provided for in this Declaration of Condominium, the assessments made by the Association shall be in proportion so that the amount of assessment levied against each Owner of a Unit and his Unit shall bear the same ratio to the total assessment made against all Owners of Units and their Units as does the undivided interest in Common Elements appurtenant to all Units.
- B. The assessment levied against the Owner of each Unit and his Unit shall be payable in quarterly or monthly installments, or in such other installments and at such times as may be determined by the Board of Directors of the Association.
- C. The Board of Directors of the Association shall establish an Annual Budget, in advance, for each fiscal year which shall correspond to the calendar year, and such Budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies, reserves, insurance, etc. Said Budget shall take into account any projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. Upon adoption of such Annual Budget by the Board of Directors of the Association, copies of said Budget shall be delivered to each Unit Owner and the assessment for said year shall be established based upon such Budget, although the failure to deliver a copy of said Budget to each Unit Owner shall not affect the liability of any Unit Owner for such assessment. Should the Board of Directors at any time determine in the sole discretion of said Board of Directors that assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, or in the event of emergencies, the Board of Directors shall have the authority to levy such additional assessments as it shall deem necessary in accordance with the applicable Condominium Document provisions.
- D. All monies collected by the Association shall be treated as the separate property of said Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Condominium, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration of Condominium and Exhibits attached hereto, and as monies for any assessments that are paid to the Association by the

Owner of a Unit, the same may be co-mingled with monies paid to said Association by the other Owners of Units. Although all funds and Common Surplus, including other assets of the Association, and any increments thereto or profits derived therefrom, shall be held for the benefit of the Members of the Association, no Member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Unit. When the Owner of a Unit shall cease to be a Member of the Association by reason of the divestment or loss of his ownership of such Unit, by whatever means, the Association shall not be required to account to such Owner for any share of the funds or assets of the Association, or which may have been paid to said Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of said Association which may be used in the operation and management of the Condominium. Notwithstanding any other provisions of this Declaration to the contrary, monies collected by the Association as special assessments related to any natural disaster may, in the appropriate circumstances as determined by the Board of Directors, be placed in the operating account to pay for routine operating expenses of the Association, and, in the event monies are collected as special assessments in excess of the amount ultimately required for costs associated with any natural disaster, the excess funds may be placed in the reserves, if approved by a majority vote of the Unit Owners at an annual meeting of the Association.

- E. The payment of any assessment or installment thereof due the Association shall be in default if such assessment, or any installment thereof, is not paid to the Association on or before the due date for such payment. When in default, the delinquent assessment or installment thereof due to the Association shall accrue interest at the rate of 18% per annum until such delinquent assessment or installment thereof, plus all accrued interest, is paid and each delinquent installment thereof shall also incur a late fee of \$25.00 or 5%, whichever is greater.
- F. The Owner of each unit shall be personally liable to the Association, jointly and severally, as the case may be, for the payment of all assessments, regular and special, which may be levied by the Association while such party or parties are owners of a unit in the Condominium. In the event that any owner is in default in the payment of any assessment or installment thereof owed to the Association, such owner shall be personally liable, jointly and severally, for late fees and interest accrued on such delinquent installment as above provided, and for all costs of collecting such assessment or installment thereof and interest and late fees thereon, including reasonable attorney's fee, whether suit be brought or not.
- G. No Owner of a Unit may exempt himself from liability for any assessment levied against such Owner and his Unit by waiver of the use of enjoyment of any of the Common Elements, or by abandonment of the Unit, or in any other way.
- H. Recognizing that the necessity for providing proper operation and management of the Condominium entails the continuing payment of costs and expenses therefor, which results in benefit to all the Owners of Units and that the payment of such Common Expenses by the Association is necessary in order to preserve and protect the investment of the Owner and its appurtenant undivided interest in the Common Elements, said lien shall secure and does secure the monies due for all assessments now or hereafter levied against the Owner of each Unit, which lien shall also secure interest and late fees, if any, which may be due

on the amount of any delinquent assessments or installments thereof owing the Association. Said lien shall also secure all costs and expenses, including a reasonable attorney's fee incurred by the Association in enforcing this lien upon said Unit and its appurtenant undivided interest in the Common Elements. The lien granted to the Association may be foreclosed in the same manner as real estate mortgages in the State of Florida. In any suit for the foreclosure of said lien, the Association shall be entitled to rental from the Owner of any Unit from the date on which the payment of any assessment or installment became delinquent and shall be entitled to the appointment of a Receiver for said Unit, without notice to the Owner of such Unit. The rental required to be paid shall be equal to the rental charges on comparable types of Units in the Condominium or in Condominium Units in Okaloosa County, Florida. The lien granted to the Association shall further secure such advances for taxes and payment on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at the maximum legal rate on any such advances made for such purpose. All persons, firms, or corporations who shall acquire, by whatever means, any interest in the Ownership of any Unit, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien rights granted to the Association and shall acquire such interest in any Unit expressly subject to such lien.

- I. The lien herein granted to the Association shall be effective from and after the time of recording in the Public Records of Okaloosa County, Florida, a claim of lien stating the description of the Unit encumbered thereby, the name of the record Owner, the amount due, the date when due, and the lien shall continue in effect until all sums secured by said lien, as herein provided, shall have been fully paid. Such claims of lien shall secure assessments due when the claim of lien is recorded, any assessments that become due after the claim of lien is recorded, plus interest, late fees, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record at the Unit Owner's cost. The claim of lien filed by the Association shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of recording of the Association's claim of lien. The Association's claim of lien for collection of such portion of any Tax or Special Assessment shall specifically designate that the same secures an assessment levied pursuant to Article XVII of this Declaration of Condominium.

A Unit Owner, regardless of how his or her title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments which come due while he or she is the Unit Owner. Additionally, a Unit Owner is jointly and severally liable with the previous Owner for all unpaid assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the Owner may have to recover from the previous Owner the amounts paid by the Owner.

The liability of a first mortgagee or its successor or assignees who acquire title to a unit by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due prior to the mortgagee's acquisition of title is limited to the lesser of:

The Condominium Unit's unpaid common expenses and regular periodic assessments which accrued or came due during the 6 months immediately preceding the acquisition of title and for which payment in full has not been received by the Association;  
or

One percent of the original mortgage debt. The provisions of this paragraph apply only if the first mortgagee joined the Association as a defendant in the foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the mortgagee.

Notwithstanding the foregoing provisions, a first mortgagee or its successor or assignees who acquire title to a Condominium Unit as a result of the foreclosure of the mortgage or by deed in lieu of foreclosure of the mortgage shall be exempt from liability for all unpaid assessments attributable to the parcel or chargeable to the previous Owner which came due prior to acquisition of title if the first mortgage was recorded prior to April 1, 1992.

Any such person, firm or corporation acquiring title to any Unit and its appurtenant undivided interest in the Common Elements by virtue of any foreclosure or judicial sale shall acquire title subject to the lien of any assessment by the Association representing a prorated apportionment of Taxes or Special Assessment levied by taxing authorities against the Condominium in its entirety. In the event of the acquisition of title to a Unit by foreclosure or judicial sale, any assessments to which the party so acquiring title shall not be liable, shall be absorbed and paid by all Owners of all Units as part of the Common Expenses, although nothing herein contained shall be construed as releasing any party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure. When a first mortgagee obtains, by any means, title to Unit, said mortgagee is liable for payments of Common Expenses during period of Ownership.

- J. Whenever any Unit may be leased, sold or mortgaged by the Owner thereof, which lease or sale shall be concluded only upon compliance with other provisions of this Declaration of Condominium, the Association upon written request of the Owner of such Unit, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by the Owner of such Unit. Such statement shall be executed by an officer or agent of the Association. Any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction and the Association shall be bound by such statement.

In the event that a Unit is to be leased, sold or mortgaged when payment of any assessment against the Owner of said Unit and such Unit is due the Association is in default, whether or not a claim of lien has been recorded by the Association, the rent, proceeds of purchase or mortgage proceeds shall first be applied by the lessee, purchaser or mortgagee to payment of any delinquent assessment or installment due the Association before application to the payment of any rent, proceeds of purchase or mortgage proceeds.

In any voluntary conveyance of a Unit, the Grantee shall be jointly and severally liable with Grantor for all unpaid assessments against Grantor made prior to the time of such voluntary conveyance, without prejudice to the rights of Grantee to recover from Grantor the amounts paid by Grantee therefor.

Institution of a suit at law to attempt to effect collection of payment of any delinquent assessment shall not be deemed to be an election by the Association which shall prevent its thereafter seeking enforcement of the collection by foreclosure of any sums remaining owing to it. Nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of a suit at law to attempt to effect collection of any sum then remaining owing to it.

- K. The current (2006) Projected Estimated Annual Maintenance Budget for Holiday Surf and Racquet Club is attached to these Condominium Documents as Exhibit "G".

2. Apportionment of Tax or Special Assessment if Levied and Assessed Against Holiday Surf and Racquet Club as a Whole: In the event that any taxing authority having jurisdiction over the Condominium shall levy or assess any Tax or Special Assessment against the Condominium, as a whole as opposed to levying and assessing such Tax or Special Assessment against a Unit and its appurtenant undivided interest in the Common Elements, as now provided by law, then such Tax or Special Assessment levied shall be paid as a Common Expense by the Association, and any Tax or Special Assessment which is to be levied shall be included, wherever possible, in the estimated Annual Budget of the Association, or shall be separately levied and collected as an assessment by the Association against all of the Owners of all Units and said Units if not included in the Annual Budget. The amount of any Tax or Special Assessment paid or to be paid by the Association in the event that such Tax or Special Assessment is levied against the Condominium as a whole, instead of against each Unit and its appurtenant undivided interest in the Common Elements, shall be apportioned among the Owners of all Units so that the amount of such Tax or Special Assessment so paid or to be paid by the Association and attributable to and to be paid by the Owners of each Unit shall be that portion of such total Tax or Special Assessment which bears the same ratio to said Tax or Special Assessment as the undivided interest in the Common Elements appurtenant to each Unit bears to the total undivided interest in Common Elements appurtenant to all Units. In the event that any Tax or Special Assessment shall be levied against the Condominium in its entirety, without apportionment by the taxing authority to the Unit and its appurtenant undivided interest in the Common Elements, the assessment by the Association, which shall include the proportionate share of such Tax or Special Assessment attributable to each Unit and its appurtenant undivided interest in the Common Elements, shall separately specify and identify the amount of such assessment attributable to such Tax or Special Assessment. The amount of such Tax or Special Assessment so designated shall be and constitute a lien prior to all mortgages, other than Institutional First and Second Mortgages, and encumbrances upon any Unit and its appurtenant undivided interest in the Common Elements, regardless of the date of the attachment and/or recording of such mortgage or encumbrance, to the same extent as though such Tax or Special Assessment had been separately levied by the taxing authority upon each Unit and its appurtenant undivided interest in the Common Elements.

All personal property taxes levied or assessed against personal property owned by the Association shall be paid by such Association and shall be included as a Common Expense in the Annual Budget of the Association.

## ARTICLE XVIII

### REMEDIES IN EVENT OF DEFAULT

The Owner of each Condominium Unit shall be governed by and shall comply with the provisions of the Condominium Documents as any of the same are now constituted or as they may be amended from time to time. A default by the Owner of any Condominium Unit shall entitle the Association or the Owners of other Condominium Units to the following relief:

1. Failure to comply with any of the terms of the Condominium Documents as they may be amended shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien, fine and/or suspension of membership in the Association, or any combination thereof. Such relief may be sought by the Association or, if appropriate, by an aggrieved Owner of a Condominium Unit.

2. The Owner of each Condominium Unit shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Condominium Unit or its appurtenances. However, nothing herein contained shall be construed to modify any waiver by insurance companies or rights of subrogation.

3. In any proceeding arising because of an alleged default by the Owner of any Condominium Unit, the Association, if successful, shall be entitled to recover the costs of the proceeding, and such reasonable attorney's fees as may be determined by the Court.

4. The failure of the Association or of the Owner of a Condominium Unit to enforce any right, provision, covenant or condition which may be granted by this Declaration of Condominium or other above mentioned documents shall not constitute a waiver of the right of the Association or of the Owner of a Condominium Unit to enforce such right, provision, covenant or condition in the future.

5. All rights, remedies and privileges granted to the Association or the Owner of a Condominium Unit pursuant to any terms, provisions, covenants or conditions of these Condominium Documents, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

6. The failure of the Association to enforce any right, privilege, covenant or condition which may be granted to it by these Condominium Documents shall not constitute a waiver of its right to thereafter enforce such right, provisions, covenant or condition in the future.

7. The failure of an Institutional Lender, as said term is defined herein, to enforce any right, provision, privilege, covenant or condition which may be granted or reserved to it by these Condominium Documents, shall not constitute a waiver of the right of said party to thereafter enforce such right, privilege, covenant or condition in the future.



ARTICLE XIX

NOTICE TO THIRD PARTIES

All natural persons, corporations and other business associations who shall acquire, by whatever means, any interest in the Ownership of any Condominium Unit, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of all rights granted and/or reserved unto the Association and/or Holiday Surf and Racquet Club and other rights and restrictions contained under the provisions of the Condominium Documents, and shall acquire such interest in any Condominium Unit expressly subject thereto.

ARTICLE XX

SUBLEASING OF UNITS

Each Unit may be subleased by the Owner provided that the form of lease provided by the Association is executed by the parties. Use of any other lease is hereby prohibited and if used will convey no interest and will be null and void.

The lease will contain, among other things, a minimum term and provision that the sublessee will abide by this Declaration of Condominium, the Rules and Regulations of the Association and all other Condominium Documents and that the Owner will remain personally liable for payment of all fees set forth in the Condominium Documents.

ARTICLE XXI

DECLARATION OF CONDOMINIUM BINDING UPON  
FIRST AND SUBSEQUENT UNIT OWNERS

Except as specifically exempted herein, the restrictions and burdens imposed by the covenants of this Declaration of Condominium are intended to and shall constitute covenants running with the land and shall constitute an equitable servitude upon each Unit and its appurtenant undivided interest in the Common Elements and Limited Common Elements and this Declaration of Condominium shall be binding upon all Owners and all parties who may subsequently become Owners of Units in Holiday Surf and Racquet Club, their respective heirs, legal representatives, successors and assigns. The Insurance Provisions of Article XIII and Article XXIII shall not be amended without approval of the Institutional Lender having the greatest amount of money outstanding and secured by mortgages on Units in Holiday Surf and Racquet Club.

ARTICLE XXII

RIGHT OF KAZET, INC. TO REPRESENTATION ON  
BOARD OF DIRECTORS OF ASSOCIATION

[INTENTIONALLY DELETED]

## ARTICLE XXIII

## REGISTRATION AND RIGHTS OF MORTGAGEES

1. The Association is to Maintain Registry of Owners and Mortgagees: The Association shall at all times maintain a Registry setting forth the name of the Owners of all the Units, and, in the event of the sale, transfer or encumbrance by mortgage of any Unit to a third party, the purchaser, transferee or mortgagee shall notify the Association in writing of his interest in such Unit together with such recording information as shall be pertinent to identify the partial sublease, other instrument of conveyance or mortgage lien. The holder of any mortgage lien upon any Unit may notify the Association of the existence of any mortgage lien held by such party on any Unit and upon receipt of such notice the Association shall register in its records all pertinent information pertaining to the same.

2. Rights Reserved Unto Institutional Lenders: The Institutional Lender having the greatest amount of money outstanding and secured by mortgages on Units in Holiday Surf and Racquet Club shall have the following rights, to wit:

- A. To approve the company or companies (licensed to do business in the State of Florida) with which casualty insurance is placed and the amount of such casualty insurance carried by the Association;
- B. To approve the Insurance Trustee and agent to be located in Okaloosa County;
- C. To be furnished with at least one copy of the Annual Financial Statement and Report of the Association prepared by Certified Public Accountants designated by the Association, including a detailed statement of annual carrying charges or income collected and operating expenses. Such Financial Statement and Report is to be furnished on or before May 1<sup>st</sup> of each year;
- D. To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed Amendment to this Declaration of Condominium, or the Articles of Incorporation and By-Laws of the Association, which notice shall state the nature of the Amendment being proposed;
- E. To be given notice of default of any member owning any Unit encumbered by a mortgage. Such notice is to be given in writing and to be sent to the principal office of such Institutional Lender or to the place which it may designate in writing to the Association.

Whenever any Institutional Lender desires Section 2 (C), (D) or (E) of the provisions of this Article XXIII to be applicable to it, it shall serve written notice of such fact upon the Association, by Registered or Certified Mail, addressed to the Association, and actually mailed to its address stated herein, identifying the Unit upon which it holds a mortgage or identifying any Units owned by it, together with sufficient pertinent facts to identify any mortgage which may be held by it. Said notice shall designate the place to which notices are to be given by the Association to such Institutional Lender.

ARTICLE XXIV

SIGNS, RENTAL PROGRAM & BROKERAGE

No "Sold" or "For Sale" or "For Rent" signs or other advertising shall be maintained or permitted on Condominium Units.

The Association, consistent with its historical operation thereof, is authorized to own and operate a Rental Program for the rental and management of Condominium Units of Unit Owners voluntarily participating in the program, the terms and operation of which Rental Program shall be governed by the By-Laws of the Association.

The Association is also authorized, as otherwise permitted and regulated by law, to conduct real estate brokerage activities and earn commissions on behalf of the Association. The net revenues received by the Association in the form of brokerage fees and commissions shall be applied to and accounted for in the operating budget of the Association, which funds shall be used for the benefit of all Unit Owners.

ARTICLE XXV

ASSIGNMENT OF PARKING SPACE

Parking spaces with respect to the Condominium shall be considered common elements for the use and benefit of all Unit Owners and shall be used on a first come, first served basis.

The effective date of this Amended And Restated Declaration Of Condominium shall be September 22, 2006. The undersigned hereby certify that this Amended And Restated Declaration Of Condominium was duly adopted and approved by a majority vote (66%) of the membership and a unanimous vote of the Board of Directors.

HOLIDAY SURF AND RACQUET CLUB  
CONDOMINIUM ASSOCIATION, INC.

(CORPORATE SEAL)

By: Max Shook  
Max Shook, President

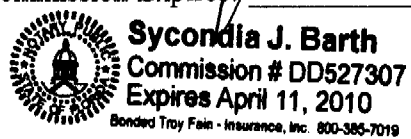
Attest: Mary Jo Morton  
Mary Jo Morton, Secretary

STATE OF FLORIDA  
COUNTY OF OKALOOSA

BEFORE ME, the undersigned authority, personally appeared Max Shook, President, and Mary Jo Morton, Secretary, who each acknowledged before me that they as officers of said corporation, executed this Amended And Restated Declaration of Condominium and affixed seal of said corporation and that the same is the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at said County and State, the 22<sup>nd</sup> day of Sept., 2006.

Sycondia J. Barth  
Notary Public State of Florida  
My Commission Expires: \_\_\_\_\_



**DECLARATION OF CONDOMINIUM**

**SCHEDULE OF EXHIBITS**

**EXHIBIT A - Legal Description of Condominium Property**

- (1) Lease Agreement - Okaloosa Island Authority
- (2) Amendment to Lease
- (3) Lease Agreement
- (4) Amendment to Lease Agreement
- (5) Assignment of Lease
- (6) Assignment of Lease
- (7) Assignment
- (8) Sublease
- (9) Assignment
- (10) Assignment
- (11) Assignment

**EXHIBIT B - Units Identified and Designed (as previously amended)**

**EXHIBIT C - Percentage of Interest (as previously amended)**

**EXHIBIT D - Restated Articles of Incorporation (as amended)**

**EXHIBIT E - By-Laws (as currently amended)**

**EXHIBIT F - Rules and Regulations (as currently amended)**

**EXHIBIT G - Estimated Operating Budget (current/2006)**

EXHIBIT A - Legal Description of Condominium Property

- (1) Lease Agreement - Okaloosa Island Authority
- (2) Amendment to Lease
- (3) Lease Agreement
- (4) Amendment to Lease Agreement
- (5) Assignment of Lease
- (6) Assignment of Lease
- (7) Assignment
- (8) Sublease
- (9) Assignment
- (10) Assignment
- (11) Assignment

EXHIBIT "A"

Commencing at the Northwest corner of Lot 13, Block B, Holiday Isle Residential Section No. 3, Plat Book 4, Page 20, Okaloosa County, Florida, proceed S-88°44'W 950 feet along Gulf Shore Drive to POB, thence continue S-88°44'W 316 feet to PC, thence continue Westerly along Gulf Shore Drive 105.58 feet along a curve of 905 foot radius deflecting right, thence S-1°16'E 486 feet to a point marking Gulf of Mexico, thence meander the Gulf N-82°58'E 423.5 feet, thence N-1°16'W 437.25 feet to the POB.

LEASE AGREEMENT  
OKALOOSA ISLAND AUTHORITY,  
STATE OF FLORIDA  
OKALOOSA COUNTY

EXHIBIT "A" (1)

BOOK 799 PAGE 24

OFFICIAL RECORDS

This lease agreement entered into by and between Okaloosa Island Authority, hereinafter call the Authority, and C.B.S. Development Corporation, a Corporation hereinafter called Lessee, WITNESSETH:

1. The Authority does hereby grant, demise and lease unto the Lessee in consideration of the covenants and agreements herein contained, certain property in Okaloosa County, Florida, describe as follows:

All that portion of land which formerly comprised Santa Rosa Island East of the present East Pass and West of dividing line between said property and the property of B.M. Henderson, Trustee, less the North-Westerly 1600 feet dedicated for public park purposes.

to have and to hold the above described property unto the Lessee, its successors and assigns, for and during the term of ninety-nine years, subject however, to the limitations and conditions contained in the following: (A) Act of July 2, 1948, (62 Stat. 1229) as amended by the Act of October 26, 1949, (Public Law 395 of the 81st Congress); (B) Conveyance from the United States of America to Okaloosa County, Florida, recorded in Deed Book 63 at page 312, et seq; (C) Chapter 29336, Laws of Florida, Acts of 1953, and amendments thereto.

2. Lessee hereby agrees to pay to the Authority an annual rental of 1% of all gross receipt of a nature derived from the property for a period of 20 years of the term hereof and 2% of said gross receipts per annum for the remaining term hereof, said amounts to be paid in the month of February of each year for the preceeding year.

3. It has been determined by the Authority that the nature of the land hereby leased does not permit the development in the same manner as other properties of the Authority and the Authority does hereby disclaim any right, authority or privilege to plan, control, supervise, or in any manner interfere with the development of said property by the Lessee. The Authority has no responsibility or obligation for the construction of roads, utilities or grading of land.

4. The Authority further covenants and agrees that if the Lessee shall pay the rent as herein provided and shall keep, observe and perform all of the other covenants of this lease to be kept, observed and performed by the Lessee, the Lessee shall peaceably and quietly have, hold and enjoy the said premises for the term aforesaid.

5. In the case any portion of the rental remains unpaid for the space of 90 days after the time of payment herein set out or in case the Lessee shall default in the performance of or breach any the other covenants, conditions, terms and provisions of the lease and shall continue in such non payment, default or breach after 90 days notice in writing from the Authority then the Authority any such event may declare this lease terminated subject to the provision contained in Paragraph hereof. Provided that in cases where Federal Agencies have an interest in the leasehold estate by reason of insuring or guaranteeing a loan thereon, or otherwise, this lease may not be forfeited terminated for any breach or default other than non-payment of rents attributable to the use and occupancy of land. In the event it shall become necessary for the Authority to retain the service of an attorney in order to enforce any of the provisions of this lease, or to effect any collection of the sums due hereunder, Lessee agrees to pay a reasonable attorney's fee in addition to any of amounts determined to be due to the Authority.

6. Upon the expiration or sooner termination of this lease, Lessee shall be allowed a period of days in which to remove all of his property, including such furnishings and fixtures installed by the Lessee as may be removed without injury to the land and improvements and Lessee shall surrender possession of land and improvements in as good state and condition as reasonable use and wear will permit.

7. The failure, or successive failures on the part of the Authority, to enforce any covenant or agreement, or, no waiver or successive waivers, on its part of any condition, agreement or covenants herein shall operate as a discharge thereof or render the same invalid, or impair the right of the Authority to enforce the same in event of any subsequent breach or breaches. The acceptance of rent by the Authority shall not be deemed a waiver by it of any earlier breach by the Lessee, except as to such covenants and conditions as may relate to the rent so accepted.

8. Each and every of the conditions, covenants and agreements herein contained shall be obligated upon and inure to the benefit of the successors and assigns of the parties hereto, and this lease may be assigned, mortgages, pledged, or transferred without notice to the Authority.

9. It is expressly agreed and understood that all leases upon said property heretofore entered into by and between the parties hereto, or any prior leases which have been assigned to Lessee are hereby cancelled and annulled, however, this lease shall not be construed to interfere with or amend or

contract rights of third parties having dealt with the Lessee, and this lease agreement shall and does constitute the lease agreement between the parties hereto.

10. This property shall be subject to taxes legally levied by Okaloosa County under same conditions as any other property of the Authority.

11. In the event Lessee shall fully perform all the terms, provisions and conditions on his part to be performed for the full terms of this lease, Lessee shall have the right and privilege at his election to renew this lease for a further term of 99 years, by giving the Authority written notice of such election to renew not later than 6 months prior to the expiration of the original term. Such renewal shall be on the like covenants, provisions and conditions as are in this lease contained, including an option for further renewals.

12. The Lessee shall dedicate to Okaloosa County a right of way at least 25 feet in width extending from the dividing line between said property and the property of B.M. Henderson, to dividing line of the West 1600 feet heretofore dedicated for public works.

IN WITNESS WHEREOF, this lease is executed in duplicate on this 9th day of September, 1961.

OKALOOSA ISLAND AUTHORITY

ATTEST

James E. Miller  
Secretary

Secretary

By: J. D. Wingard  
Chairman

C. B. S. DEVELOPMENT CORPORATION  
A Corporation

By: Norman A. Brooks, Pres.



STATE OF FLORIDA  
COUNTY OF OKALOOSA

BEFORE ME the undersigned authority, personally appeared J. D. WINGARD, well known to me and known to me to be the Chairman of the Okaloosa Island Authority, and he acknowledged that he executed the foregoing instrument for and in the name of said Authority, as its Chairman, and caused its seal to be thereto affixed, pursuant to due and legal action of said Authority, authorizing him so to do.

Witness my hand and official seal this 9th day of September 1961, at Fort Walton Beach, Okaloosa County, Florida.

My Commission Expires: 3-14-64

\_\_\_\_\_  
Notary Public, State of Florida  
at Large

STATE OF FLORIDA  
COUNTY OF OKALOOSA

I HEREBY CERTIFY that on this day, before me an officer duly authorized in the State and County aforesaid to take acknowledgment, personally appeared Newman C. Brackin and B. H. Cox, well known to me to be the President and Secretary respectively of C.B.S. Development Corporation a Corporation, and that they severally acknowledged executing the same in the presence of two subscribing witnesses freely and voluntarily under authority duly vested in them by said corporation and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 9th day of September, A.D. 1961.

\_\_\_\_\_  
Notary Public, State of Florida  
at Large

My Commission Expires: 2/5/65

## EXHIBIT "A" (2)

## AMENDMENT TO LEASE

BOOK 790 PAGE 27  
OFFICIAL RECORDSOKALOOSA ISLAND AUTHORITY  
STATE OF FLORIDA  
OKALOOSA COUNTY

This agreement entered into by and between Okaloosa Island Authority, hereinafter called the Authority, and C.B.S. Development Corporation, hereinafter called Lessee, witness - whereas certain changes in lease dated September 9, 1961, and appearing of record in Official Record Book 209, Page 123, records of Okaloosa County, Florida, are necessary to enable Lessee or its assignee to obtain mortgage financing for the construction of dwellings on residential lots, including the requirements of the Federal Housing Administration, and whereas the parties hereto consent and agree to such changes, now therefore it is mutually agreed, as follows:

1. That paragraph 2 of that certain lease agreement dated September 9, 1961, and appearing of record in Official Record Book 209, Page 123, records of Okaloosa County, Florida, be deleted therefrom and the following paragraph substituted therefor:

2. Lessee hereby agrees to pay to the Authority an annual rental of 1% of all gross receipts of any nature derived from the property for a period of 20 years of the term hereof and 2% of said gross receipts per annum for the remaining term hereof, said amounts to be paid in the month of February of each year for the preceding year, provided that in the event a part of the property above-described is sub-divided by the lessee for use as residential property, from the annual receipts actually received by the lessee an amount equal to 1% of the annual rent so paid to it. Amounts payable hereunder as to any residential property shall be determined by an annual audit of the books of the lessee and all payments made to lessee by an assignee-lessee or the holder of any mortgage covering the interest of an Assignee-Lessee shall be deemed to be paid in full satisfaction of the obligation of such Assignee-Lessee, and it is agreed that the authority shall have no right to terminate the interest of such Assignee-Lessee under and by virtue of any of the terms hereof as long as payments are made to Lessee. No termination in any event shall be effective as to the Federal Housing Administration, Veterans Administration, or the holder of any mortgage shall be made without written notice thereof, mailed to said parties at least ninety days before such termination.

2. That paragraph 3 of that certain lease agreement dated September 9, 1961 and appearing of record in Official Record Book 209, Page 123, records of Okaloosa County, Florida; and the following paragraph substituted therefor:

3. It has been determined by the Authority that the nature of the land hereby leased does not permit the development in the same manner as other properties of the Authority and the Authority does hereby disclaim any right, authority or privilege to plan, control, supervise, or in any manner interfere with the development of said property by the Lessee. The Authority has no responsibility or obligation for the construction of roads, utilities or grading of land. The C.B.S. Corporation, Lessee hereunder, is granted the right and authority to fully develop the leased property, including authority to subdivide certain areas into residential lots and authority to grant to an Assignee-Lessee, by assignment or otherwise, a leasehold interest in any residential lot, to run concurrently with the term granted hereunder, plus the period of any renewal of the term as provided herein, and with authority to fix the terms and conditions of the leasehold interest of the said Assignee-Lessee. The authority granted to the Lessee hereunder shall include the right to provide for the construction of roads, utilities and other necessary actions to fully develop the use of the demised premises, including also authority to issue and record subdivision plats area zone map or maps, protective covenants and restrictions.

3. That paragraph 5 of that certain lease agreement dated September 9, 1961, and appearing of record in Official Record Book 209, Page 123, records of Okaloosa County, Florida, be deleted therefrom and the following paragraph substituted therefor:

5. In the case any portion of the rental remains unpaid for the space of 90 days after the time of payment herein set out or in case the lessee shall default in the performance of or breach any of the other covenants, conditions, terms and provisions of this lease and shall continue in such non-payment, default or breach after 90 days notice in writing from the Authority then the Authority in any such event may declare this lease terminated subject to the provision contained herein. Provided that in cases where Federal Agencies have an interest in the leasehold estate by reason of insuring or guaranteeing a loan thereon, or otherwise, this lease may not be forfeited or terminated for any breach or default other than non-payment of rents attributable to the use and occupancy of land. In the event it

BOOK 799 PAGE 28

OFFICIAL RECORDS

shall become necessary for the Authority to retain the services of an attorney in order to enforce any of the provisions of this lease, or to effect any collection of the sums due hereunder, Lessee agrees to pay a reasonable attorney's fee in addition to any other amount determined to be due to the Authority. It is agreed, however, that this paragraph shall be inapplicable to any payments due on account of any residential lot where the rental is paid pursuant to paragraph 1 of the amendment hereof.

4. That said agreement dated September 9, 1961, except as modified herein, shall remain in full force and effect.

IN WITNESS WHEREOF, this lease is executed in duplicate on this 23rd day of August, 1962.

ATTEST:

OKALOOSA ISLAND AUTHORITY

James E. Miller  
Secretary

J. D. Wingard  
Chairman

B. H. Cox  
Secretary

C.B.S. DEVELOPMENT CORPORATION  
A Corporation

BY: Newman C. Brackin

STATE OF FLORIDA )  
 )  
 COUNTY OF OKALOOSA )

EXHIBIT "A" (3) BOOK 799 PAGE 29 LEASE AGREEMENT

OFFICIAL RECORDS

THIS LEASE AGREEMENT entered into by and between C.B.S. DEVELOPMENT CORPORATION, a Florida corporation, herein called the Lessor, and WHITE SANDS INVESTMENT CORP., a Florida corporation, herein called the Lessee;

WHEREAS, the C.B.S. DEVELOPMENT CORPORATION, a party of the first part, is the Lessee under a certain master ground lease dated September 9, 1961 and recorded on September 11, 1961 among the land records of Okaloosa County, Florida, in Official Record Book 209, Page 123, and amendment thereto dated August 23, 1962 in Official Record Book 244, Page 348, one of the provisions of which authorizes the party of the first part without approval of the Lessor therein to execute this Assignee-Lease Agreement for a term concurrent with the term granted to the party of the first part under the aforesaid lease; and

WHEREAS, the party of the first part, by its execution of this Lease Agreement, certifies that all of the provisions of said master lease are in full force and effect at this date and that it will comply with all the provisions thereof required to be performed on its part in order that rights of the Assignee-Lessee hereunder or the holder of any mortgage, to the use and occupancy of the hereinafter described property will not be impaired by reason of any action of the party of the first part;

1. The Lessor does hereby grant, demise and lease to the Lessee, in consideration of the rent and covenants herein reserved and contained, certain property on Santa Rosa Island, in Okaloosa County, Florida, described as follows:

Lot 2, Block "A", Holiday Isle, Residential Section No. 1, according to plat thereof recorded in Plat Book 3, Page 48;

Lot 15, Block "E", Holiday Isle, Residential Section No. 2, according to plat thereof recorded in Plat Book 3, Page 57;

Lot 3, Block "B", Holiday Isle, Residential Section No. 3, according to plat thereof recorded in Plat Book 4, Page 20;

Lot 8, Block "D", and Lot 76, Block "E", Holiday Isle, Residential Section No. 4, according to plat thereof recorded in Plat Book 4, Page 29;

That unnumbered lot in Block "D" of Holiday Isle, Residential Section No. 4, according to plat thereof recorded in Plat Book 4, Page 29, which unnumbered lot is more particularly described as follows: Beginning at the Southeast corner of Lot 5, Block "D" of said plat; thence North along the East line of Lots 5 and 6 of said Block "D" to the Northeast corner of Lot 6; thence Easterly along the South line of Lots 7 and 8 and 1 of said Block to the Northwest corner of Lot 2; thence South along the West line of said Lot 2 to the Southwest corner of said Lot 2; thence West along the North line of Lot 4, 100' to the Northwest corner of said Lot 4; thence South along the West line of said Lot 4 to the South line of said Block; thence West 57' to the Point of Beginning; all lying within Block "D" of said plat; and

Those two (2) unnumbered lots in Block "F", Holiday Isle, Residential Section No. 5, according to plat thereof recorded in Plat Book 5, Page 39, of the public records of Okaloosa County, Florida, which two (2) lots lie Easterly of Lot 3, Block "F", lying Northerly of Lot 1, Block "E" of Holiday Isle, Residential Section No. 2, according to plat thereof recorded in Plat Book 3, Page 57; which lie Northeasterly of Norriego Road; and which lie Westerly and Southwesterly of the shoreline of Old Pass Lagoon. Said lots are the only two unnumbered lots on said plat of said Holiday Isle, Residential Section No. 5 and should have been described as Lots 1 and 2 thereof.

All of the above plats being of the public records of Okaloosa County, Florida.

PARCEL #1: All of the property leased by C.B.S. Corporation from the Okaloosa Island Authority, by the above described lease, as amended, lying Westerly of a line described as follows:

Commence at the Intersection of the Southerly right-of-way line of Gulf Shore Drive (100' R/W) and the Westerly right-of-way line of Durango Road (66' R/W) as recorded in Holiday Isle Residential Section No. 5 in Plat Book 4, Page 39, of the public records of Okaloosa County, Florida; thence go Northwesterly along said Southerly right-of-way line extended a distance of 34.00 feet to a Point of Beginning; thence go Southwesterly to the Easternmost corner of an easement to the United States Government (where a Jetty has been constructed); thence continue Southwesterly along the most Easterly line of said easement to the Gulf of Mexico for a Point of Ending;

and lying Southerly or Southwesterly of Gulf Shore Drive less and except the easement deeded to the United States Government (where a Jetty has been constructed) and less and except the portion deeded of record to Okaloosa County, Florida, for use as a public park.

**PARCEL #2:** Commence at the Intersection of the Southerly right-of-way line of Gulf Shore Drive (100' R/W) and the Westerly right-of-way line of Durango Road (66' R/W) as recorded in Holiday Isle Residential Section No. 5 in Plat Book 4, Page 39, of the public records of Okaloosa County, Florida; thence go Northwesterly along said Southerly right-of-way line extended a distance of 34.00 feet to the Point of Beginning; thence go Southeasterly (retracing line last run) along said Southerly right-of-way line a distance of 425.40 feet to a Point of Curvature; thence continue Southeasterly along said Southerly right-of-way line and curve to the left, having a radius of 905.00 feet an arc distance of 85.17 feet (CHORD = 85.14 feet,  $I = 5$  degrees 41 minutes 45 seconds from the chord last run to the right of 60 degrees 41 minutes 45 seconds from the chord last run to the Mean-high-water line of the Gulf of Mexico; thence meander Westerly along said Mean-high-water line to a point where it intersects the most Easterly line of an easement granted to the United States Government (where a Jetty has been constructed); thence go Northerly along said easement line to the Easternmost Corner of said easement; thence go Northeasterly to the Point of Beginning.

**PARCEL #3:** All of the property leased by the C.B.S. Corporation from the Okaloosa Island Authority by the above described lease, as amended, that lies Northerly and Westerly of Holiday Isle, Residential Section No. 5, as recorded in Plat Book 4, Page 39, of the public records of Okaloosa County, Florida, and Northerly and Northeasterly of Shore Line Drive, less and except that property deeded to Okaloosa County of record for use as a Public Park, and less and except a parcel described as follows:

Commence at the Northernmost corner of Lot 124, Block "F", Holiday Isle, Residential Section No. 5, as recorded in Plat Book 4, Page 39, of the public records of Okaloosa County, Florida; thence go South 70 degrees 34 minutes West along the Easterly right-of-way line of Durango Road (66' R/W) a distance of 300.00 feet; thence go North 59 degrees 26 minutes West a distance of 66.00 feet to the Westerly right-of-way line of Durango Road and the Point of Beginning; thence continue North 59 degrees 26 minutes West a distance of 20.00 feet; thence go North 8 degrees 26 minutes West a distance of 196.97 feet to the Intersection of a curve; thence go Northeasterly along said curve to the left for an arc distance of 140.33 feet, having a radius of 70.00 feet (Chord = 117.98 feet, Interior Angle = 114 degrees 51 minutes 36 seconds); thence go North 75 degrees 34 minutes East a distance of 192.62 feet to the West right-of-way line of aforesaid Durango Road; thence go South 30 degrees 34 minutes West along said right-of-way a distance of 407.00 feet to the Point of Beginning of this exception.

**PARCEL #4:** Commence at the Northwest corner of Lot 13, Block "B", Holiday Isle, Residential Section No. 3, as recorded in Plat Book 4, Page 20, of the public records of Okaloosa County, Florida; thence go South 88 degrees 34 minutes West along the Southerly right-of-way line of Gulf Shore Drive (100' R/W) a distance of 950.00 feet to the Point of Beginning; thence continue along said right-of-way line a distance of 216.00 feet to a Point of Curvature; thence go along a curve to the right an arc length of 105.58 feet (Chord = 105.52 feet, Chord Bearing = North 88 degrees 05 minutes 28 seconds West); thence go South 01 degrees 26 minutes East a distance of 337 feet more or less to a point on the mean-high-water line of the Gulf of Mexico; thence meander Easterly along said mean-high-water line a distance of 440 feet more or less to a point where it intersects a line passed through the Point of Beginning, having a bearing of South 01 degrees 26 minutes East; thence go North 01 degrees, 26 minutes West a distance of 427 feet more or less to the Point of Beginning.

**PARCEL #5:** Commence at the Northwest corner of Lot 13, Block "B", Holiday Isle, Residential Section No. 3, as recorded in Plat Book 4, Page 20, of the public records of Okaloosa County, Florida; thence go South 88 degrees 34 minutes West along the Southerly right-of-way line of Gulf Shore Drive (100' R/W) a distance of 20 feet to the Point of Beginning; thence continue along said right-of-way line a distance of 95 feet; thence go South 1 degree 26 minutes East a distance of 392 feet more or less to a point on the mean-high-water line of the Gulf of Mexico; thence meander Easterly along said mean-high-water line a distance of 95 feet more or less to a point where it intersects a line passed through the Point of Beginning, having a bearing of South 1 degree 26 minutes East; thence go North 1 degree 26 minutes West a distance of 392 feet more or less to the Point of Beginning.

**PARCEL #6:** Commence at the Northwest corner of Lot 13, Block "B", Holiday Isle, Residential Section No. 3, as recorded in Plat Book 4, Page 20, of the public records of Okaloosa County, Florida; thence go South 88 degrees 34 minutes West along the Southerly right-of-way line of Gulf Shore Drive (100' R/W) a distance of 115 feet to the Point of Beginning; thence continue along said right-of-way line a distance of 95 feet; thence go South 1 degree 26 minutes East a distance of 392 feet more or less to a point on the mean-high-water line of the Gulf of Mexico; thence meander Easterly along said mean-high-water line a distance of 95 feet more or less to a point where it intersects a line passed through the Point of Beginning, having a bearing of South 1 degree 26 minutes East; thence go North 1 degree 26 minutes West a distance of 392 feet more or less to the Point of Beginning.

**PARCEL #7:** Commence at the Southeasterly corner of Lot 96, Block "E", of Holiday Isle, Residential Section No. 4, as recorded in Plat Book 4, Page 63, of the public records of Okaloosa County, Florida;

BOOK 799 PAGE 31

Official Records  
 said point being on the Northeasterly right-of-way line of Lot 19 of Holiday Isle, Residential Section No. 6 (as recorded in Plat Book 4, Page 63, of the public records of Okaloosa County, Florida) go Southeasterly along the aforesaid right-of-way line along a curve to the right with a radius of 383.16 feet for an arc distance of 65.82 feet (Chord Distance = 65.73 feet, Chord Bearing = North 61 degrees 21 minutes 16 seconds West); thence go South 56 degrees 26 minutes East a distance of 71.45 feet to the Northwesterly right-of-way of Moreno Point Road; thence go North 33 degrees 34 minutes East along aforesaid right-of-way of Moreno Point Road a distance of 34.00 feet to a Point of Curvature; thence continue along aforesaid right-of-way by going along a curve to the right having a radius of 783.00 feet an arc distance of 295.51 feet (Chord Distance = 293.44 feet, Chord Bearing = North 44 degrees 22 minutes 43 seconds East) to a point of reverse curvature; thence continue along aforesaid right-of-way by going along a curve to the left having a radius of 167.00 feet an arc distance of 69.30 feet (Chord Distance = 68.33 feet, Chord Bearing = North 43 degrees 23 minutes 9 seconds East); thence go South 58 degrees 36 minutes East a distance of 66.00 feet; thence go South 34 degrees 55 minutes East along the Easterly line of Lot 19 of Holiday Isle, Residential Section No. 6 (as recorded in Plat Book 4, Page 63, of the public records of Okaloosa County, Florida) a distance of 235 feet more or less to the mean-high-water line of Old Pass Lagoon; thence meander along the mean-high-water line of Old Pass Lagoon going Northeasterly to the Easternmost property line of the property of the C.B.S. Corporation which is a northerly extension of the East property line as shown on the Plat of Holiday Isle, Residential Section No. 4 (as recorded in Plat Book 4 at Page 29 of the public records of Okaloosa County, Florida); thence go Northerly along the aforesaid Easterly property line to another intersection with the mean-high-water line of Old Pass Lagoon; thence meander Northwesterly, Westerly, and Southwesterly along the mean-high-water line to an intersection with a line that passes through the Point-of-Beginning and has a bearing of North 6 degrees 55 minutes West; thence go South 6 degrees 55 minutes East 195 feet more or less to the Point of Beginning.

Together with any and all right, title, claim and interest of the Lessor in and to that parcel of real estate lying Easterly of the above described tract and bounded on the West by the Easterly line of above described tract and bounded on the South, East and North by the shoreline of Old Pass Lagoon.

PARCEL #8: Any and all real estate included in the master ground lease from the Okaloosa Island Authority to C.B.S. Development Corporation, as amended, and as more particularly described on Page 1 hereof; less and except those parcels thereof heretofore platted of record as Holiday Isle, Residential Sections 1, 2, 3, 4, 5, and 6, as recorded respectively in Plat Book 3, Page 48, Plat Book 3, Page 57, Plat Book 4, Page 20, Plat Book 4, Page 29, Plat Book 4, Page 39, and Plat Book 4, Page 63, of the public records of Okaloosa County, Florida; plus those certain lots within said platted subdivision described on Page 1 hereof, plus Parcels #5 and #6 described on Page 3 hereof. It is the intent hereof that this instrument should include those platted lots described on Page 1 hereof plus Parcels #5 and #6 described on Page 3 hereof, AND all land leased by Okaloosa Island Authority to C.B.S. Development Corporation which has not been platted of record in any of the aforesaid six (6) plats, but except any unplatted parcels heretofore leased by C.B.S. Development Corporation to others by leases heretofore recorded in the public records of Okaloosa County, Florida.

2. Lessee has paid to Lessor the sum of Six Hundred Thousand and no/100 Dollars (\$600,000.00); receipt of which Lessor hereby acknowledges for its Lease Agreement and as full payment of all lease rental due and payable from Lessee to Lessor; provided, however, said leased premises above described, are subject to the following additional terms and conditions:

(a) Prior to September 9, 1981, Lessee will pay to Lessor annually, an amount equivalent to two per cent (2%) of the gross receipts of any nature derived from said property. After September 9, 1981, Lessee agrees to pay to Lessor annually, three per cent (3%) of the gross receipts of any nature derived from the leased premises. The amounts required to be paid under this paragraph 2 (a) shall be payable not later than thirty (30) days after the end of the then current lease year. Lessee shall furnish to Lessor, at the time such payment is made a statement of such gross receipts during such lease year. Out of the amount required to be paid under this paragraph 2 (a), Lessor will pay to the Okaloosa Island Authority the amount due to it under the original ground lease, as amended.

(b) In any and all sub-leases of the property made hereafter by Lessee or its successors in title, provisions shall be made in the ultimate sub-leases of individual lots or parcels for the sub-leases thereto to pay an annual assessment to C.B.S. Development Corporation or to such person or party as may be named or designated by it to receive same, of One Hundred and no/100 Dollars (\$100.00) per year for each regular size building lot or plot, which assessment amounts shall be used by C.B.S. Corporation or its nominee or assignee, for maintenance and keeping in proper condition, the streets, canals or similar improvements in the Holiday Isle Subdivision area, which includes the above described real estate. The term "regular size building lot or plot" as used herein, refers to and means a building lot or plot of approximately the same size as the individual building lots delineated on plats of various subdivisions of Holiday Isle heretofore recorded in the public records of Okaloosa County, Florida. Such "regular size building lot or plot" shall not include more than 9,000 square feet. If any ultimate

sub-lessee reserves any parcel larger than a regular size building lot or plot, the annual assessment for such parcel shall be increased pro-ratably as \$100.00 relates to a regular size building lot or plot.

BOOK 799 PAGE 32

## OFFICIAL RECORDS

3. Lessee will at his own expense at all times during said term keep all buildings now or hereafter erected on the demised land insured against loss or damage by fire with extended coverage in a responsible insurance company authorized to do business in Florida, in an amount as near as practicable to the replacement cost thereof, in the joint names of Lessor, Lessee and mortgagee (if any) as their interests may appear payable in case of loss to the mortgagee (if any) or in the absence of any mortgage to Lessor and Lessee as their interests may appear, and will pay all premiums thereon when due and from time to time on requests therefor deposit with Lessor a true copy of certificate of such current insurance policy, and any money derived therefrom in case of loss shall be held in trust in Florida and be immediately available to and used as soon as reasonably possible by Lessee for re-building repairing or otherwise reinstating the same buildings in a good and substantial manner according to the plan and elevation of the buildings so destroyed or damaged or such modified plan as shall be previously approved in writing by the Lessor; provided, however, that in case the main dwelling on said premises shall be destroyed by any casualty during the last ten years of the term hereof, Lessee may at his option cancel this lease by giving written notice thereof to Lessor within 30 days after such casualty on condition that before such cancellation becomes effective Lessee shall remove all remains of the damaged buildings, and upon either such cancellation all insurance proceeds shall be payable to and be the property of Lessee and the mortgagee (if any) as their interest may appear; provided, further, that during such period as the Federal Housing Administration or Veterans Administration shall own this lease all provisions of this lease requiring insurance and restoration of buildings which are substantially destroyed shall be inoperative, but such Administration shall promptly remove all remains of any damaged buildings not restored in accordancy with said provisions.

4. Lessee may assign or mortgage this lease without approval or consent of Lessor, and the assignee shall have the same rights and obligations hereunder as the original Lessee; provided, however, that no such assignment shall be effective to transfer any interest in this lease unless Lessor shall have received either a true executed copy of such assignment or written notice thereof, and also, in any case other than assignment by way of mortgage or assignment to or by the Federal Housing Administration or Veterans Administration or upon foreclosure of mortgage or assignment in lieu of foreclosure, payment of a reasonable service charge not to exceed \$25.00 and the written undertaking of the assignee to perform all obligations of Lessee hereunder, which undertaking may be incorporated in such assignment. No such assignment shall release the assignor from further liability unless Lessor shall consent in writing to such assignment, and Lessor will not require payment of any money except said service charge for such consent nor withhold such consent unreasonably or because of the assignee's national origin, race, color or creed; provided however, that any person acquiring the leasehold estate in consideration of the extinguishment of a debt secured by mortgage of this lease or through foreclosure sale, judicial or otherwise, shall be liable to perform the obligations imposed on Lessee by this lease only during the period such person has possession or ownership of the leasehold estate.

5. During the existence of any mortgage of this lease Lessor will not terminate this lease because of any default by Lessee hereunder or other cause whatsoever if, within a period of 90 days after Lessor has mailed written notice of his intention to terminate this lease for such cause to the mortgagee or such Administration shall either cure such default or other cause or if same cannot be cured by the payment of money, shall undertake in writing to perform all the covenants of this lease capable of performance by it until such time as this lease shall be sold upon foreclosure pursuant to such mortgage, and in case of such undertaking Lessor will not terminate this lease within such further time as may be required by the mortgagee or such Administration other than charges accruing hereunder as the same become due, and upon foreclosure sale of this lease the time for performance of any obligation of Lessee then in default hereunder other than payment of money shall be extended by the time reasonably necessary to complete such performance with due diligence. Ownership by or for the same person of both the fee and leasehold estates in said premises shall not affect the merger thereof without the prior written consent of any mortgagee to such merger.

6. This lease and the demised premises are expressly subject to and bound by the Protective Covenants and Restrictions as recorded in Official Record Book 256, Pages 416 through 430, of the public records of Okaloosa County, Florida; restrictions and exceptions retained in conveyance of record in Okaloosa County, Florida from the United States of America to Okaloosa County, Florida as recorded in Deed Book 63, Pages 312 through 320 and in Official Record Book 286, Pages 298 through 301 and subject further to any restrictions, easements, exceptions and rights heretofore recorded in the public records of Okaloosa County, Florida, affecting any or all of the above described real estate.

OFFICIAL RECORDS

7. The Lessee if required by the Lessor shall exclusively use, at such reasonable rates of charges as may be fixed or approved by the Lessor from time to time, such public utilities and public services relating to health and sanitation as shall be made available from time to time by the Lessor or by others under agreement with or license or permit from the Lessor including without limitation the following: water, sewerage and garbage collection or disposal. The reasonableness of rates fixed by the Lessor shall always be subject to judicial review.

8. The Lessor further covenants and agrees that if the Lessee shall pay the rent as herein provided and shall keep, observe and perform all of the other covenants of this lease to be kept, observed and performed by the Lessee, the Lessee shall peaceably and quietly have, hold and enjoy the said premises for the term aforesaid.

9. In the event it shall become necessary for the Lessor to retain the services of an Attorney in order to enforce any of the provisions of this lease, or to effect any collection of the sums due hereunder, Lessee agrees to pay a reasonable Attorney's fee in addition to any other amounts determined to be due to the Lessor.

10. Upon the expiration or sooner termination of this lease, Lessee shall be allowed a period of 15 days in which to remove all of his property, including such furnishings and fixtures installed by the Lessee as may be removed without injury to the land and improvements and Lessee shall surrender possession of the land and improvements in as good state and conditions as reasonable use and wear will permit.

11. No failure, or successive failures, on the part of the Lessor, to enforce any covenant or agreement, or no waiver or successive waivers, on its part of any condition, agreement or covenant herein shall operate as a discharge thereof or render the same invalid, or impair the right of the Lessor to enforce the same in event of any subsequent breach or breaches by the Lessee, except as to such covenants and conditions as may relate to the rent so accepted.

12. In event Lessee shall fully perform all the terms, provisions and conditions on his part to be performed for the full term of this lease, Lessee shall have the right and privilege at his election to renew this lease for a further term of 99 years, by giving the Lessor written notice of such election to renew not later than 6 months prior to the expiration of the original term. Such renewal shall be on the like covenants, provisions and conditions as are in this lease contained, including an option for further renewals.

IN WITNESS WHEREOF this instrument is executed in duplicate counterpart this the 16th day of June, 1972.

Signed, sealed and delivered in the presence of:

C.B.S. DEVELOPMENT CORPORATION

By: George Trawick  
George Trawick, President

ATTEST: Ben H. Cox  
Ben H. Cox, Secretary

As to Lessor

WHITE SANDS INVESTMENT CORP.

By: W. B. Harbeson, III

ATTEST: John W. Brooks  
John W. Brooks, Secretary

As to Lessee



STATE OF FLORIDA )  
COUNTY OF ESCAMBIA )

BOOK 799 PAGE 34

OFFICIAL RECORDS

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared GEORGE TRAWICK and BEN CO well known to me to be the President and Secretary, respectively, of C.B.S. DEVELOPMENT CORPORATION a Florida corporation, Lessor in the foregoing Lease, and they acknowledged executing the same in the presence of two subscribing witnesses freely and voluntarily under authority duly vested in them by said Corporation, and that the seal affixed thereto is the true corporate seal of said Corporation.

WITNESS my hand and official seal in the County and State last aforesaid, this 16th day of June, 1972.

Joanne L. Allen  
Notary Public, State of Florida

My Commission Expires: 9/1/73

STATE OF FLORIDA )  
COUNTY OF ESCAMBIA )

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared W. B. HARBESON, III and JOHN BROOKS, well known to me to be the President and Secretary, respectively, of WHITE SANDS INVESTMENT CORP., a Florida corporation, Lessee in the foregoing Lease, and they acknowledged executing the same in the presence of two subscribing witnesses freely and voluntarily under authority duly vested in them by said Corporation, and that the seal affixed thereto is the true corporate seal of said Corporation.

WITNESS my hand and official seal in the County and State last aforesaid, this 16th day of June, 1972.

Joanne L. Allen  
Notary Public, State of Florida

My Commission Expires 9/1/73

EXHIBIT "A" (4)

OFFICIAL RECORDS

STATE OF FLORIDA )  
 )  
 COUNTY OF OKALOOSA )

AMENDMENT OF LEASE AGREEMENT

WHEREAS, C.B.S. Development Corporation, a Florida corporation, herein called C.B.S., did on June 16, 1972, as Lessor, enter into a Lease Agreement with White Sands Investment Corp., a Florida corporation, therein call Lessee, which Lease Agreement was recorded in Official Records Book 657, Pages 240 through 249, of the Public Records of Okaloosa County, Florida, which Lease Agreement is herein sometimes referred to as "Lease Agreement"; and

WHEREAS, White Sands Investment Corp. has not sublet, transferred, or assigned any of the land and real estate included in said Lease Agreement; and

WHEREAS, C.B.S. Development Corporation, of the one part, and White Sands Investment Corp. of the other part, desire to change and amend certain of the terms and conditions of said Lease Agreement above described, and to amend certain of the Protective Covenants and Restrictions affecting the real estate described therein;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, That, said Lease Agreement between C.B.S. Development Corporation and White Sands Investment Corp., dated June 16, 1972, and recorded in Official Records Book 657, at Pages 240 through 249 of the Public Records of Okaloosa County, Florida is hereby modified, changed and amended as follows:

1. Paragraph 2 (b) thereof is changed and amended by adding thereto the following:  
 "In the event Lessee, or its successors or assigns, constructs, maintains, or operates at any time during the term of this lease any multi-family structure or structures, including, without limitation, apartment houses, condominiums, cooperative apartments, or the like, the annual maintenance assessment referred to in this paragraph 2 (b) beginning as of September 1, immediately following the completion of such structure or structures shall be on the basis of \$75.00 per unit, per year. A "unit" as used in this paragraph means an individual family living unit such as an individual apartment, a duplex apartment, a condominium apartment, cooperative apartment, or the like. The assessments referred to herein shall continue for the life of this Lease Agreement, any lease extended pursuant hereto, and any extension hereof."

2. Paragraph 13 is added to said Lease Agreement which shall read as follows:  
 "13. At such time or times as Lessee assigns or transfers this Lease Agreement or any portion hereof to any person or party who becomes a sub-lessee as to any or all of the real estate described hereinabove, written notice of such transfer together with the name and address of the assignee therein shall be given to C.B.S. within 30 days of the execution of such assignment and simultaneously therewith such assignee shall pay to C.B.S. the sum of \$10.00 as a transfer fee to reimburse C.B.S. for its expense in connection with correcting its books and records relative to such transfer. In the event C.B.S. transfers or assigns its interest in said property, such transfer fee shall be paid to its successor in title. C.B.S. and its successor in title reserve the right to delegate the record keeping of assignments to a third party and if notice of such delegation is given to Lessee such transfer notice and the payment of such transfer fee shall be made to the party so designated."

3. The Protective Covenants and Restrictions recorded in Official Record Book 256, at Pages 415-430 of the Public Records of Okaloosa County, Florida, are pursuant to Paragraph (8) and the other terms thereof, hereby modified and amended, as to the real estate described in the aforesaid Lease Agreement, only, in the following particulars:

"The real estate described in Lease Agreement between C.B.S. and White Sands Investment Corp. may hereafter be used for any multi-purpose dwelling use, including, but not limited to, motel, hotel, apartment, condominium, cooperative apartment, or other building(s) or structure(s) for the use of more than one family, together with such other uses and services as are normally customary with such primary use."

Except as hereby modified and amended, said Lease Agreement between C.B.S. and White Sands Investment Corporation shall remain in full force and effect.

IN WITNESS WHEREOF, said parties have set their hands and seal to this instrument this 8th day of November, 1972.

Signed and sealed in the presence of:

C.B.S. DEVELOPMENT CORPORATION

By: George Trawick

As to C.B.S.

ATTEST: B. H. Cox  
Its Secretary

WHITE SANDS INVESTMENT CORP.

Marvis B. Hudson

By: W. B. Harbeson, III  
Its President

As to White Sands

ATTEST: John W. Brooks  
Its Secretary

STATE OF FLORIDA       )  
COUNTY OF OKALOOSA    )

Before the subscriber personally appeared George Trawick, known to me to be the individual described by said name, who executed the foregoing instrument, and to be the President of C.B.S. Development Corporation, a Florida corporation, and acknowledged and declared that he as President of said Corporation and being duly authorized by it, signed its name and affixed its seal to and executed the said instrument for it and as its act and deed.

Given under my hand and official seal this 8th day of November, 1972.

Alice Hart  
Notary Public, State of Florida.

My Commission Expires: Sept. 13, 1974

STATE OF FLORIDA )  
COUNTY OF OKALOOSA )

BOOK 799 PAGE 37

**OFFICIAL RECORDS**

Before the subscriber personally appeared W. B. Harbeson, III, known to me to be the individual described by said name, who executed the foregoing instrument, and to be the President of White Sands Investment Corp., a Florida corporation, and acknowledged and declared that he as President of said Corporation and being duly authorized by it, signed its name and affixed its seal to and executed the said instrument for it and as its act and deed.

Given under my hand and official seal this 2nd day of November, 1972.

Harvis B. Hudson  
Notary Public, State of Florida

My Commission Expires: \_\_\_\_\_

ASSIGNMENT OF LEASE

BOOK 799 PAGE 38

OFFICIAL RECORDS

This assignment of lease entered into by and between WHITE SANDS INVESTMENT CORP., a Florida corporation, hereinafter referred to as "Assignor", and BHL, INC., a Florida corporation hereinafter referred to as "Assignee";

WHEREAS, C.B.S. Development Corporation is the Lessee under a certain Master Ground Lease dated September 9, 1961, and recorded in Official Records Book 209 at Page 123 and amendment thereto dated August 23, 1962, recorded in Official Records Book 244 at Page 348 of the public records of Okaloosa County, Florida, and

WHEREAS, C.B.S. Development Corporation leased certain properties to White Sands Investment Corp. as set forth in that lease agreement recorded in O.R. Book 657 at Page 240 and which was amended in O.R. Book 576 at Page 108 of the public records of Okaloosa County, Florida;

WITNESSETH:

That the Assignor in consideration of Ten Dollars (\$10.00) and other valuable consideration received from the Assignee, the Assignor hereby assigns to the Assignee all of its right, title and interest in and to the following described leasehold estate located in Okaloosa County, Florida:

Commencing at the Northwest corner of Lot 13, Block B, HOLIDAY ISLE RESIDENTIAL SECTION NO. 3, Plat Book 4, Page 20, Okaloosa County, Florida, proceed S 88°44' W 950 feet along Gulf Shore Drive to POB, thence continue S 88°44' W 316 feet to PC, thence continue westerly along Gulf Shore Drive 105.58 feet along a curve of 905 foot radius deflecting right, thence S 1°16' E 486 feet to a point marking Gulf of Mexico, thence meander the Gulf N 82°58' E 423.5 feet, thence N 1°16' W 437.25 feet to the POB.

which leasehold interest is set forth in that lease agreement and the amendment thereto set forth hereinabove, but subject to the following amendments;

1. Paragraph 2 (a) is hereby amended to add thereto the following: "Income of the Assignee derived from the development and subleasing of apartment houses, condominiums, cooperative apartments and the like, shall not be subject to the provisions of this paragraph."

2. That Paragraph 2 (b) is hereby amended to read as follows: "In any and all sub-leases of the property made hereafter by Lessee or its successors in title, provisions shall be made in the ultimate sub-leases of individual lots or parcels for sub-lessee hereto to pay an annual assessment to C.B.S. Development Corporation or to such person or party as may be named or designated by it to receive same, of One Hundred Dollars (\$100.00) per year for each regular size building lot or plot. The term "regular size building lot or plot" as used herein, refers to and means a building lot or plot of approximately the same size as the individual building lots delineated on plats of various subdivisions of Holiday Isle heretofore recorded in public records of Okaloosa County, Florida. Such "regular size building lot or plot" shall not include more than 9,000 square feet. If any ultimate sub-lessee reserved any parcel larger than a regular size building lot or plot, the annual assessment for such parcel shall be at the rate of \$1.00 per waterfront foot for a waterfront lot and \$1.00 per street foot for interior lots located on a street, but if such lot is bounded by two streets, it shall be assessed only on that portion of the lot that has the most footage on one street. In the event Lessee or his successors or assigns, constructs, maintains or operates at any time during the term of this lease any multi-family structure or structures, including without limitation, apartment houses, condominiums, cooperative apartments, or the like, the annual maintenance assessment referred to hereinabove beginning as of September 1 immediately following the completion of such structure or structures, shall be on the basis of \$75.00 per unit per year in lieu of the above assessment formula. A unit as used in this paragraph means an individual family living unit, such as individual apartments, a duplex apartment, a condominium apartment, cooperative apartment or the like. The assessments referred to herein shall continue for the life of this lease agreement, any leases extended pursuant hereto and any extension hereof."

Assignor warrants that it has the right to assign the lease as to the above described property and that it is free and clear of all encumbrances with the exception of the following:

1. The terms and conditions of said Lease Agreement and the amendment thereto and except as amended herein, the Assignee covenants to promptly do and perform each and all of the obligations of Lessee contained therein and herein as pertains to the property described herein.

2. The terms and conditions of the original lease from Okaloosa Island Authority, covering

BOOK 799 PAGE 39

OFFICIAL RECORDS

the above described real estate, as heretofore amended of record in Okaloosa County, Florida, insofar as it affects the subject property.

3. Any and all reservations, easements, restrictions, protective covenants or the like that may affect the subject real estate which appear of public record in and for Okaloosa County, Florida.

By acceptance of this Assignment of Lease, Assignee covenants and agrees with Assignor that Assignee will promptly and faithfully do and perform each and every covenant of the Lessee as set forth in the property described herein contained in the above Lease Agreement as amended and as amended herein.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 28th day of November A.D., 1972.

Witnesses:

\_\_\_\_\_  
As to Assignor

Witnesses:

Walter Smith  
\_\_\_\_\_  
Earl Clark  
As to Assignee

WHITE SANDS INVESTMENT CORP.

By: W. B. Harbeson, III (SEAL)  
Its President

ATTEST: John W. Brooks (SEAL)  
Its Secretary  
ASSIGNOR

BHL, INC.

By: Jerome H. LaChapelle  
Its President

ATTEST: Richard R. Bennett  
Its Secretary  
ASSIGNEE

STATE OF FLORIDA  
COUNTY OF OKALOOSA

BEFORE ME personally appeared W. B. Harbeson, III and John W. Brooks, President and Secretary respectively, of White Sands Investment Corp., known to me to be the individuals who executed the foregoing Assignment of Lease on behalf of White Sands Investment Corp., who, after being duly sworn, depose and say that they executed the Assignment on behalf of White Sands Investment Corp., for the uses and purposes contained therein.

WITNESS my hand and official seal in the County and State last aforesaid this 28th day of November A.D., 1972.

MARVIS B. HUDSON  
Notary Public  
My Commission Expires:

C.B.S. Development Corporation hereby consents to the foregoing Assignment of Lease as amended herein.

C.B.S. Development Corporation  
By: \_\_\_\_\_ (SEAL)

EXHIBIT "A" (6)

ASSIGNMENT OF LEASE

BOOK 799 PAGE 40

OFFICIAL RECORDS

Comes now BHL, INC., a Florida corporation, hereinafter referred to as "Assignor" and in consideration of Ten Dollars (\$10.00) received from GROWTH STATE PROPERTIES, INC., a corporation, hereinafter referred to as "Assignee", the Assignor hereby assigns to the Assignee all of its right, title and interest in and to the following described leasehold estate located in Okaloosa County, Florida:

Commencing at the Northwest corner of Lot 13, Block B, HOLIDAY ISLE RESIDENTIAL SECTION No. 3, Plat Book 4, Page 20, Okaloosa County, Florida, proceed S 88°44' W 950 feet along Gulf Shore Drive to POB, thence continue S 88°44' W 316 feet to PC, thence continue westerly along Gulf Shore Drive 105.58 feet along a curve of 905 foot radius deflecting right, thence S 1° 16' E 486 feet to a point marking Gulf of Mexico, thence meander the Gulf N 82°50' E 423.5 feet, thence N 1°16' W 437.25 feet to the POB.

which leasehold interest is set forth in the Assignment of Lease dated November 28, 1972, between White Sands Investment Corp., as Assignor, and BHL, Inc., as Assignee, and recorded in O.R. Book 679 at page 798 of the public records of Okaloosa County, Florida.

Assignor warrants that the above leasehold estate is free and clear of all encumbrances and Assignor will defend the same against claims of all third persons subject only to the terms and conditions of the above recorded Assignment of Lease and matters referred to therein.

IN WITNESS WHEREOF we have hereunto set our hands and seals this 29th day of November A.D., 1972.

WITNESSES:

WALTER J. SMITH

as to Assignor

WITNESSES:

WALTER J. SMITH

JEROME W. BURKETT  
as to Assignee

BHL, INC.

By: JEROME H. LACHAPELLE  
Its President

ATTEST:  
RICHARD R. BENNETT  
Its Secretary

ASSIGNOR.

GROWTH STATE PROPERTIES, INC.

By: (SEAL)  
Its President

ATTEST: (SEAL)  
Its Secretary

WITNESS my hand and official seal in the County and State last aforesaid this 26th day of February, 1973.

Frances Loner  
Notary Public  
My Commission Expires: 12/20/75

EXHIBIT "A" (7)

BOOK 799 PAGE 41

ASSIGNMENT

OFFICIAL RECORDS

BOOK 688 PAGE 151  
OFFICIAL RECORDS

STATE OF FLORIDA )  
                          )  
COUNTY OF OKALOOSA )

THIS ASSIGNMENT, made this 10th day of February, 1973, by and between GROWTH STATE PROPERTIES, INC., a Florida Corporation, hereinafter called the "Assignor", and JEROME W. BURKETT and JOSEPH H. SCHAEFFER, JR., hereinafter called the "Assignees",

WITNESSETH:

WHEREAS the Assignor is the Owner of a valid leasehold estate in and to the following described real property located in Okaloosa County, Florida, to wit:

Commencing at the Northwest corner of Lot 13, Block B, HOLIDAY ISLE RESIDENTIAL SECTION NO. 3, Plat Book 4, page 20, Okaloosa County, Florida, proceed S-88°44'W 950 feet along Gulf Shore Drive to POB, thence continue S-88°44'W 316 feet to FC, thence continue Westerly along Gulf Shore Drive 105.58 feet along a curve of 905 foot radius deflecting right, thence S-1°16'E 486 feet to a Gulf N-82°58'E 423.5 feet, thence N-1°16'W 437.25 feet to the POB;

and

WHEREAS, the Assignor is desirous of transferring and assigning his entire right, title and interest in and to the above described property to the Assignees.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration the receipt of which Assignor does hereby acknowledge, said Assignor does hereby assign, transfer, set over and convey to JEROME W. BURKETT and JOSEPH H. SCHAEFFER, the Assignees, all his right, title, privilege and estate in the property above described.

Assignor warrants that he is the owner of a valid leasehold estate covering the above described property; that such leasehold interest is free and clear of all liens and encumbrances; that the Assignor has made no prior conveyance of such leasehold interest and will defend such leasehold interest against the lawful claims of all persons whatsoever.

Assignor hereby requests C.B.S. DEVELOPMENT CORPORATION, its successors and assigns, to deal henceforth with the Assignees in all matters concerning the leasehold estate hereby assigned.

By acceptance of this instrument the Assignees covenant and agree to perform all covenants and commitments specified in the leases and various amendments thereto applicable to the above described property.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

GROWTH STATE PROPERTIES, INC.

By: Robert E. Lee  
    its President

ATTEST: David L. Selby  
          its Secretary

STATE OF FLORIDA )  
                          )  
COUNTY OF OKALOOSA )

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared ROBERT E. LEE and DAVID L. SELBY, President and Secretary respectively of GROWTH STATE PROPERTIES, INC., a Florida corporation, to wit known to be the persons described in and who executed the foregoing instrument and they severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.



BOOK 799 PAGE 42

OFFICIAL RECORDS

WITNESS my hand and official seal in the County and State last aforesaid this 10th day of February, 1973.

Martha A. McBride

Notary Public

My Commission Expires: July 20, 1976

EXHIBIT "A" (B)

SUBLEASE

BOOK 799 PAGE 43  
OFFICIAL RECORDS

STATE OF FLORIDA )  
                          )  
COUNTY OF OKALOOSA )

THIS SUBLEASE, made this 26th day of February, 1973, by and between JEROME W. BURKETT and wife BETTY C. BURKETT, and JOSEPH H. SCHAEFFER, JR., and wife OPAL SCHAEFFER, hereinafter called the "Sublessors", and HOLIDAY SURF AND RACQUET CLUB, INC., a Florida corporation, hereinafter called the "Sublessee",

WITNESSETH:

WHEREAS, the Sublessors are the owners of a valid leasehold estate in and to the following described real property located in Okaloosa County, Florida, to-wit:

Commencing at the Northwest corner of Lot 13, Block B, HOLIDAY ISLE RESIDENTIAL SECTION No. 3, Plat Book 4, Page 20, Okaloosa County, Florida, proceed S 38°44' W 950 feet along Gulf Shore Drive to POB, thence continue S88°44' W 316 feet to PC, thence continue westerly along Gulf Shore Drive 105.58 feet along a curve of 905 foot radius deflecting right, thence S 1°16' E 486 feet to a point marking Gulf of Mexico, thence meander the Gulf N 82°58' E 423.5 feet, thence N 1°16' W 437.25 feet to the POB.

as such leasehold estate is more particularly described in that certain lease agreement dated June 16, 1972, recorded in Official Records Book 657, Page 240-249 of the Public Records of Okaloosa County, Florida, and that certain amendment of lease agreement dated November 8, 1972, recorded in Official Records Book 676, Pages 108-110 of the Public Records of Okaloosa County, Florida, and

WHEREAS, the sublessors are desirous of subleasing to the sublessee their entire right, title and interest in and to the above described property for the remaining term of the leasehold estate above described and any renewal thereof, such sublease to be on the terms and conditions hereinafter stated.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That for and in consideration of Ten Dollars and other good and valuable consideration, the receipt of which the sublessors do hereby acknowledge and for the mutual covenants hereinafter stated, said sublessors do hereby sublease to the sublessee HOLIDAY SURF AND RACQUET CLUB, INC., the property above described, such sublease to be for the remaining term of the original lease above described and any renewal thereof, subject always to the terms and conditions therein contained and contained in the amendments thereto.

The sublessee, its successors and assigns, as further consideration for this sublease, agree to pay to the sublessors a monthly rental of \$40.00 per unit per month. A "unit" as used in this paragraph shall mean an individual family living unit such as an individual apartment, a duplex apartment, a condominium apartment, cooperative apartment, or the like. Such rental shall commence immediately following the completion of the unit, beginning not later than January 1, 1974, and shall be payable monthly in advance on or before the first day of each month.

The sublessee may sell, assign, or mortgage this sublease in whole or in part and may let or underlet the demised premises or portions thereof for the purposes permitted by the lease above described and the amendments thereto, without the necessity of obtaining the prior written consent of the sublessors. So long as the mortgagee of the property which is the subject of this sublease or the mortgagee of any unit constructed thereon keeps on file with the sublessors a notice of such mortgage, and an address, notice of any default by the sublessee, its successors or assigns, will be sent to the mortgagee at said address at the time notice of default is sent to the sublessee, its successor or assign, and this sublease will not be terminated for such default until 60 days after notice thereof has been received by such mortgagee, during which period either the mortgagor or mortgagee may make good the default.

The sublessors hereby reserve to themselves, their successors and assigns, the right to terminate this sublease in the event of default in the payment of the rents or in the performance of the other obligations herein specified, subject to the notice provisions above stated.

The sublessors warrant that they are the owners of a valid leasehold estate as above described covering the subject property and that they will defend such leasehold estate herein subleased against the lawful claims of all persons whatsoever.

The sublessee, by acceptance of this sublease, agrees to comply with the terms and conditions of the original lease and amendments thereto as the same are herein described, including without limitation the payment of all amounts of money therein required to be paid. Default in the performance of any such obligations or breach of any covenants therein contained shall be deemed a default by the sublessee under this sublease.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

\_\_\_\_\_  
Jerome W. Burkett  
JEROME W. BURKETT

\_\_\_\_\_  
Betty C. Burkett  
BETTY C. BURKETT

\_\_\_\_\_  
Joseph H. Schaeffer, Jr.  
JOSEPH H. SCHAEFFER, JR.

\_\_\_\_\_  
Opal Schaeffer  
OPAL SCHAEFFER

HOLIDAY SURF AND RACQUET CLUB, INC.

BY: Jerome W. Burkett  
Its President

ATTEST: Ernest J. Clark  
Its Secretary

(CORPORATE SEAL)

STATE OF FLORIDA )  
                          )  
COUNTY OF OKALOOSA )

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared JEROME W. BURKETT and wife, BETTY C. BURKETT, to me known to be the persons described in and who executed the foregoing instrument and they acknowledged before me that they executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 26th day of February, 1973.

Martha A. McBride  
Notary Public  
My Commission Expires: 7/20/76

STATE OF TENNESSEE )  
                          )  
COUNTY OF SHELBY )

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared JOSEPH H. SCHAEFFER, JR., and wife OPAL SCHAEFFER, to me known to be the persons described in and who executed the foregoing instrument and they acknowledged before me that they executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 26th day of February, 1973.

Frances Lemer  
Notary Public  
My Commission Expires: 12/20/75

BOOK 799 PAGE 45  
OFFICIAL RECORDS

STATE OF FLORIDA     )  
                          )  
COUNTY OF OKALOOSA   )

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared JEROME W. BURKETT and EARL J. CLARK, President and Secretary respectively of HOLIDAY SURF AND PACQUET CLUB, INC., a Florida corporation, to me well known to be the persons described in and who executed the foregoing instrument and they severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that the affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 26th day of February, 1973.

Martha A. McBride  
Notary Public.  
My Commission Expires: 7/20/76

THIS INSTRUMENT PREPARED BY:  
ROBERT E. LEE  
Leo & Selby  
Attorneys at Law  
Post Office Box 1447  
Ft. Walton Beach, Florida 32548

EXHIBIT "A" (9)

BOOK 799 PAGE 46

ASSIGNMENT

OFFICIAL RECORDS

BOOK 765 PAGE 876  
OFFICIAL RECORDS  
This assignment is re-recorded  
to reflect correct book and  
page number.  
BOOK 768 PAGE 257  
OFFICIAL RECORDS

STATE OF FLORIDA )  
 )  
COUNTY OF OKALOOSA )

This assignment, made this 21st day of January, 1974, by and between JOSEPH H. SCHAEFFER, JR., and wife, OPAL SCHAEFFER, hereinafter called "assignors", and JEROME W. BURKETT, hereinafter called the "assignee",

WHEREAS, on February 10, 1973, GROWTH STATE PROPERTIES, INC., a Florida corporation, did assign to JEROME W. BURKETT and JOSEPH H. SCHAEFFER, JR., a leasehold estate covering the following described property in Okaloosa County, Florida, to wit:

Commencing at the Northwest corner of Lot 13, Block B, Holiday Isle Residential Section No. 3, Plat Book 4, Page 20, Okaloosa County, Florida, proceed South 88°44' West 950 feet along Gulf Shore Drive to POB, thence continue South 88°44' West 316 feet to PC, thence continue westerly along Gulf Shore Drive 105.58 feet along a curve of 905 foot radius deflecting right, thence South 1°16' East 466 feet to a point marking Gulf of Mexico, thence meander the Gulf North 82°58' East 423.5 feet, thence North 1°16' West 437.25 feet to the POB.

which assignment was recorded in Official Records Book 688, at Pages 151-152 of the Public Records of Okaloosa County, Florida, and

WHEREAS, subsequently, JEROME W. BURKETT, joined by his wife, BETTY C. BURKETT, and JOSEPH H. SCHAEFFER, JR., joined by his wife, OPAL SCHAEFFER, subleased such property to HOLIDAY SURF AND RACQUET CLUB, INC., a Florida corporation, such sublease having been dated February 26, 1973, and recorded in Official Records Book 689, Page 268-271 of the Public Records of Okaloosa County, Florida, and

WHEREAS, JOSEPH H. SCHAEFFER, JR., and wife, OPAL SCHAEFFER, do now desire to assign their entire right, title and interest in such leasehold estate, and particularly their entitlement to any proceeds hereinafter paid pursuant to the sublease given HOLIDAY SURF AND RACQUET CLUB, INC.,

NOW, THEREFORE, for Ten Dollars and other good and valuable consideration, the receipt of which is hereby acknowledged, JOSEPH H. SCHAEFFER, JR., and wife, OPAL SCHAEFFER, as assignors, do hereby assign, transfer, set over and convey to JEROME W. BURKETT, as assignee, all their right title, privilege and estate in and to the property above described, specifically including therein an assignment of all proceeds due to the assignors pursuant to the sublease above described in which HOLIDAY SURF AND RACQUET CLUB, INC., is sublessor.

By acceptance of this assignment, the assignee covenants and agrees to perform all covenants and commitments specified in the leases, various amendments thereto, applicable to the above described property which would otherwise have been the responsibility of the assignors but for this assignment.

Signed, sealed and delivered  
in the presence of

BOOK 799 PAGE 47  
OFFICIAL RECORDS

\_\_\_\_\_

JOSEPH H. SCHAEFFER, JR.

As to Assignors \_\_\_\_\_

OPAL SCHAEFFER

\_\_\_\_\_

JEROME W. BURKETT

As to Assignee \_\_\_\_\_

BOOK 799 PAGE 48

OFFICIAL RECORDS BOOK 765 PAGE 877  
OFFICIAL RECORDS  
BOOK 768 PAGE 258  
OFFICIAL RECORDS

STATE OF FLORIDA )  
                          )  
COUNTY OF OKALOOSA )

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared JOSEPH H. SCHAEFFER, JR., and wife, OPAL SCHAEFFER, to me known to be the persons described in and who executed the foregoing instrument and they acknowledged before me that they executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 21st day of January, 1974.

\_\_\_\_\_  
Notary Public  
My Commission Expires

STATE OF FLORIDA )  
                          )  
COUNTY OF OKALOOSA )

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared JEROME W. BURKETT, to me known to be the person described in and who executed the foregoing instrument and he acknowledged before me that he executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 21st day of January, 1974.

\_\_\_\_\_  
Notary Public  
My Commission Expires:

THIS INSTRUMENT PREPARED BY:

ROBET E. LEE  
Lee, Selby & Tolton  
Attorneys at Law  
Post Office Box 1447  
Ft. Walton Beach, Florida 32548

EXHIBIT "A" (10)

ASSIGNMENT

STATE OF FLORIDA )  
                          )  
COUNTY OF OKALOOSA )

BOOK 799 PAGE 49  
OFFICIAL RECORDS

THIS ASSIGNMENT, made this 7th day of January, 1975, by and between JEROME W. BURKETT and wife, BETTY C. BURKETT, hereinafter called the "assignors", and HOLIDAY SURF AND RACQUET CLUB, INC., a Florida corporation, hereinafter called the "assignee".

WITNESSETH:

WHEREAS, assignors are the owners of a valid leasehold estate in and to the following described real property located in Okaloosa County, Florida, to-wit:

Commencing at the Northwest corner of Lot 13, Block B, Holiday Isle Residential Section No. 3, Plat Book 4, Page 20, Okaloosa County, Florida, proceed South 88°44' West 950 feet along Gulf Shore Drive to Point of Beginning, thence continue South 88°44' West 316 feet to PC, thence continue Westerly along Gulf Shore Drive 105.5 feet along a curve of 905 foot radius deflecting right, thence South 1°16' East 486 feet to a point marking Gulf of Mexico, thence meander the Gulf North 82°58' East 423.5 feet, thence North 1°16' West 437.25 feet to the Point of Beginning.

as such leasehold estate is more particularly described in that certain Lease Agreement dated June 16, 1972; recorded in Official Records Book 657, at Pages 240-249 of the Public Records of Okaloosa County, Florida, and that certain Amendment of Lease Agreement dated November 8, 1972, recorded in Official Records Book 676, at Pages 108-110 of the Public Records of Okaloosa County, Florida, and

WHEREAS, assignors are desirous of assigning to assignee their entire right, title and interest in and to such leasehold estate and the lease agreements thereunto appertaining.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That for and in consideration of Ten Dollars and other good and valuable consideration, the receipt of which the assignors do hereby acknowledge and for the mutual covenants hereinafter stated, said assignors do hereby assign, transfer and set over their entire right, title and interest in and to the leasehold estate above described to Holiday Surf and Racquet Club, Inc.

The assignors warrant that they have a good right to assign that interest herein assigned under the terms of the original lease and that the assignors have made no prior assignment of this leasehold interest, and that such assignment is made subject to that certain Sublease dated February 26, 1973, by and between Jerome W. Burkett and wife, Betty C. Burkett, and Joseph H. Schaeffer, Jr., and wife, Opal Schaeffer, as sublessors, and Holiday Surf and Racquet Club, Inc., as sublessee, recorded in Official Records Book 689, at Pages 268-271 of the Public Records of Okaloosa County, Florida.

TO HAVE AND TO HOLD the same through the remainder of the term of the original lease, the same being for an original period of ninety-nine years, subject to the covenants, restrictions and conditions contained in said lease.

By acceptance of this instrument, assignee covenants and agrees to do and perform each and all of the commitments and covenants of the assignors contained in the original lease insofar as such commitments and covenants therein pertain to the property hereby assigned, including but not limited to the payment of all amounts required to be paid thereunder promptly and when due.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

Signed, sealed and delivered  
in the presence of:

\_\_\_\_\_ JEROME W. BURKETT

\_\_\_\_\_ BETTY C. BURKETT



HOLIDAY SURF AND RACQUET CLUB, INC.

By: \_\_\_\_\_  
Its President

Attest: \_\_\_\_\_  
Its Secretary

BOOK 799 PAGE 50

OFFICIAL RECORDS  
(CORPORATE SEAL)

STATE OF FLORIDA )  
                          )  
COUNTY OF OKALOOSA )

I HEREBY CERTIFY that on this day, before me, an officer duly authorize in the State and County aforesaid to take acknowledgments, personally appeared JEROME W. BURKETT and wife, BETTY C. BURKETT, to me known to be the persons described in and who executed the foregoing Instrument and they acknowledged before me that they executed the same.

WITNESS my hand and official seal in the State and County aforesaid this 7th day of January, 1975.

\_\_\_\_\_  
Notary Public  
My Commission Expires: 8/3/77

STATE OF FLORIDA )  
                          )  
COUNTY OF OKALOOSA )

I HEREBY CERTIFY that on this day, before me, an officer duly authorize in the State and County aforesaid to take acknowledgments, personally appeared JEROME W. BURKETT and ROBERT E. LEE, President and Secretary respectively, of HOLIDAY SURF AND RACQUET CLUB, INC., a Florida corporation to me well known to be the persons described in and who executed the foregoing instrument and they severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my hand and official seal in the State and County aforesaid this 7th day of January, 1975.

\_\_\_\_\_  
Notary Public  
My Commission Expires

BOOK 799 PAGE 51

CONSENT OFFICIAL RECORDS

We do hereby consent to the foregoing Assignment on this \_\_\_\_\_ day of \_\_\_\_\_, 1975.

HOLIDAY ISLE IMPROVEMENT ASSOCIATION, INC.

By: \_\_\_\_\_  
Its President

Attest: \_\_\_\_\_  
Its Secretary

(CORPORATE SEAL)

THIS INSTRUMENT PREPARED BY:

ROBERT E. LEES  
Lee, Selby & Tolton  
Attorneys at Law  
Post Office Box 1447  
Ft. Walton Beach, Florida 32548

BOOK 799 PAGE 52

OFFICIAL RECORDS

This Instrument Was Prepared By:

EXHIBIT "A" (11)

LOUIS STINSON JR., ESQ.  
HELLIWELL, MELROSE & DEWOLF  
1401 Brickell Avenue, Ninth Floor  
Miami, Florida 33133

ASSIGNMENT OF SUB-LEASE

KNOWN ALL MEN BY THESE PRESENTS, That Holiday Surf and Racquet Club, Inc., a Florida corporation, party of the first part, in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS lawful money of the United States to it in hand paid by Kazet, Inc., a Florida corporation, party of the second part, at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, assigned, transferred and set over, and by these presents does grant, bargain, sell, assign, transfer and set over unto the said party of the second part its interest as sub-lessee in a certain sub-lease bearing date the 25th day of February, in the year one thousand nine hundred and seventy-three, and amendments thereto, made by Jerome W. Burkett and wife, Betty C. Burkett, and Joseph H. Schaeffer, Jr., and wife, Opal Schaeffer, as sub-lessors, and Holiday Surf and Racquet Club, Inc. as sub-lessee, and recorded in Official Records Book 689, pages 266-271, Public Records of Okaloosa County, Florida, upon the following described piece or parcel of land, situate and being in Okaloosa County, State of Florida, to-wit:

SEE ATTACHED EXHIBIT "A"

TO HAVE AND TO HOLD such sub-lessee's interest in the same unto the said party of the second part, its successors and assigns forever.

IN WITNESS WHEREOF, Holiday Surf and Racquet Club, Inc. has hereunto caused these presents to be signed in its name by its President and its corporate seal to be affixed, attested by its Secretary, the 7th day of January, in the year one thousand nine hundred and seventy-five.

Signed, Sealed and Delivered  
in the presence of:

HOLIDAY SURF AND RACQUET CLUB, INC.

By: \_\_\_\_\_  
President

Attest \_\_\_\_\_  
Secretary

[CORPORATE SEAL]

STATE OF FLORIDA )  
                          )  
COUNTY OF DADE    )

I HEREBY CERTIFY that on this 7th day of January, 1975, before me personally appeared JEROME L. BURKETT and ROBERT E. LEE, respectively President and Secretary of Holiday Surf and Racquet Club, Inc., a corporation under the laws of the State of Florida, to me known to be the persons described in and who executed the foregoing Assignment of Sub-Lease, and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and the said Assignment of Sub-Lease is the act and deed of said corporation.

WITNESS my signature and official seal at Miami, in the County of Dade and State of Florida the day and year last aforesaid.

My commission  
expires:

\_\_\_\_\_  
Notary Public

BK 799 PAGE 53  
OFFICIAL RECORDS

EXHIBIT "A"

Commencing at the Northwest corner of Lot 13, Block B,  
HOLIDAY ISLE RESIDENTIAL SECTION NO. 3, Plat Book 4,  
Page 20, Okaloosa County, Florida, proceed S-88°44'W  
5 feet along Gulf Shore Drive to POB, thence continue  
S-88°44'W 316 feet to PC, thence continue Westerly  
along Gulf Shore Drive 105.52 feet along a curve of  
905 foot radius deflecting right, thence S-1°16'E  
486 feet to a point marking Gulf of Mexico, thence  
meander the Gulf N-82°58'E 423.5 feet, thence N-1°  
16'W 437.25 feet to the POB.

**EXHIBIT B - Units Identified and Designed (as previously amended)**

UNIT PLANE ELEVATION SCHEDULE			
UNIT NUMBER	UNFINISHED FLOOR	UNFINISHED CEILING	
BUILDING NO. A			
	11.50	19.50	
OFFICIAL RECORD	11.50	19.50	
BUILDING NO. B			
	UNFINISHED FLOOR	UNFINISHED CEILING	
101 thru 122	11.50	19.50	
201 thru 222	20.38	28.38	
301 thru 324	29.26	37.26	
401 thru 424	38.14	46.14	
501 thru 524	47.02	55.02	
601 thru 624	55.90	63.90	
701 thru 724	64.78	72.78	

ELEVATIONS ARE BASED ON U.S.C. & G.S. 1929 DATUM M.S.L.=0.00  
ELEVATIONS SUBJECT TO NORMAL CONSTRUCTION VARIATIONS.

**CERTIFICATE OF SURVEYOR:**

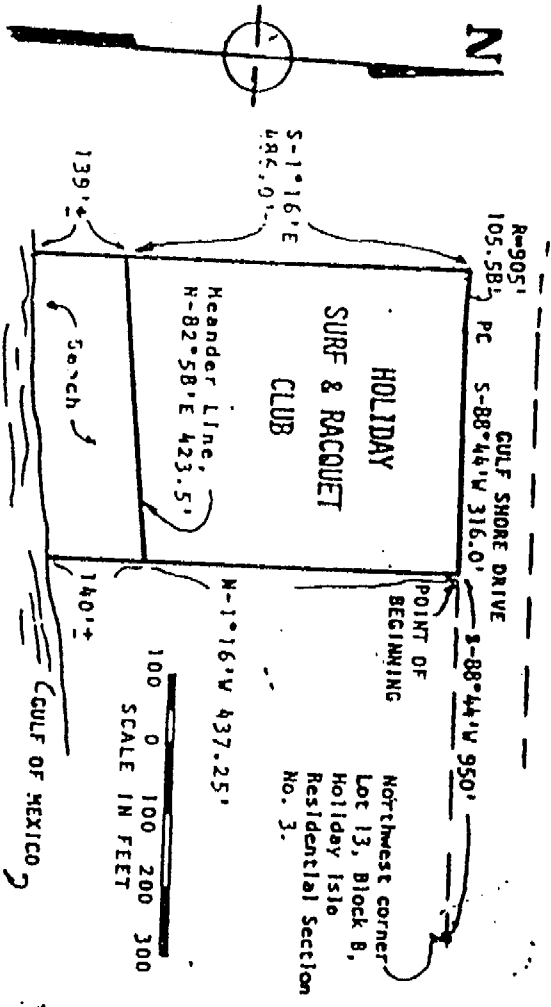
The undersigned Professional Land Surveyor duly authorized to practice under the laws of the State of Florida, hereby certifies that these surveys and plans marked Exhibit 'B', Pages 1 through 7, all of which are Exhibits annexed to and made a part of the Declaration of Condominium of Holiday Surf and Racquet Club, a Condominium, Okaloosa County, Florida, together with the plan of said Declaration, is a correct representation of the improvements described herein and the construction of the improvements is sufficiently complete so that such material together with the wording of the Declaration, is a correct representation of the improvements described and there can be determined therefrom the identification, location and dimensions of the Common Elements and of each Unit.

12 May 1975  
Registered Surveyor #2032, State of Florida

# HOLIDAY SURF & RACQUET CLUB

## A CONDOMINIUM

### OKALOOSA COUNTY, FLORIDA

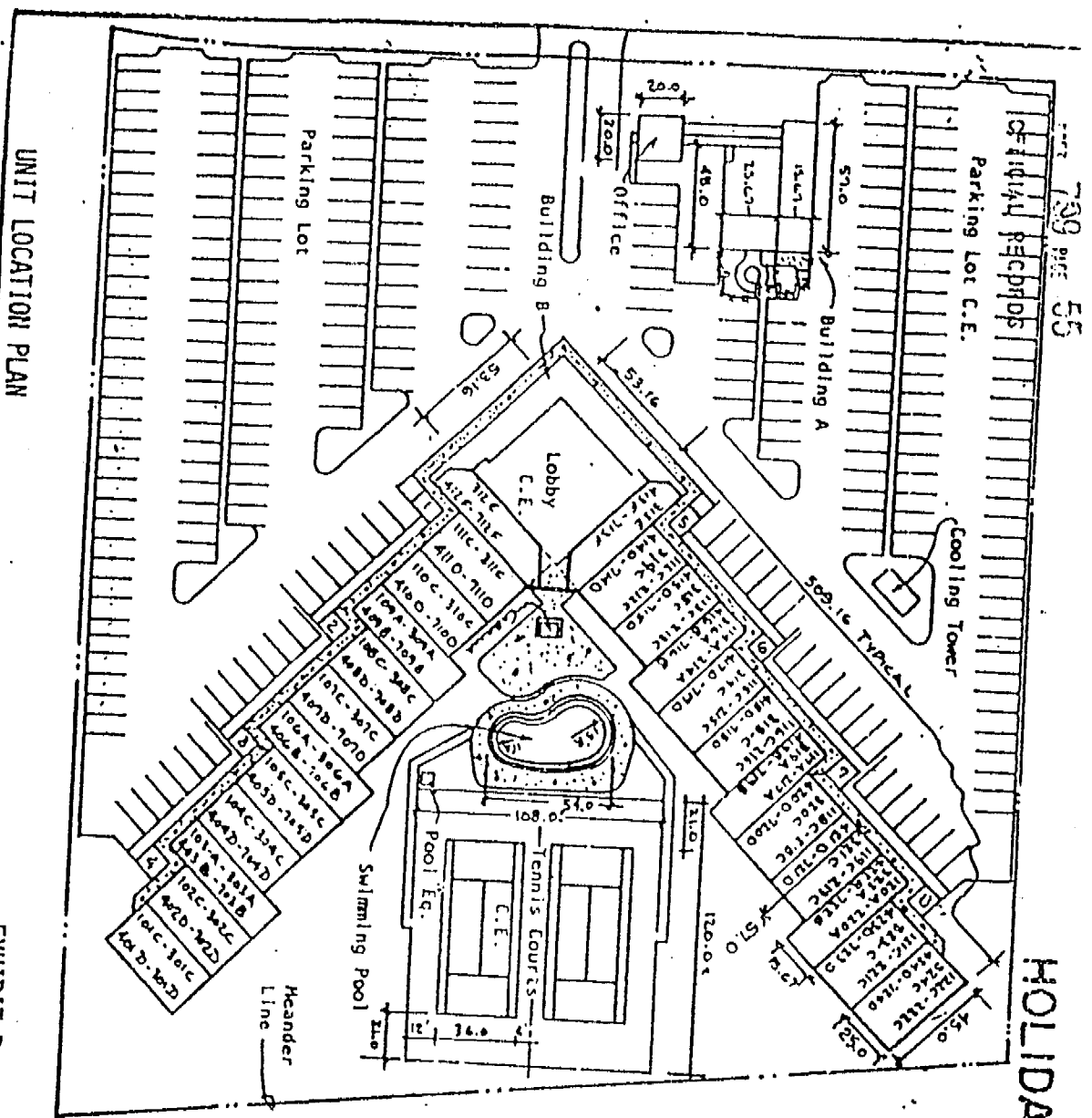


**DESCRIPTION:**

Commencing at the northwest corner of Lot 13, Block B, Holiday Isle Residential Section No. 3, Plat Book 4, Page 20, Okaloosa County, Florida proceed S-88° 44' V 950 feet along Gulf Shore Drive to PDB, THENCE continue S-88° 44' V 316 feet to PC, THENCE continue westerly along Gulf Shore Drive 105.58 feet along a curve of 905 foot radius deflecting right, THENCE S-1° 16' E 486 feet to a point marking Gulf of Mexico, THENCE meander the Gulf N-82° 58' E 423.5 feet, THENCE N-1° 16' V 437.25 feet to the PDB.

**CONDOMINIUM SITE PLAN:**

EXHIBIT B SHEET 1 OF 7 CONDOMINIUM BOOK PAGE



**HOLIDAY SURF & RACQUET CLUB**  
 A CONDOMINIUM  
 OKALOOSA COUNTY, FLORIDA

**UNIT DEFINITION:**

Ownership of units in buildings extend from the plane elevation of the unfinished floor to the plane elevation of the unfinished ceiling as indicated on Unit Plane Elevation Schedule herein and from the plane unfinished wall to the plane unfinished wall as indicated herein. Unfinished ceiling is the predominant unfinished ceiling of the unit and is above the drop ceiling.

Note: Balconies, carpools, sundecks, terraces, and/or entries annexed to the respective units are common elements.

**COMMON ELEMENT DEFINITION:**

That portion of the condominium property not included in the units, limited common elements or lease area, and as identified by the abbreviation C.E.

This sheet shows location of all units.

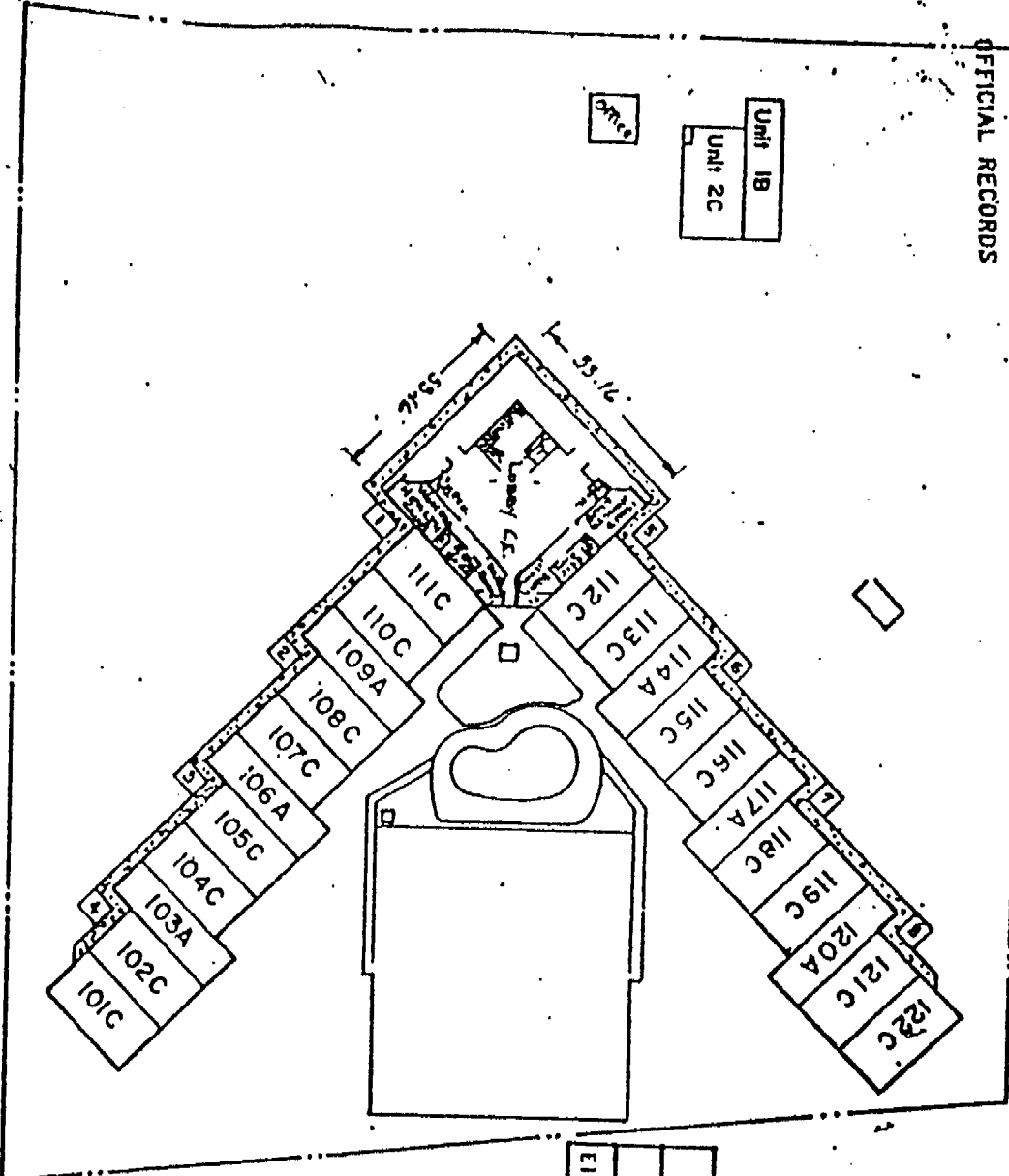
UNIT LOCATION PLAN

EXHIBIT B SHEET 2 OF 7 CONDOMINIUM BOOK \_\_\_\_\_, PAGE \_\_\_\_\_

OFFICIAL RECORDS

HOLIDAY SURF & RACQUET CLUB

A CONDOMINIUM  
OKALOOSA COUNTY, FLORIDA



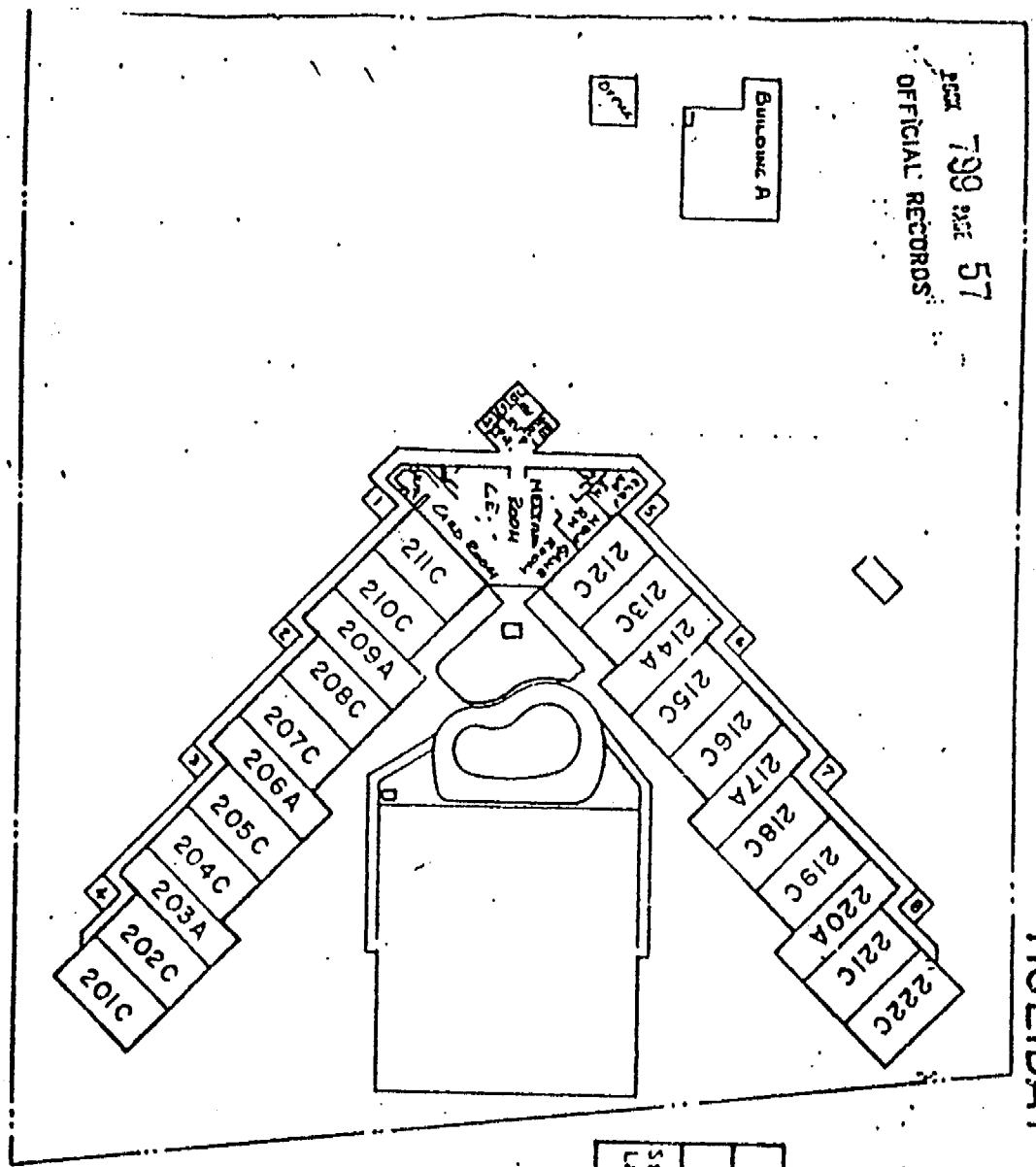
IDENTIFICATION OF NUMBERED COMMON AREAS							
1	2	3	4	5	6	7	8
Elect.	Stairs	Stor.	Stairs	Laund	Stairs	Stor.	Stairs

UNIT LOCATION PLAN  
FIRST FLOOR

EXHIBIT B SHEET 3 OF 7 CONDOMINIUM BOOK \_\_\_\_\_, PAGE \_\_\_\_\_



OFFICIAL RECORDS  
 FILE 799 PAGE 57



INDIANA COURT OF NAVYVILLE CLUB

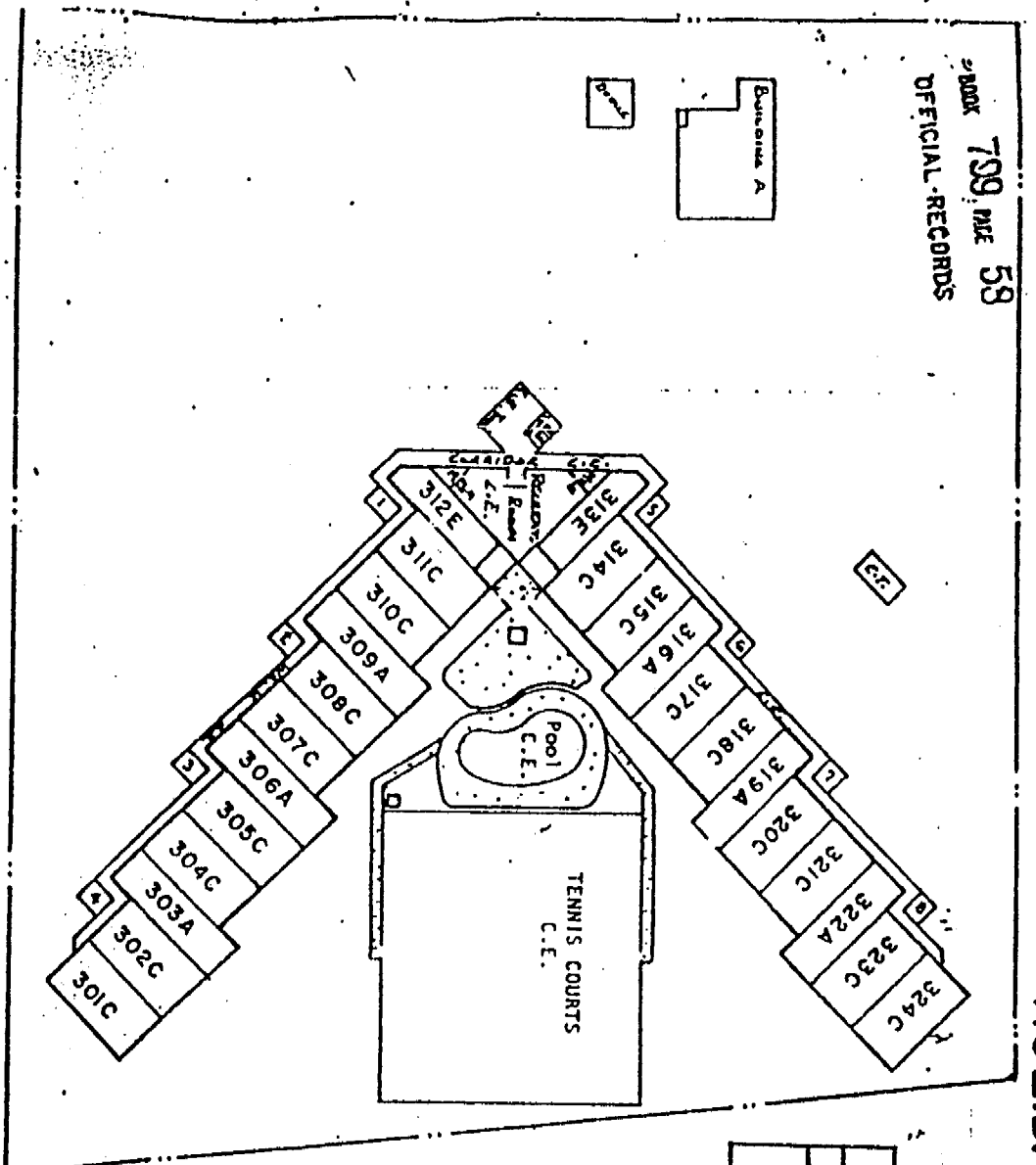
A CONDOMINIUM  
 OKALOOSA COUNTY, FLORIDA

IDENTIFICATION OF NUMBERED COMMON AREAS							
1	2	3	4	5	6	7	8
Stor. Laund.	Stairs	Elect. Equip	Stairs	Stor. Laund.	Stairs	Elect Equip	Stairs

UNIT LOCATION PLAN  
 SECOND FLOOR

EXHIBIT B SHEET 4 OF 7 CONDOMINIUM BOOK PAGE

BOOK 799, PAGE 59  
 OFFICIAL RECORDS



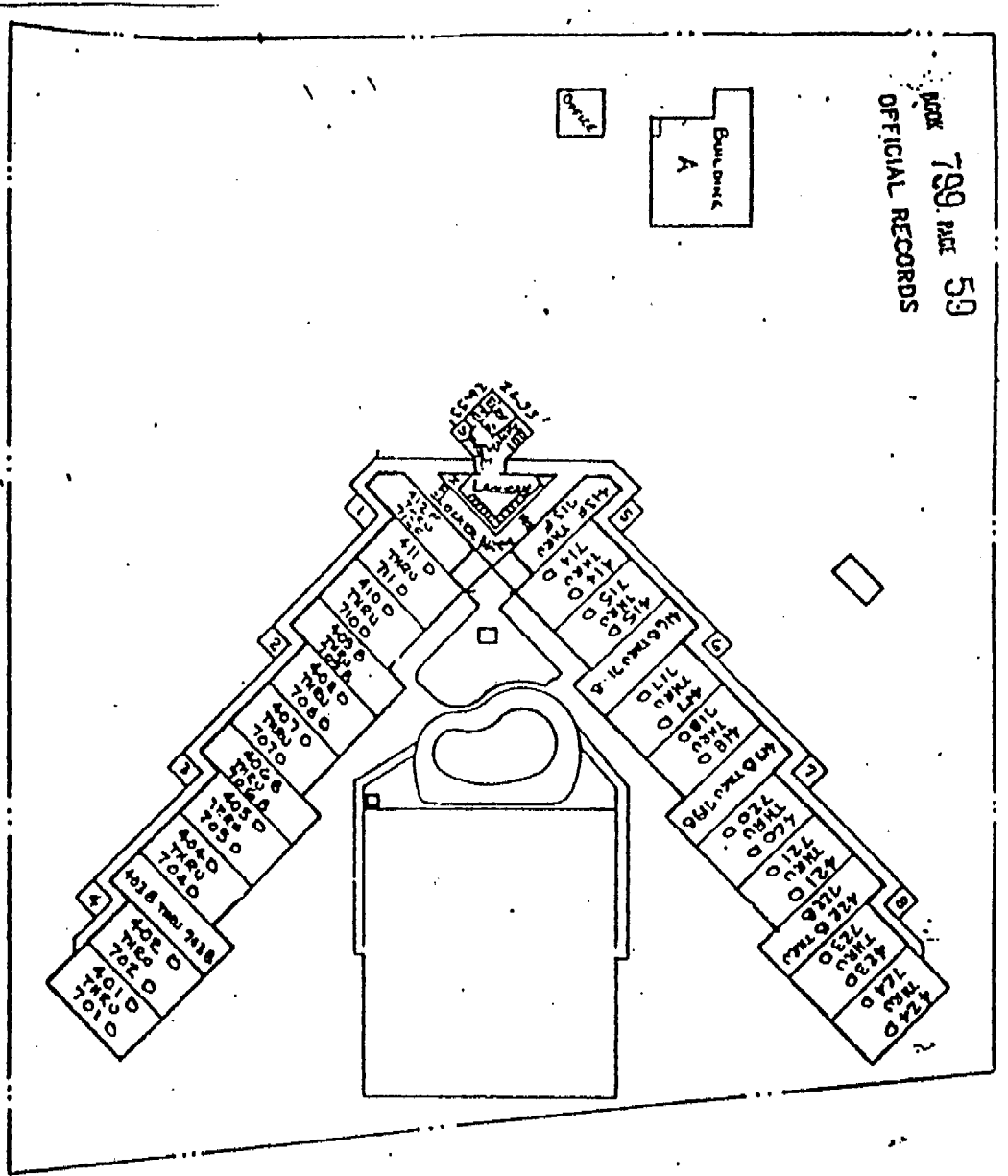
HOLIDAY SURF & RACQUET CLUB

A CONDOMINIUM  
 OKALOOSA COUNTY, FLORIDA

IDENTIFICATION OF NUMBERED COMMON AREAS							
1	2	3	4	5	6	7	8
Stor. L. and	Stairs	Elect. Equip.	Stairs	Stor. L. and	Stairs	Elect. Equip.	Stairs

UNIT LOCATION PLAN  
 THIRD FLOOR

EXHIBIT B SHEET 5 OF 7 CONDOMINIUM BOOK \_\_\_\_\_, PAGE \_\_\_\_\_



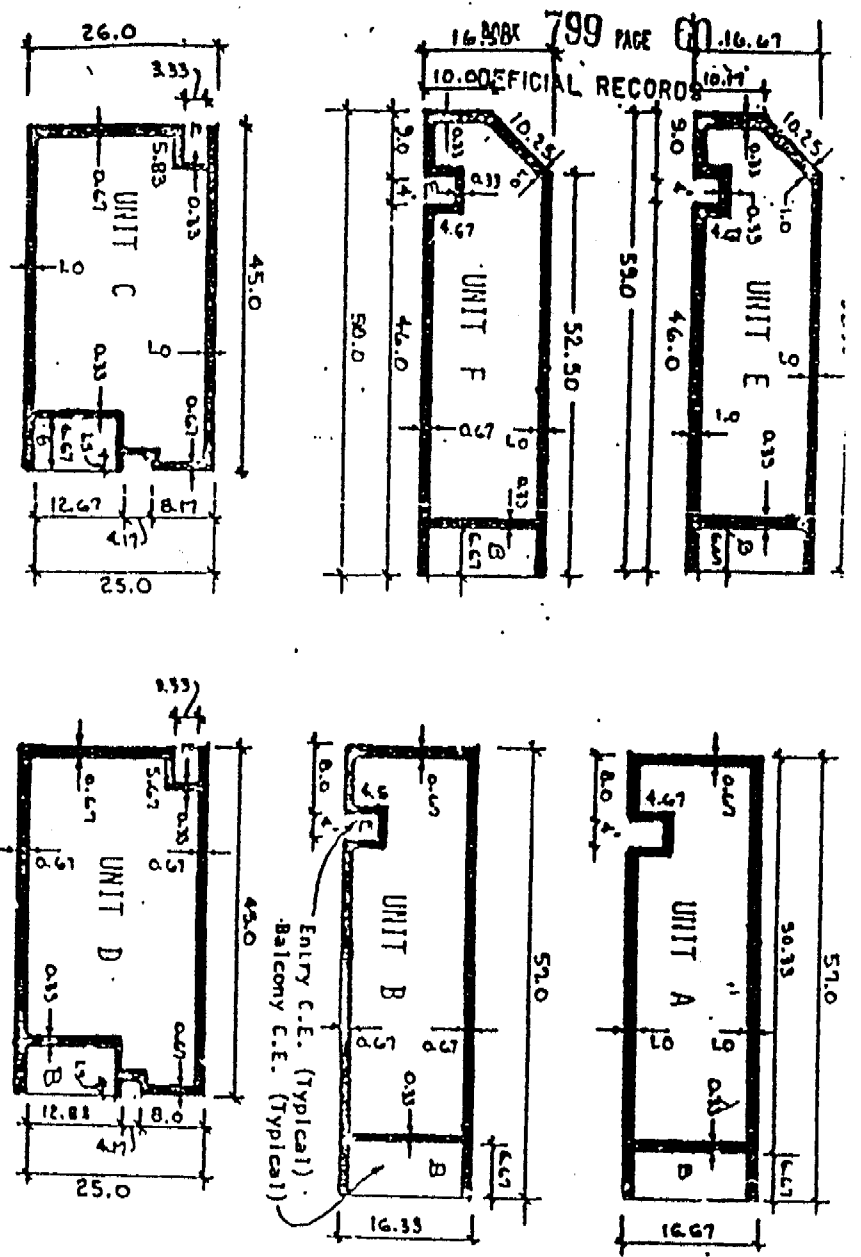
A CONDOMINIUM  
OKALOOSA COUNTY, FLORIDA

IDENTIFICATION OF NUMBERED COMMON AREAS				
	1	3	5	7
F	Mech. Room	Elect. Equip.	Mech. Stor.	Elect. Equip.
L	Stor.	Elect. Equip.	Mech. Stor.	Elect. Equip.
O	Elect. Equip.	Elect. Equip.	Stor.	Elect. Equip.
R	Mech. Stor.	Elect. Equip.	Stor.	Elect. Equip.

Note: Areas 2,4,6,8 are stairways.  
This plan depicts 4th thru 7th floor unit location.

UNIT LOCATION PLAN  
4TH THRU 7TH FLOOR

**VACATION CLUB  
RACQUET CLUB**  
A CONDOMINIUM  
OKALOOSA COUNTY, FLORIDA



- NOTES:**
1. Dimensions subject to normal construction variations.
  2. Each Unit number consists of a Unit letter setting forth the type of Unit and a 3 digit number. The first digit of the number indicates the floor number and the last two digits indicate the Unit number, also referred to as Unit Location above.

EXHIBIT B SHEET 7 OF 7 CONDOMINIUM BOOK PAGE

UNIT LOCATION, BUILDING "A"	
UNIT LETTER	FLOOR NO.
B	1
C	1

UNIT LOCATION, BUILDING "B"	
UNIT LETTER	FLOOR NO.
A	4-2
B	4 thru 7
C	1, 2
D	4 thru 7
E	3
F	4 thru 7

UNIT LETTER	FLOOR NO.	UNIT LOCATION
A	4-2	03, 06, 09 14, 17, 20
B	4 thru 7	03, 06, 09 16, 19, 22
C	1, 2	01, 04, 07 02, 05, 08, 11, 13, 16
D	4 thru 7	10, 12, 15 19, 22
E	3	01, 04, 07 02, 05, 08, 11, 15
F	4 thru 7	10, 14, 17 18, 21, 24

UNIT DIMENSION PLAN

BOOK 805 PAGE 257  
OFFICIAL RECORDS

W. E. OVERSTREET  
CONSULTING ENGINEER

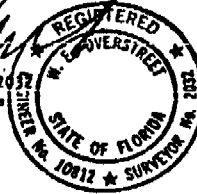
9140 ~~Street~~ AVENUE  
PORT WALTON BEACH, FLORIDA 32548  
243-2109

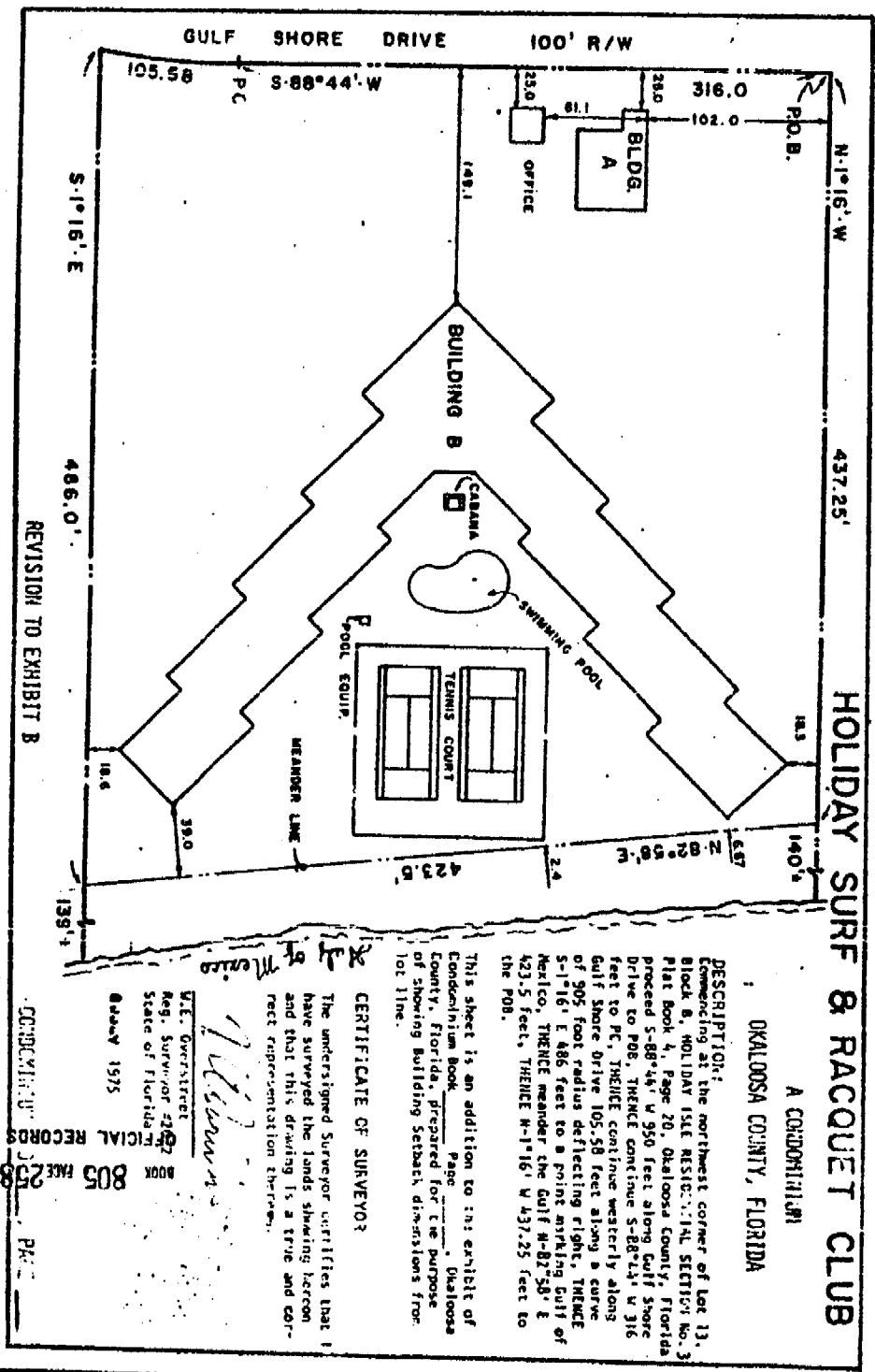
July 8, 1975

AFFIDAVIT OF SURVEYOR

The undersigned professional land surveyor duly authorized to practice under the laws of the State of Florida hereby certifies that the original Condominium Plat of HOLIDAY SURF AND RACQUET CLUB did not show building setbacks from property lines as a numerical dimension, and that the "Revision to Exhibit B" included herein adds these dimensions and properly represents the location of the improvements with respect to the land submitted to the condominium ownership.

W. E. Overstreet  
Reg. Surveyor #2052  
State of Florida





**HOLIDAY SURF & RACQUET CLUB**

A CONDOMINIUM  
OKALOOSA COUNTY, FLORIDA

**DESCRIPTION:**  
Commencing at the northwest corner of Lot 13, Block B, HOLIDAY ISLE RESIDENTIAL SECTION No. 3, Plat Book 4, Page 20, Okaloosa County, Florida proceed S-88°44' W 950 feet along Gulf Shore Drive to P.O.B., THENCE continue westerly along Gulf Shore Drive 105.58 feet along a curve of 905 foot radius deflecting right, THENCE S-1°16' E 486 feet to a point marking Gulf of Mexico, THENCE meander the Gulf N-87°50' E 423.5 feet, THENCE N-1°16' W 437.25 feet to the P.O.B.

This sheet is an addition to the exhibit of Condominium Book \_\_\_\_\_ Page \_\_\_\_\_ Okaloosa County, Florida, prepared for the purpose of showing Building setback dimensions from lot line.

**CERTIFICATE OF SURVEYOR**

The undersigned Surveyor certifies that I have surveyed the lands showing hereon and that this drawing is a true and correct representation thereof.

*W. L. ...*  
Surveyor

V.L. Overstreet  
Reg. Surveyor #27  
State of Florida  
May 1975

BOOK 805 PAGE 258  
OFFICIAL RECORDS  
CORRECTION

EXHIBIT C - Percentage of Interest (as previously amended)

EXHIBIT "C"

BOOK 805 PAGE 259

OFFICIAL RECORDS

Percentage of Ownership of Common Elements, Share in Common Expenses and Share of Common Surplus.

Each Unit Number consists of a Unit Letter setting forth the type of Unit and a 3-digit number. The first digit of the Number indicates the floor number and the last two digits indicate the Unit Number also referred to as Unit Location.

MODEL A of which there are 18, 0.49329 each as follows:

Building B:  
Units: 103, 106, 109, 114, 117, 120  
203, 206, 209, 214, 217, 220  
303, 306, 309, 316, 319, 322

Total Percentage of Model A Units: 8.87922

MODEL B of which there are 25, 0.50372 each as follows:

Building A:  
Unit: 1  
Building B:  
Units: 403, 406, 409, 416, 419, 422  
503, 506, 509, 516, 519, 522  
603, 606, 609, 616, 619, 622  
703, 706, 709, 716, 719, 722

Total Percentage of Model B Units: 12.593

MODEL C of which there are 49, 0.64744, each as follows:

Building A:  
Unit: 2  
Building B:  
Units: 101, 102, 104, 105, 107, 108, 110, 111, 112, 113, 115, 116, 118,  
119, 121, 122, 201, 202, 204, 205, 207, 208, 210, 211, 212, 213,  
215, 216, 218, 219, 221, 222, 301, 302, 304, 305, 307, 308, 310,  
311, 314, 315, 317, 318, 320, 321, 323, 324

Total Percentage of Model C Units: 31.72556

MODEL D of which there are 64, 0.65598 each as follows:

Building B:  
Units: 401, 402, 404, 405, 407, 408, 410, 411, 414, 415, 417, 418, 420,  
421, 423, 424, 501, 502, 504, 505, 507, 508, 510, 511, 514, 515,  
517, 518, 520, 521, 523, 524, 601, 602, 604, 605, 607, 608, 610,  
611, 614, 615, 617, 618, 620, 621, 623, 624, 701, 702, 704, 705,  
707, 708, 710, 711, 714, 715, 717, 718, 720, 721, 723, 724

Total Percentage of Model D Units: 41.98272

MODEL E of which there are 2, 0.47845 each as follows:

Building B:  
Units: 312, 313

Total Percentage of Model E Units: 0.9569

MODEL F of which there are 8, 0.48295 each as follows:

Building B:  
Units: 412, 413, 512, 513, 612, 613, 712, 713

Total Percentage of Model F Units: 3.86366



NO 8 NOV 6 TRC SL

RECEIVED  
NOV 6 1964

436984



EXHIBIT D - Articles of Incorporation

**RESTATED  
ARTICLES OF INCORPORATION  
OF  
HOLIDAY SURF AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC.**

The undersigned hereby associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes, 1972, and certify as follows:

**ARTICLE I - NAME**

The name of the corporation shall be HOLIDAY SURF AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC., hereinafter called the Association.

**ARTICLE II - PURPOSE**

1. The purpose for which the Association is organized is to provide an entity pursuant to Sections 711.12 and 711.121, Florida Statutes 1972, for the operation of HOLIDAY SURF AND RACQUET CLUB, a condominium located upon the following lands:

Commencing at the Northwest corner of Lot 13, Block B, Holiday Isle Residential Section No. 3, Plat Book 4, Page 20, Okaloosa County, Florida, proceed S 88° 44' W 950 feet along Gulf Shore Drive to POB, thence continue S 88° 44' W 316 feet to PC, thence continue westerly along Gulf Shore Drive 105.58 feet along a curve of 905 foot radius deflecting right, thence S 1° 16' E 486 feet to a point marking Gulf of Mexico, thence meander the Gulf N 82° 58' E 423.5 feet, thence N 1° 16' W 437.25 feet to the POB.

2. The Association shall make no distribution of income to its members, directors or officers.

**ARTICLE III - POWERS**

The powers of the Association shall include and be governed by the following provisions:

1. The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of these Articles.

2. The Association shall have all of the powers and duties set forth in Chapter 711, Florida Statutes 1972, except as limited by these Articles and the Declaration of Condominium, hereinafter called the Declaration, and all of the powers and duties reasonably necessary to operate the condominium as set forth in the Declaration and as it may be amended from time to time, including but not limited to the following:

(a) To make and collect assessments against members to defray the costs, expenses and losses of the condominium.

(b) To use the proceeds of assessments in the exercise of its powers and duties.

(c) To maintain, repair, replace and operate the condominium property.

(d) To purchase insurance upon the condominium property and insurance for the protection of the Association and its members.

(e) To re-construct improvements after casualty and to further improve the property.

(f) To make and amend reasonable regulations respecting the use of the property in the condominium; provided, however, that all such regulations and amendments thereto shall be approved by not less than seventy five per cent 75% of the votes of the entire Board of Directors of the Association before such shall become effective.

(g) To approve or disapprove the transfer, mortgage and ownership of apartments as may be provided by the Declaration and the By-Laws.

(h) To enforce by legal means the provisions of Chapter 711, Florida Statutes 1972, the Declaration, these Articles, the By-Laws of the Association, and the regulations for the use of the condominium property.

(i) To contract for the management of the condominium and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the Declaration to have approval of the board of directors or the membership of the Association.

(j) To contract for the management or operation of portions of the common elements susceptible to separate management or operation and to lease such portions.

(k) To employ personnel to perform the services required for proper operation of the condominium.

3. The Association shall not have the power to purchase an apartment of the condominium, except as may be permitted by the Declaration. This provision shall not be changed without the unanimous approval of the members.

4. All funds and the titles of all properties acquired by the Association and the proceeds thereof shall be held in trust for the members in accordance with the provisions of the Declaration, these Articles and the By-Laws.

5. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration and the By-Laws.

#### **ARTICLE IV - MEMBERS**

1. The members of the Association shall consist of all of the record owners of apartments.

2. Change of membership in the Association shall be established by the recording in the public records of Okaloosa County, Florida, of a sublease or other instrument establishing a record ownership to an apartment in the condominium and the delivery to the Association of a certified copy of such instrument, the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior owner shall be thereby terminated.

3. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his apartment.

4. The members of the Association shall be entitled to at least one vote for each apartment owned by them. The exact number of votes to be cast by owners of an apartment and the manner of exercising voting rights shall be determined by the By-Laws of the Association.

### ARTICLE V - DIRECTORS

1. The affairs of the Association will be managed by a board consisting of the number of directors as shall be determined by the By-Laws, but not less than three directors, and in the absence of such determination shall consist of three directors.

2. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Directors may be removed and vacancies on the board of directors shall be filled in the manner provided by the By-Laws.

3. The first election of directors shall not be held until after all the apartments have been completed and have been sold by the developer, or until January 1, 1975, or until such developer elects to terminate its control of the condominium, whichever shall first occur. The directors herein named shall serve until the first election of directors and any vacancies in their number occurring before the first election shall be filled by the remaining directors.

4. The names and addresses of the members of the first board of directors who shall hold office until their successors are elected and have qualified or until removed are as follows:

Jerome W. Burkett	Suite 202 2 Eglin Parkway Ft. Walton Beach, Florida
-------------------	---

Earl J. Clark	Suite 202 2 Eglin Parkway Ft. Walton Beach, Florida
---------------	---

Robert E. Lee	241 Eglin Parkway NE Ft. Walton Beach, Florida
---------------	---

### ARTICLE VI - OFFICERS

The affairs of the Association shall be administered by officers elected by the board of directors at its first meeting following the annual meeting of the members of the Association, which officers shall serve at the pleasure of the board of directors. The names and addresses of the officers who shall serve until their successors are designated by the board of directors are as follows:

President	Jerome W. Burkett	Suite 202 2 Eglin Parkway Ft. Walton Beach, Florida
-----------	-------------------	---

Vpresident Ass. Secretary	Robert E. Lee	241 Eglin Parkway NE Ft. Walton Beach, Florida
Secretary- Treasurer	Earl J. Clark	Suite 202 2 Eglin Parkway Ft. Walton Beach, Florida

**ARTICLE VII - INDEMNIFICATION**

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, or any settlement thereof, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, provided that in the event of a settlement the indemnification herein shall apply only when the board of directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

**ARTICLE VIII - BY-LAWS**

The first By-Laws of the Association shall be adopted by the board of directors and may be altered, amended or rescinded in the manner provided by the By-Laws.

**ARTICLE IX - AMENDMENTS**

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
2. A resolution approving a proposed amendment may be proposed by either the board of directors or by the members of the Association. Directors and members not present in person or by proxy at the meetings considering the amendment may express their approval in writing, providing such approval is delivered to the secretary at or prior to the meeting.
3. Approval of an amendment must be by not less than 75% of the entire membership of the board of directors and by no less than 75% of the votes of the entire membership of the Association, or by not less than 80% of the votes of the entire membership of the Association.
4. No amendment shall make any changes in the qualifications for membership nor the voting rights of members, nor any change in Section 3 of Article III, without approval in writing by all members.
5. A copy of each amendment shall be certified by the Secretary of State and recorded in the public records of Okaloosa County, Florida.

**ARTICLE X - TERM**

The term of the Association shall be the life of the condominium, unless the Association is terminated sooner by unanimous action of its members. The Association shall be terminated by the termination of the condominium in accordance with the provisions of the Declaration.

**ARTICLE XI - SUBSCRIBERS**

The names and addresses of the subscribers of these Articles of Incorporation are as follows:

Jerome W. Burkett	Suite 202 2 Eglin Parkway Ft. Walton Beach, Florida
Earl J. Clark	Suite 202 2 Eglin Parkway Ft. Walton Beach, Florida
Robert E. Lee	241 Eglin Parkway NE Ft. Walton Beach, Florida

**ARTICLE XII - RESIDENT AGENT**

The Association has named Robert E. Lee, whose address is Suite 202, 241 Eglin Parkway NE, Ft. Walton Beach, Florida, as its agent to accept service of process within this state.

IN WITNESS WHEREOF, the subscribers have hereto affixed their signatures this 13<sup>th</sup> day of February, 1973.

/s/ Jerome W. Burkett  
JEROME W. BURKETT

/s/ Eric J. Clark  
ERIC J. CLARK

/s/ Robert E. Lee  
ROBERT E. LEE

STATE OF FLORIDA  
COUNTY OF OKALOOSA

BEFORE ME, the undersigned authority, duly authorized by the State and County aforesaid to take acknowledgments, personally appeared JEROME W. BURKETT, EARL J. CLARK, and ROBERT E. LEE to me known to be the persons described in and who executed the foregoing instrument and they acknowledged before me that they executed the same for the purposes therein contained.

WITNESS my hand and official seal in the State and County last aforesaid this 13<sup>th</sup> day of February, 1973.

/s/ Martha A. McBride  
Notary Public  
My Commission Expires: July 20, 1976

Having been named to accept service of process for the above stated Association at the place designated in this certificate, I hereby accept to act in this capacity and agree to comply with the provisions of said Act relative to keeping open said office.

/s/ Robert E. Lee  
ROBERT E. LEE

EXHIBIT "D"

BOOK 799 PAGE 62  
OFFICIAL RECORDS

# STATE OF FLORIDA

DEPARTMENT OF STATE



I, RICHARD (DICK) STONE, Secretary of State of the State of Florida, do hereby  
certify that the following is a true and correct copy of

## CERTIFICATE OF INCORPORATION

OF

HOLIDAY SURF AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC.

a corporation not for profit organized and existing under the Laws of the State of  
Florida, filed on the 14th day of February, A.D., 1973

as shown by the records of this office.

GIVEN under my hand and the Great  
Seal of the State of Florida, at  
Tallahassee, the Capital, this the  
14th day of February,  
A.D., 1973.



*Richard (Dick) Stone*

SECRETARY OF STATE

Stamp 114  
3 20 77

EXHIBIT E - By-Laws

**BY-LAWS  
OF  
HOLIDAY SURF & RACQUET CLUB**

**(REVISED 2006)**

**1. IDENTITY**

These are the By-laws (Revised 2006) of Holiday Surf & Racquet Club Condominium Association, Inc., a Corporation Not for Profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State of Florida on February 14, 1973. Holiday Surf & Racquet Club Condominium Association, Inc., hereinafter called "Association" has been organized for the purpose of administering the operation and management of Holiday Surf & Racquet Club, a condominium property established in accordance with the laws of the State of Florida. This is a revised edition of the original By-Laws and previous revisions and is effective September 22, 2006. This revision conforms to F.S. 718, The Condominium Act, as amended by the 2005 State Legislature.

a. The provisions of these By-laws are applicable to the Condominium, and the terms and conditions hereof are expressly subject to the effect of the terms, provisions, conditions and authorizations contained in the Articles of Incorporation and in the formal Declaration of Condominium, as amended, recorded in the Public Records of Okaloosa County, Florida. The terms and provisions of said Articles of Incorporation and Declaration of Condominium are to be controlling whenever the same may be in conflict.

b. All present or future owners, tenants, future tenants, or their employees, or any other person that might use the Condominium or any of the facilities thereof in any manner, are subject to the regulations set forth in these By-laws, the Articles of Incorporation and Declaration of Condominium.

c. The office of the Association shall be at 510 Gulf Shores Drive, Holiday Isle, Destin, Florida 32541.

**2. MEMBERSHIP, VOTING, QUORUM, PROXIES**

a. The qualification of Members, the manner of their admission to Membership, termination of such Membership and voting by Members shall be as set forth in Article IV of the Articles of Incorporation of the Association, the provisions of which said Article IV of the Articles of Incorporation are incorporated herein by reference. Should two (2) or more Condominium Units be used by a single owner as one (1) dwelling unit by connecting the same in a manner approved by the Board of Directors, the same shall not in any manner affect or destroy the separateness of such Condominium Units for voting purposes or any other purpose.

b. A quorum at Members' Meetings shall consist of persons entitled to cast a majority of the votes of the entire Membership. The Joinder of a Member in the action of a meeting by signing and concurring in the Minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

c. The vote of the owners of a Condominium Unit owned by more than one person or by a corporation or other entity shall be cast by the person named in a Certificate signed by all of the owners of the Condominium Unit and filed with the Secretary of the Association and such Certificate shall be valid until revoked by subsequent Certificate. If such a Certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose. The person named in any such Certificate shall have the right to designate proxy or proxies to cast the vote of the owners of the Condominium Unit who have executed such Certificate.

d. Wherever any Condominium Unit is owned by husband and wife, absent any notice by them to the contrary, the husband or wife, as the case may be, shall be treated and regarded as the agent and proxy of the other when in attendance at any Membership meeting for the purpose of determining a quorum and casting the vote for each Condominium Unit owned by them without the necessity of filing a Certificate.

e. Approval or disapproval of a Condominium Unit Owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such owner if in an Association meeting.

f. Unit owners may not vote by general proxy, but may vote by limited proxies. Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes taken to waive or reduce reserves, to amend the Articles of Incorporation or By-Laws or for any other matter where a vote of the membership is required. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the secretary before the appointed time of the meeting.

### 3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

a. The Annual Members' Meeting shall be held at the office of the Association at 1:00 P.M. or at such other place and time as the Board of Directors may designate, on the second Saturday in October of each year for the purpose of electing Directors and for transacting any other business authorized to be transacted by the members. The Board of Directors, at their discretion, may change the time and date for holding the Annual Membership Meeting, but in no event shall such Meeting be held prior to August 1<sup>st</sup> or later than November 1<sup>st</sup> of each year.

b. Special Members' Meetings shall be held whenever called by the President or by a majority of the Board of Directors and must be called by the Officers upon receipt of a written request from Members of the Association owning a majority of the Condominium Units.

c. Notice of all Members' Meetings, Regular or Special, shall be given to each Member by the President, Vice President or Secretary of the Association or other Officer of the Association in absence of said Officers, unless waived in writing. Such notice is to be written or printed and is to state the time and place and object for which the Meeting is called plus an identification of all agenda items. Such notice shall be given to each Member not less than 14 days nor more than thirty (30) days prior to the date set for such Meeting, which notice shall be mailed or presented personally to each Member within said time, and posted in a conspicuous place on the condominium property at least 14 continuous days preceding the Annual Meeting. If presented personally, receipt of such notice shall be signed by the Member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail, addressed to the Member at his post office address as it appears on the records of the Association (Register of Owners) as of the date of mailing such notice, the postage thereon prepaid. Proof of such mailing shall be given by



the Affidavit of the person giving the notice or by U.S. Postal Service Certificate of mailing. Any Member may, by written waiver of notice signed by such Member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the Meeting, shall be deemed equivalent to the giving of such notice to such Member. If the necessary percentage of the Membership required to constitute a quorum has not attended, the Members who are present shall adjourn the Meeting from time to time until a quorum is present.

d. The President shall preside at all Members' Meetings. In the absence of the President, a Vice President selected by a majority of the Board of Directors shall preside at such Meeting.

e. Unit owners shall have the right to participate in meetings of unit owners with reference to all agenda items. However, the Association may adopt reasonable rules governing the frequency, duration and manner of unit owner participation. For example, a rule limiting the duration of unit owners speeches, remarks, discussions, etc. to a reasonable time would be proper.

f. Any unit owner may tape record or videotape meetings of the unit owners subject to reasonable rules.

g. The order of business at the Annual Members' Meeting and as far as practical at any other Members' Meeting shall be:

- (1) Calling of the roll and certifying of proxies;
- (2) Proof of notice of Meeting or waiver of notice;
- (3) Reading and disposal of any unapproved minutes;
- (4) Report of Officers;
- (5) Reports of Committees;
- (6) Appointment of Inspectors of Election by Chair;
- (7) Election of Directors;
- (8) Unfinished Business;
- (9) New Business;
- (10) Adjournment

#### 4. BOARD OF DIRECTORS

a. The Board of Directors shall consist of seven (7) members for the year 2006-2007 and each year thereafter until modified. The number of Directors may be increased or decreased by a majority vote of the Members of the Association, but in no event shall the Board consist of less than three (3) nor more than fifteen (15) persons.

b. Vacancies on the Board and election of Directors shall be conducted in the following manner:

(1) All vacancies on the Board of Directors shall be filled only by Unit Owners.

(2) Vacancies on the Board of Directors which are created during a term by resignation, recall or otherwise may be filled until the date of the next Annual Meeting by appointment of the remaining Directors.

(3) Commencing with the 1979 Annual Members Meeting, the terms of office of the Board of Directors shall be such that a bare majority and the minority of the Board members serve staggered two (2) year terms. The bare majority of Directors receiving the largest plurality of votes in 1979 shall serve the first two (2) year terms and the remaining Directors shall serve one (1) year terms. Each year thereafter, the terms of the Directors elected or that could have been elected at the Annual Members Meeting to fill the vacancies on the Board shall be for two (2) years. Should any director serve two (2) consecutive years (one complete term), that director may not be a candidate for, or be appointed to, the Board, until one calendar year after the end of the term served has elapsed. The term of a Director shall expire automatically when the Director ceases to be a Member of the Association (i.e., no longer owns a Unit). A Director may not serve as a paid employee of the Association during any term.

(4) In the election of Directors, there shall be appurtenant to each Condominium Unit as many votes for Directors as there are Directors to be elected, provided, however, that no Member or Owner of any Condominium Unit may cast more than one (1) vote for each Condominium Unit owned by him for any person nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative.

(5) The Board of Directors shall be elected by written ballot. Proxies shall in no event be used in electing the Board of Directors. Not less than 60 days before a scheduled election, the Association shall mail or deliver to each unit owner a first notice of the date of the election. Any unit owner desiring to be a candidate for the Board shall give written notice to the secretary of the Association not less than 40 days before a scheduled election. Not less than 30 days before the election meeting the Association shall mail a second notice of meeting to all unit owners together with a ballot which shall list all candidates. Upon request of a candidate the association shall include an information sheet no larger than 8 1/2 x 11 inches furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing and copying to be borne by the association.

(6) Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement or minimum number of votes necessary for election of members of the Board of Directors.

(7) No unit owner shall permit any other person to vote his ballot; any such ballots improperly cast shall be deemed invalid.

c. The Organizational Meeting of a newly elected Board of Directors shall be held within ten (10) days of its election at such time and place as shall be fixed by the Directors at the Meeting at which they were elected. No further notice of the Organizational Meeting shall be necessary provided a quorum shall be present.

d. Regular Meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such Meeting, unless notice is waived. Adequate notice of all meetings shall be posted in a conspicuous place upon the condominium property at least 48 continuous hours preceding the meeting, except in an emergency. However, written notice of any meeting at which non-emergency special assessments, or at which amendments to rules regarding unit use will be proposed, discussed, or approved shall be mailed or delivered to the unit owners and posted conspicuously on the condominium property, not less than 14 days prior to the meeting. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the secretary and filed among the official records of the association. The board shall by duly adopted rule designate a specific location on the condominium property upon which all notices of meetings shall be placed. Notice of any meeting in which regular assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of such assessments.

e. Meetings of the Board of Directors and any committee thereof at which a quorum of the members of that committee are present shall be open to all unit owners. Any unit owner may tape record or videotape meetings of the Board of Directors. The rights to attend such meetings include the right to speak at such meetings with reference to all designated items. The association may adopt reasonable rules governing the use of recording devices and the frequency, duration, and manner of unit owner statements.

f. Special Meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of any three (3) Members of the Board. Not less than three (3) days notice of a Meeting shall be given to each Director, personally or by mail, telephone or e-mail, which notice shall state the time, place and purpose of the Meeting.

g. Any Director may waive notice of a Meeting before or after the Meeting and such waiver shall be deemed equivalent to the giving of notice.

h. A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The action of the Board approved by a majority of the votes present at a Meeting at which a quorum is present shall constitute the action of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, these By-Laws or the Declaration of Condominium. If any Directors' Meeting cannot be held because a quorum has not attended, the Directors who are present may adjourn the meeting from time to time until a quorum is present. At any adjourned Meeting, any business which might have been transacted at the Meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a Meeting by signing and concurring in the Minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

i. The Presiding Officer at Directors' Meetings shall be the Chairman of the Board if such an Officer has been elected; and if none, then the President shall preside. In the absence of the Presiding Officer, the Directors present shall designate one of their number to preside.

j. Directors' fees, if any, shall be determined by the Members.

k. All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation of the

Association, these By-Laws and the Declaration of Condominium and shall include, without limiting the generality of the foregoing, the following:

(1) To make, levy and collect assessments against Members and Members' Condominium Units to defray the costs of the Condominium and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association.

(2) To maintain, repair, replace, operate and manage the Condominium wherever the same is required to be done and accomplished by the Association for the benefit of its Members.

(3) To reconstruct improvements after any casualty and to further improve the property, real and personal.

(4) To make and amend regulations governing the use of the property, real and personal, in the Condominium so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and Declaration of Condominium.

(5) To approve or disapprove proposed purchasers and lessees of Condominium Units.

(6) To now or hereafter acquire and enter into Leases and Agreements of every nature.

(7) To keep minutes of all Meetings of Unit Owners and Board of Directors, which shall be kept in a businesslike manner and shall be made available for inspection by Unit Owners and Directors at all reasonable times.

l. Any one or more of the Members of the Board of Directors of the Association may be removed either with or without cause, at any time, by a vote of the Members owning fifty-one percent (51%) of the Condominium Units at any Special Meeting called for such purpose, or at the Annual Meeting.

m. The Board of Directors shall adopt hurricane shutter specifications for the individual units which shall include color, style, and other factors deemed relevant by the Board. All specifications shall comply with the applicable building code. The Board shall not refuse to approve the installation of hurricane shutters conforming to the specifications adopted by the Board, if requested and paid for by a unit owner. According to Florida Law this shall not be deemed a material alteration to the common elements.

n. The Board of Directors shall require that all contracts for the purchase, lease, or rental of materials or equipment and all contracts for the provision of services shall be in writing. If the contract exceeds \$10,000, at least three competitive bids shall be obtained. Nothing contained herein shall be construed to require the Board to accept the lowest bid. The following are exempted from the contract requirements stated above:

(1) Contracts with employees and for attorney's and accountant's services.

(2) Emergency acquisitions or services.

(3) Less than three sources of supply in the county serving the Association.

o. The Board of Directors shall require that a question and answer sheet be prepared and updated annually, providing information to prospective purchasers and others as follows:

(1) Voting rights.

(2) Unit use restrictions (including leasing).

(3) Lease fees paid by Association.

(4) Amount of Assessments exclusive of Special Assessments.

(5) Basis upon which Assessments are levied.

(6) Any court cases in which the Association is a party of recourse in which the Association may face liability in excess of \$100,000.

## 5. OFFICERS

a. The Officers of the Association shall be a President, who shall be a Director, and as many Vice Presidents as the Board of Directors may deem necessary, a Treasurer and Assistant Treasurer, a Secretary and Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any Meeting. Any person may hold two or more offices, except that the President shall not also be the Vice President, Secretary or Assistant Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

b. The President shall be the Chief Executive Officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of an association, including but not limited to the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate to assist in the conduct of the affairs of the Association.

c. One of the Vice Presidents shall, in the absence or disability of the President, exercise the powers and perform the duties of President. A Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

d. The Secretary shall keep the Minutes of all proceedings of the Directors and the Members. He shall attend to the giving and serving of all notices to the Members and Directors and such other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the Directors or President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

e. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members. He shall keep the books of the Association in accordance with good accounting practices and he shall perform all other duties incident to the office of Treasurer. The Assistant Treasurer shall perform the duties of the Treasurer when the Treasurer is absent.

f. The compensation of all Officers and employees of the Association shall be fixed by the Directors.

g. All Officers shall serve at the pleasure of the Board of Directors and any Officer may be removed from office at any time, with or without cause, by a majority vote of the Board of Directors.

## 6. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration of Condominium and Articles of Incorporation shall be supplemented by the following provisions:

a. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Condominium Unit. Such an account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which assessments come due, the amounts paid upon the account and the balance due upon assessments.

b. The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the Association, including but not limited to the following:

(1) Common Expense budget, which shall include, without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and operation of Common Elements, landscaping, streets and walkways, office expense, management, utility services, casualty insurance, liability insurance, administration, reserves, membership and other possessory or use interest in lands or facilities to provide enjoyment, recreation or other use or benefit to owners of Condominium Units; and,

(2) Proposed assessments against each member.

(3) The Budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to roof replacement, building painting and sealing, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other items for which the deferred maintenance or replacement cost exceeds \$10,000. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any extension of the useful life of a reserve item caused by deferred maintenance.

(4) The foregoing shall not apply to any budget in which the members of the Association have, by vote of the majority of the members present, plus limited proxies for reserves, at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than required.

(5) For each annual unit owners meeting a limited proxy providing for a vote for or against reserves (or for reduced reserve funding) shall be mailed to each unit owner along with the ballot for directors and second notice of meeting at least 30 days prior to the meeting. If a quorum is not present at the meeting, or if a majority of the members present and limited proxies vote for reserves, the reserves as presented in the budget will automatically go into effect.

(6) Reserve funds and any interest accruing thereon shall remain in the reserve account for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the voting interests present at a duly called meeting of the Association.

c. Copies of the proposed budget and proposed assessments shall be transmitted to each Member on or before January 1<sup>st</sup> of the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished to each Member concerned. Delivery of a copy of any budget or amended budget to each Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget. Assessments levied pursuant thereto shall not be construed as restricting the right of the Board of Directors to, at any time in their sole discretion, levy any additional assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management or in the event of emergencies.

d. The budget shall be adopted by the Board of Directors at a Meeting at which the budget shall be considered. Unit Owners shall be given notice of the time and place of such Meeting at least forty-eight (48) hours prior to such Meeting. However, written notice of any meeting at which non-emergency special assessments will be proposed, discussed, or approved, shall be mailed or delivered to the unit owners and posted conspicuously on the condominium property not less than fourteen (14) days prior to the meeting. (See 4e) If a budget is adopted by the Board of Directors which requires assessments against the Unit Owners in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of such assessments for the preceding year, upon written application of ten percent (10%) of the Unit Owners, a Special Meeting of the Unit Owners shall be held upon not less than ten (10) days written notice to each Unit Owner, but within thirty (30) days of delivery of such application to the Board of Directors or any Member thereof, at which Special Meeting Unit Owners may consider and enact a revision of the budget, or recall any and all Members of the Board of Directors and elect their successors. The revision of the budget or the recall of any and all Members of the Board of Directors shall require a vote of not less than a majority of the whole number of votes of all Unit Owners. The Board of Directors may propose a budget to the Unit Owners at a Meeting of Members or by writing and if such budget or proposed budget be approved by the Unit Owners at the Meeting, or by a majority of their whole number by a writing, such budget shall not thereafter be examined by the Unit Owners in the manner herein above set forth nor shall the Board of Directors in respect of repair or replacement of Condominium Property or in respect of anticipated expenses by the Association which are not anticipated to be incurred on a regular basis or annual basis, and there shall be excluded from such computation, assessments for betterment to the Condominium Property.

e. Assessments shall be made against Unit Owners as determined by the Board of Directors.

f. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as

are authorized by the Directors.

g. An audit of the accounts of the Association shall be made annually by a Certified Public Accountant. The audit shall cover all activities of the Association, and a copy of the report shall be furnished to each member not later than April 15<sup>th</sup>, of the year following the year for which the report is made.

h. The Association shall obtain and maintain adequate provisions for the fidelity bonding of all persons who control or disburse funds of the Association, in the principal sum of not less than \$50,000 for each person. The Association shall bear the cost of bonding.

## 7. PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these By-Laws or with the Statutes of the State of Florida.

## 8. AMENDMENTS TO BY-LAWS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

a. Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon vote of the majority of the Directors, or by Members of the Association owning ten (10%) percent of the Condominium Units in the Condominium, whether Meeting as Members or by instrument in writing signed by them.

b. Upon any amendment to these By-Laws being proposed by said Board of Directors or Members, such proposed amendment shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a Special Joint Meeting of the Members of the Board of Directors of the Association and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment. It shall be the duty of the Secretary to give each Member written or printed notice of such Meeting in the same form and in the same manner as notice of the call of a Special Meeting of the Members is required as herein set forth.

c. In order for such amendment to become effective the same must be approved by an affirmative vote of the Members owning not less than a majority of the Condominium Units in the Condominium. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the Public Records of Okaloosa County, Florida, within ten (10) days from the date on which any amendment has been affirmatively approved by the members.

d. At any Meeting held to consider such amendment to the By-Laws, the written vote of any Member of the Association shall be recognized if such Member is not in attendance at such Meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such Meeting.

e. In the event that the Members owning the number of Condominium Units in the Condominium necessary to pass any amendment to these By-Laws shall execute any instrument amending these By-Laws, the same shall be and constitute an amendment hereto in the same manner as though such



amendment had been duly passed at a Meeting held to consider the same, and it shall not be necessary for the Meeting otherwise prescribed above to be held. A copy of such amendment to the By-Laws bearing the signature of the Member or Members and certified by the President and Secretary of the Association as being the amendment so adopted by the Members shall be recorded in the Public Records of Okaloosa County, Florida, within ten (10) days from the date on which such amendment has been approved.

9. RENTAL PROGRAM

The Rental Program shall manage and operate the rental of Units of Unit Owners participating in the Association's Rental Program. The Rental Program at Holiday Surf & Racquet Club Condominium shall be a voluntary program in which each participating Unit Owner will execute a written contract of indefinite term with the Association for the Association to manage and operate the rental of the Owner's Unit. Contracts shall contain unilateral cancellation provisions with a cancellation term of no less than thirty (30) days, and the terms of the contracts shall be reviewed every three years.

There shall be established and maintained a committee to be known as the "Rental Committee" consisting of the general manager of Holiday Surf & Racquet Club Condominium and a number of Unit Owners, as determined by the Board of Directors, each of whom shall be appointed for a term of at least one year duration by the Board of Directors. The president of the Board of Directors shall also appoint, annually, a chairman from those committee members appointed by the Board. The purpose of the Rental Committee is to monitor and evaluate the Rental Program on a regular basis and make recommendations to the Board of Directors regarding issues such as contractual rates to be charged, alterations in the terms of the contracts with the Unit Owners and all other aspects of the Rental Program and its management and operation. The Board of Directors of Holiday Surf & Racquet Club Condominium shall have ultimate authority for disapproving, approving or implementing recommendations from the Rental Committee.

The Association shall be entitled to collect a commission for its services in the management and operation of the Rental Program, which commission shall be set by the Board of Directors upon recommendation from the Rental Committee. The gross rental revenues received by the Association on behalf of Unit Owners participating in the Rental Program shall be deposited into a trust account from which will be distributed, in accordance with the terms of the rental contracts with the Unit Owners, the commissions due to the Association for its operation and management activities, reimbursements for costs of maintenance to the Owners' Units, and any other contractually agreed upon expenses, and the balance shall be disbursed directly to the Unit Owner. The net revenues received by the Association in the form of commissions shall be applied to and accounted for in the operating budget of the Association, which funds shall be used for the benefit of all Unit Owners, whether or not participants in the Rental Program.

The foregoing were adopted as the By-Laws of Holiday Surf and Racquet Club Condominium Association, Inc., a Corporation Not for Profit under the laws of the State of Florida, on September 22, 2006.

*Mary Jo Morton*  
Mary Jo Morton, Secretary

Approved:  
*Max Shook*

Max Shook, President

*Connie Barth*  
Witness: Connie Barth

EXHIBIT F - Rules and Regulations (as amended)

**RULES AND REGULATIONS  
OF  
HOLIDAY SURF & RACQUET CLUB**

**(AMENDED September 22, 2006)**

The following shall be the Rules and Regulations governing Holiday Surf & Racquet Club Condominium Association, Inc. These rules and regulations, as amended from time to time by the Holiday Surf & Racquet Club Condominium Association, Inc. shall be faithfully observed by all unit owners, their guests and rental guests. A copy of these rules and regulations shall be given to each new board member at the organizational board meeting and reviewed at a board meeting not less than once a year. Hereafter, an amendment to this document must be proposed at a board meeting and put to a vote of the board no sooner than thirty (30) days thereafter at a called board meeting. The membership shall be notified of the meeting date and the proposed amendments by mail no later than fourteen (14) days before the meeting called for a vote of any rule amendment.

A. All of the restrictions, limitations and obligations of members as provided in the Declaration of Condominium are incorporated herein by reference but not by way of limitation.

B. Owners shall not use or permit the use of their premises in any manner which would be disturbing to or be a nuisance to other owners, or in such a way as to be injurious to the reputation of the property.

C. The use of the Condominium units and common elements shall be consistent with existing laws, Holiday Isle protective covenants and restrictions and these rules and regulations.

D. Condominium units may not be used for business or for commercial use except as provided for in the Holiday Isle protective covenants and restrictions and with written approval of the Board of Directors.

E. Playing on or in the parking lot, walks, corridors, elevators, stairways of any condominium building is not permitted. The use of roller skates, roller blades, and bicycles on Association property is prohibited.

F. The common elements and limited common elements shall not be obstructed, littered, defaced or misused in any manner. Structural changes or alterations shall not be made in any unit or to any common elements without the written approval of the Board of Directors and within the guidelines provided by the Declaration.

G. The owner shall not cause or permit anything to be hung or displayed on the exterior side of windows or placed on the outside wall of a building or on any part of the common elements or limited common elements without prior written approval of the Board of Directors. Within the guidelines of Florida Statute 718.113(4) an owner may display one (1) portable, removable United States flag in a respectful manner.

H. Cooking shall not be permitted on any balcony, corridor, beach side courtyard or walkway.

I. Owners' pets weighing less than twenty-five (25) pounds are permitted. However, the Board of Directors reserves the right to make special exceptions in writing to this rule and to permit pets weighing in excess of twenty-five (25) pounds, upon written application of a unit owner, and upon a showing of special or extenuating circumstances. Seeing eye dogs shall be permitted regardless of weight. Pets must be on a leash and are not allowed in the courtyard, pool or pool area. Owners are required to pick up and dispose of their pet's feces.

J. Owners/guests must deposit bagged trash in provided dumpsters.

K. The following restrictions apply to the parking area:

1. Each unit is entitled to only one parking space, and no owner may assert any right to more than one space.

2. No unauthorized, inoperable, unlicensed, derelict or other offensive vehicle may be parked on the premises.

3. No vehicle may be parked on the premises which leaks a substance in kind or amount harmful to the parking surface.

4. A permit for short term (14 days) storage or parking of motor homes, boats, trailers or other oversized vehicles may be issued by the Association Management, but permits for longer storage periods must have Board authorization. These vehicles are not permitted to park within thirty (30) feet of any building and may not attach to Holiday Surf & Racquet Club utilities. A registration number or other I.D. for any boat, trailer or oversized vehicle must be displayed and registered with the office. Boat, trailer, and large vehicle parking will be in the northwest area of the parking lot.

5. Any vehicle not displaying an owner sticker or a guest/employee pass or which is otherwise authorized will be considered illegally parked and subject to removal pursuant to Florida law.

L. Owners, guests and employees shall observe non-smoking signs posted in areas designated by the Board of Directors.

M. The intended use of common areas for recreational facilities, storage and laundry rooms is as follows:

1. Main lobby - 1<sup>st</sup> floor, central core - it is the main entrance for building "B" that serves as a lounging area for owners/guests and provides access to elevators, stairways, P. O. Boxes and inside/outside adjacent recreational facilities. An office for use by the Association Rental Program is located in the S. E. Corner of the lobby.

2. Women's health club - west side first floor central core - and Men's health club east side of 1<sup>st</sup> floor central core - contains saunas, exercise equipment, rest rooms and dressing areas for the use and enjoyment of owners/guests.

3. Meeting/game/card room (Surf Room) - 2<sup>nd</sup> floor central core - this area contains kitchen and meeting facilities for the enjoyment of owners/guests. When this area is not reserved for use

by owners, it may be leased on a daily basis. A board approved lease agreement containing rates, restrictions and covenants relating to the use of this room shall be required, and the form of this lease shall be approved not less than yearly by the Board.

4. Recreation room - 3<sup>rd</sup> floor central core - this room is equipped with billiards and ping-pong tables for the use and enjoyment of owners and invited guests of owners.

5. Owners lounge - 7<sup>th</sup> floor central core - this room contains game, kitchen and party facilities for the private use of owners and their accompanying guests only. Children under eighteen years of age must be accompanied by an adult owner when using this facility. Owners are responsible for clean up following the private use of this room.

6. Swimming pool - centrally located between the east and west wings on the south side of building "B". This facility is for the swimming enjoyment of unit owners/guests (and is to be in accordance with dress codes, house rules and policies established by the Board).

7. Tennis courts - located between the east and west wings and about 95 feet south of the central core, building "B" - these courts are for owners/guests use and enjoyment of the game of tennis (within regulations established by the Board).

7a. There are two shuffle boards to the west of the tennis courts for the use and enjoyment of owners/guests.

8. Storage rooms - storage areas are located throughout the building. Rooms 2-E, 3-E, 4-E, 5-E, 5-C, 5-CC, 6-C2 and 7-B are designated for the individual owners storage, and the others are for the uses specified in Exhibit "B" of the declaration.

9. Laundry facilities - 4<sup>th</sup> floor central core and 6<sup>th</sup> floor central core - there are 6 washers and 6 dryers for the use and enjoyment of owners/guests in each of these locations.

N. A unit owner has the absolute right to lease (rent) his/her unit for a period of thirty days (30 days or longer provided that the form of lease used is supplied by the Association). When a unit is leased, the tenant shall have all use rights in Association property and common elements otherwise readily available for use generally by unit owners, and the unit owner shall not have such rights except as a guest, unless such rights are waived in writing by the tenant.

O. The Board of Directors designates the bulletin board between the two elevators in the first floor lobby of building "B" as the specific location upon which notices of committee meetings, board meetings, owner meetings and other Association activities shall be posted. This rule prohibits the posting of "For Sale" or other advertising material on this bulletin board.

P. The following shall be the official "House Rules" of Holiday Surf & Racquet Club as adopted by the Board of Directors. These "House Rules" supersede, rescind and replace previous Board approved "House Rules" and all other purported and published "House Rules". By this rule, the Board of Directors expressly denies any other party the authority to alter these rules in any manner, without prior Board approval. The "House Rules", as approved, are listed on the following page.

## HOUSE RULES AND REGULATIONS

- Rule #1 Orderly and responsible conduct is expected of Owners and guests while enjoying the use of our facilities. Loud music, offensive language or other discourteous actions are prohibited. Owner and rental guests are responsible for the actions of their children and friends. Our quiet hours are from 10 p.m. until 8 a.m.
- Rule #2 Ball tossing, frisbees, playing or running on or in the parking lot, walkways, corridors, elevators, lobby, stairways or courtyard of Holiday Surf & Racquet Club Condominium is not permitted and the use of roller skates, roller blades, skate boards, bicycles, or fireworks on association property is prohibited.
- Rule #3 Do no obstruct walkways with floats, coolers or lawn chairs, or hang towels, bathing suits or any objects over walkway or balcony railing.
- Rule #4 Barbeque grill areas are located in the parking lot. Cooking is prohibited on balconies, walkways and in the courtyard.
- Rule #5 Trash must be deposited in the dumpsters located at either side of the parking area. Please do not litter. Trash containers are located throughout the complex.
- Rule #6 Pool hours are from 9 a.m. until 10 p.m. - No lifeguard on duty. Children under 12 must be accompanied by an adult. No diving. Please do not swim alone. Swimming suits are required. No cut-offs or diapers. No glass or running in the pool area. No food or drink within four feet of or in the pool. No reserving pool chairs. Do not remove pool furniture from the pool area. Absolutely no pets in the pool or in the courtyard area.
- Rule #7 Tennis court hours are from 8 a.m. until 10 p.m. Tennis shoes, top cover and shorts are required. No hard heel/sole shoes or bare feet. Reservations (at front desk) required, one hour per unit, per day. Courts are to be used for tennis only and they are closed when wet.
- Rule #8 Parking in our lot is by permit/pass only and permit or pass must be displayed at all times. Parking in designated parking spaces only. Speed limit is 10 mph and pedestrians have the right of way.
- Rule #9 Please help keep our beaches "beautiful and healthy". Do not litter, abuse the sea oats or destroy our sand dunes. Dogs, glass containers and motor vehicles are not allowed on the beach. It's not only good policy, it's the law!!!
- Rule #10 Guests' pets not permitted. Owners' pets must be on a leash and are not permitted in the south courtyard area.
- Rule #11 Please observe "no smoking" signs - Florida law.

This instrument prepared by:  
Jay Roberts, Esq.  
Becker & Poliakoff, P.A.  
348 Miracle Strip Pkwy, Suite 7  
Fort Walton Beach, FL 32548  
(850)664-2229

**AMENDMENT OF DECLARATION OF CONDOMINIUM FOR  
HOLIDAY SURF AND RACQUET CLUB**

THE UNDERSIGNED, being the duly elected and acting President of Holiday Surf and Racquet Club Condominium Association, Inc., a Florida corporation not for profit, does hereby certify that the attached Schedule of Amendments to the Declaration of Condominium were proposed and duly adopted by a vote of not less than 66 2/3% of the voting interest by the Board of Directors, and by not less than 51% of the entire Membership at a Special Membership Meeting duly noticed and called to order on April 23, 2014, and continued to May 30, 2014.

The sole condominium operated by Holiday Surf and Racquet Club Condominium Association, Inc., is Holiday Surf and Racquet Club, a Condominium. The Amended and Restated Declaration of Condominium for Holiday Surf and Racquet Club is found at Official Records Book 2738, Page 1010 et. seq., Public Records of Okaloosa County, Florida

ATTEST:  
Holiday Surf and Racquet Club Condominium Association, Inc.

William Ford  
William Ford, Its Secretary,

By: Barbara Kilgore  
Barbara Kilgore, Its President

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

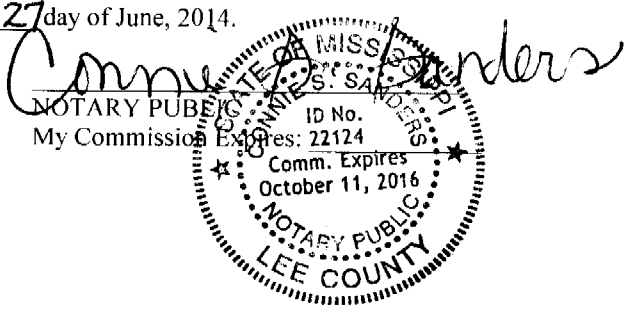
Before me, the undersigned authority appeared Barbara Kilgore, to me personally known or produced drivers license as identification, and known to be the President of Holiday Surf and Racquet Club Condominium Association, Inc., a Florida non-profit corporation, and acknowledged to and before me that the execution of the foregoing instrument was for the uses and purposes therein stated.

WITNESS my hand and official seal this 27 day of June, 2014.

STATE OF MS

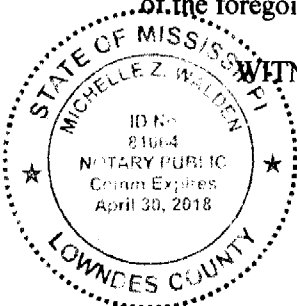
COUNTY OF Lee

STATE OF MISSISSIPPI  
COUNTY OF LOWNDES



Before me, the undersigned authority appeared William Ford, to me personally known or produced driver's license as identification, and known to be the Secretary of Holiday Surf and Racquet Club Condominium Association, Inc., a Florida non-profit corporation, and acknowledged to and before me that the execution of the foregoing instrument was for the uses and purposes therein stated.

WITNESS my hand and official seal this 30<sup>th</sup> day of June, 2014.



Michelle Z Walden  
NOTARY PUBLIC

## SCHEDULE OF AMENDMENTS

Article XII, Section 12 has been added to the Declaration of Condominium as indicated below:

All tenants and guests who stay in a Unit for one or more nights must register with the Association upon initial arrival to the Condominium Property. The Association, by and through its Board of Directors, may institute appropriate policies and procedures to govern the registration process. The Association, by and through the Board of Directors, may also institute a registration fee which shall not exceed \$100.00 per registration event. The registration fee shall be billed directly to the Unit Owner who's Unit the tenants and guests are occupying. Should a Unit Owner fail to pay his or her registration fee within thirty days of being invoiced for same, the Association shall be entitled to collect the owed registration fee in the manner provided for in Article XVII for collection of assessments.

Notwithstanding the foregoing, record Unit Owners, their spouses, children, and persons who customarily and continuously reside together as a single housekeeping unit, and the custodial children of said parties, if any, are exempt from registration. Should the record Unit Owner of a Unit be a business entity, the ownership entity shall designate a primary occupant and inform the Association of same; the primary occupant designation may be changed up to twice per calendar year. The primary occupant and his or her spouse, children, and persons who customarily and continuously reside together as a single housekeeping unit, and the custodial children of said parties shall be exempt from registration.

The registration policy and procedures described herein shall initiate on July 1<sup>st</sup> 2014.

**This instrument prepared by:**  
HAND ARENDALL HARRISON SALE LLC  
c/o Leslie D. Sheekley, Esq.  
35008 Emerald Coast Parkway, Fifth Floor  
Destin, FL 32541  
(850) 650-0010

**CERTIFICATE OF AMENDMENT TO THE  
AMENDED AND RESTATED DECLARATION OF CONDOMINIUM FOR  
HOLIDAY SURF AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC.**

**NOTICE IS HEREBY GIVEN** that, pursuant to the Amended and Restated Declaration of Condominium for Holiday Surf and Racquet Club Condominium Association, recorded at Official Records Book 2738, Pages 1010, et seq. of the Public Records of Okaloosa County, Florida, at a duly called and properly noticed meeting of the members of Holiday Surf and Racquet Club Condominium Association, Inc., on April 25, 2020, at which a quorum was present and by a vote of not less than 66 2/3% of the Board of Directors and not less than 51% of the entire voting membership interests, the Amended and Restated Declaration of Condominium was amended as reflected in the Schedule of Amendments attached hereto as Exhibit "A".

IN WITNESS WHEREOF, Holiday Surf and Racquet Club Condominium Association, Inc., has caused this Certificate of Amendment to be executed in accordance with the authority hereinabove expressed on this 29 day of April, 2020.

ATTEST:

HOLIDAY SURF AND RACQUET CLUB  
CONDOMINIUM ASSOCIATION, INC.

\_\_\_\_\_  
Debbie Lier, Its Secretary

By: *Larry Everson*  
Larry Everson, President

STATE OF FLORIDA  
COUNTY OF OKALOOSA

The foregoing instrument was acknowledged before me, by means of  physical presence or  online notarization, this 29 day of April, 2020, by LARRY EVERSON, as President and on behalf of Holiday Surf and Racquet Club Condominium Association, Inc., who is  personally known to me or  produced the following identification \_\_\_\_\_

*Britni Davis*  
NOTARY PUBLIC  
My Commission Expires:





**SCHEDULE OF AMENDMENTS TO THE  
AMENDED AND RESTATED DECLARATION OF CONDOMINIUM  
FOR HOLIDAY SURF AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC.**

**(Additions are indicated by underline and deletions are indicated by ~~strikethrough~~)**

Article XII of the Amended and Restated Declaration is amended as follows:

Section 1. Each unit is hereby restricted to single family residential use by only the owner thereof, his immediate family, guests, invitees or lessees, whether the Unit be leased on a temporary or a permanent basis, daily or for a longer period. Every Unit owner shall have the ~~absolute~~ right to lease said Unit to whomever he or she shall choose without the approval of the Association being necessary and to occupy said Unit, unless it is deemed by the Board of Directors as unsafe to occupy after, and as a result of, a natural disaster. Notwithstanding the foregoing, no Unit may be leased or rented to a person unrelated to the owner who has not attained the age of twenty-five (25) years and the person leasing or renting same must reside in the Residential Unit for the duration of the lease or rental period.

Section 2. The use of Common Elements and Units by the Owners or lessees of all Units, and all other parties authorized to use same, shall be at all times subject to such Rules and Regulations as may be prescribed and established in the Condominium Documents governing such use or which may be hereafter prescribed and established in the Condominium Documents by the Association.

AMENDED AND RESTATED RULES AND REGULATIONS  
OF  
HOLIDAY SURF & RACQUET CLUB CONDOMINIUM

SUBSTANTIAL REWORDING OF RULES AND REGULATIONS

SEE CURRENT "HOUSE RULES AND REGULATIONS" AT BK 2738, PG 1102,  
OKALOOSA COUNTY PUBLIC RECORDS, FOR CURRENT TEXT

Condominium living is greatly enhanced by a congenial atmosphere in which all residents have proper regard for the comfort of others. For this reason and pursuant to the authority granted in the Amended and Restated Declaration of Condominium for Holiday Surf & Racquet Club, a Condominium, recorded in the Official Records for Okaloosa County at Book 2738, Pages 1012, et. seq. and any amendments thereto ("Declaration"), these Rules and Regulations have been adopted by Holiday Surf & Racquet Club Condominium Association, Inc. ("the Association") in order to assure Owners and their Guests that the Condominium Property will be properly used for the benefit of all those persons.

The terms "Unit Owner" or "Owner" herein refers to those holding a leasehold estate or fee simple interest in one or more units at Holiday Surf & Racquet Club Condominium.

Where used herein, "the Act" refers to Chapter 718, Florida Statutes, as amended from time to time.

1. OWNERS, OCCUPANTS AND TENANTS

The facilities of Holiday Surf & Racquet Club Condominium are for the use and enjoyment of Owners and their spouses, children and persons who customarily and continuously reside together as a single housekeeping unit ("Family Members"), and the custodial children of said parties, as well as invited guests and overnight tenants and guests who have registered as such with the Association. Unit Owners are responsible to the Association for and may incur fines or be liable for damages for the acts of their Family Members, tenants, guests, invitees and all unit occupants.

2. CHILDREN'S ACTIVITIES

Children are welcome in Holiday Surf & Racquet and there is no desire to restrict their normal activities. Nevertheless, they are required to observe the same restrictions that apply to adults. This precludes any conduct that interferes with the quiet and comfort of the Unit Owners and Occupants or which threatens the safety of themselves or others. Parents and Guardians are responsible for the conduct and safety of their children and minors under their care.

3. USE RESTRICTIONS FOR UNITS

3.1 Nuisance. A Unit Owner shall not permit anything to be done or kept in his/her/its Unit which constitutes a nuisance, or which will increase the insurance rates on the Unit, the Common Elements, or any portion of the Condominium, nor otherwise

obstruct or interfere with the rights of other Unit Owners, their Family Members, tenants, guests or the Association. A Unit Owner, tenant or guest shall not commit or permit any nuisance, immoral or illegal act in his Unit or the Common Elements, including but not limited to the making of disturbing noises in the Building or allowing sounds to emanate from a Unit. In particular, no such persons shall play any musical instrument, audio equipment, television, radio or the like in a way that unreasonably disturbs or annoys other Unit Owners or their tenants, guests or occupants. Quiet Hours are from 10:00 PM to 8:00 AM.

- 3.2 Air conditioning. When the air conditioning for a Unit is operating, windows and doors are to be kept closed. Not only is this an economically sound practice but will reduce the admitting of moisture in the warm air and the resulting dampness and mildew in the unit.
- 3.3 Decorations/Displays on Windows, Doors and Balconies. No Unit window, door or balcony shall be decorated or altered, and nothing shall be temporarily or permanently displayed, hung or mounted on any portion of the windows, doors, balcony or balcony floor, Common Elements or Unit, so as to change the appearance of such from outside the unit. Excepted from this prohibition are hook hanging systems (placed on the concrete wall only) on the balcony to temporarily hang towels and swimsuits in accordance with §163.04(2), Florida Statutes, and exhaust vents and electrical/utility outlets required by applicable codes or regulating governmental entities. This prohibition includes but is not limited to wreaths, linens, clothing, curtains, merchandise, retail or business displays or signage, rugs, mops, or laundry of any kind, or other articles, and the display of plants or other objects upon balconies or railings or exterior windows, sills or ledges. No linens, cloths, clothing, bathing suits or swimwear, curtains, rugs, mops, or laundry of any kind, or other articles, shall be shaken or hung from any of the windows, doors, balcony railings, terraces or other portions of the Condominium or Association Property. Under no circumstances will containers be allowed that will permit water and/or plant fertilizers to soak through to the building floors and/or lower walls and railings. Any exception to the foregoing must be approved by the Board of Directors in writing, except that patio furniture in good condition will be permitted on all Unit balconies.
- 3.4 Signs. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed on the outside of a Unit, on or within a balcony, or at a location inside a Unit (such as on a glass door or window) so that it is visible from the exterior, without the prior written consent of the Association.
- 3.5 No Owner, tenant, guest or other occupant of a Unit shall discard or permit to fall any food, drink or other item from the balconies of the Condominium.
- 3.6 All Units shall be used for residential purposes only in a law-abiding manner. No commercial or business activity shall be conducted from a residential unit in accordance with Article XII, Section 6 of the Declaration; however, Units may be used as home offices or for telecommuting purposes, so long as such does not include customers, clients, prospects or the like coming to or from the unit in connection with

- the home office. The rental of the Unit for single-family residential purposes is not considered commercial or business activity for purposes of this provision.
- 3.7 Trash. All Unit waste is to be disposed by kitchen garbage disposal units or into dumpsters/compactors or other receptacles approved by the Association. No waste is to be disposed at any time from balconies or windows. No construction debris, oversized items (including, but not limited to, mattresses) or hazardous materials shall be placed in the dumpsters/compactors.
- 3.8 Fire Hazards/Flammables. No article shall be stored, nor any use made of any part of the Condominium Property, that will constitute a fire hazard. No flammable, combustible or explosive fluids, chemicals or other substances may be kept in any Unit or on the Common Elements. No fires, barbecue grills, hibachis, or cooking devices, or other devices which emit smoke or dust, shall be allowed on any balcony, nor used inside a unit. Barbeque grill areas are located in the parking lot. Fireworks are prohibited on association property.
- 3.9 Exterior Appearance. No awnings, blinds, shades, umbrellas or outdoor TVs shall be installed or used in or on balconies, windows or sliding glass doors unless approved in writing by the Association. Balconies shall not be used for the storage of any items, including but not limited to bicycles, kayaks, paddle boards, surf boards, barbecue grills or exercise equipment. No one may mount any object upon the exterior or roof of the building without prior approval of the Association in accordance with the Declaration.
- 3.10 Lighting on Residential Unit Balconies. Holiday Surf & Racquet Club Condominium is subject to a City of Destin Ordinance regulating exterior lighting for the protection of nesting turtles. Accordingly, no additional exterior lighting shall be permitted on any residential unit balcony without the prior written approval of the Association.
- 3.11 Door Locks. To the extent not prohibited by the Act, Unit Owners must abide by right of entry into Units and Limited Common Elements in emergencies. In case of any emergency originating in, or threatening, any Unit or Common Element, regardless of whether the Unit Owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, or the Association manager, shall have the right to enter such Unit or Limited Common Element for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

To facilitate entry in the event of any such emergency, the Unit Owner of each Unit shall provide the access code to their respective Unit(s) to the Association to use in the performance of its functions. No Owner shall change the locks to his or her Unit without so notifying the Association and delivering to the Association the new access code to such Unit.

No additional locks will be permitted. If a Unit Owner wants additional locks as additional security, said Unit Owner must first request the approval of the Association for same. In the event the Association's approval is obtained, then the Unit Owner shall

deposit with the Association a duplicate key (or access card, as may be applicable) for each such additional lock for use in emergencies. A lockbox may temporarily be placed on a Unit door handle to provide a means of access for potential buyers escorted by a licensed realtor, but lockboxes may not be placed on railings or any other location.

3.12 If a Unit Owner has failed to supply the Association manager with a key or code to the unit, and emergency access into a Unit is necessary in the opinion of the manager or a board member, the Association may retain the services of a locksmith which cost and expense shall be the sole responsibility of the Unit Owner.

3.13 Unit Owner Responsibilities Regarding the Prevention of Mold and Mildew

Unit Owners must take all appropriate steps to reduce and/or eliminate the occurrence or continued existence of mold and/or mildew (collectively "mold") growth in and around the Unit and appurtenant common elements and thereby minimize the possibility of adverse effects that may be caused by fungi, including mold. The Unit Owners' responsibilities include, but are not limited to, the following:

- (a) The air conditioning system, and humidity control system if applicable, must be kept in good and working order. Whether occupied or not, the air conditioning system, and humidity control system if applicable, must be appropriately operated, when reasonably necessary, to adequately control the temperature, humidity and in-door air quality in the Unit.
- (b) All incidents of mold and water intrusion, including but not limited to water spots on drywall, plumbing leaks, leaks around windows and doors, leaks from appliances, and any other leaks, or evidence of water intrusion must be immediately reported to the Association.
- (c) All regular and routine maintenance required to prevent water intrusion, and which is the obligation of the Unit Owner, must be timely and adequately performed. Such maintenance includes, but is not limited to the regular inspection, cleaning and services of all appliances servicing the Unit, including the air conditioning system, humidity control system if applicable, refrigerators, and freezers; the regular maintenance and replacement of interior caulking and/or weather stripping around windows, doors, and plumbing fixtures.

3.14 Solicitation. There shall be no solicitation by any person anywhere on the Condominium Property for any cause, charity, or any purpose whatever, unless specifically authorized by the Board of Directors.

4. USE OF COMMON ELEMENTS AND OTHER FACILITIES

- 4.1 All Common Elements of the Condominium Property will be used for their intended purposes and no articles belonging to Unit Owners or their Family Members, invitees, tenants, guests or unit occupants shall be kept therein or thereon and such areas shall at all times be kept free of obstruction. Any article found in violation of this Rule may be removed by management.

Ball tossing, frisbees, playing or running on or in the parking lot, walkways, corridors, elevators, lobby, stairways or courtyard of Holiday Surf & Racquet Club Condominium is not permitted and the use of roller skates, roller blades, skateboards, bicycles, scooters, or the like is prohibited.

- 4.2 Elevators. The elevators serving the condominium are primarily intended for use as passenger elevators for Owners and their family members, invitees, tenants and guests. The elevators shall however, be available for remodeling or for heavy furniture transfer.

- 4.3 Balconies, Fire Escape, Halls, Stairways and Walkways. Fire escapes, halls, stairways and landings are for ingress and egress to and from units and shall not be obscured. This precludes the leaving of any articles in these areas, including but not limited to, baby carriages, bicycles, garbage cans, beach supplies, footwear, ice and food containers. This prohibition is in compliance with the fire code/insurance requirements and is for the protection of residents in case of fire or other emergency and will be strictly enforced.

All stairways shall be used only for the purposes intended, and shall not be used for hanging garments or other objects, or for cleaning of rugs or other household items and no wash lines of any kind will be maintained outside such Owner's Unit. No foreign object or waste of any kind, including cigars and cigarettes, may be placed or kept in the hallways, stairways and other common areas. Any object found in violation of this Rule may be removed by management.

- 4.4 Parking. Parking in the common element parking spaces is for the use and benefit of all owners in connection with use of their units. Parking spaces are not assigned and cannot be reserved by any means. Except as provided below, parking spaces may not be used for the storage of boats, trailers or commercial vehicles, nor, given the limited number of spaces available, for the storage of passenger vehicles that are not operational or not being used by the Owner or occupant of a Unit. Parking at the condominium property is by permit/pass only and the permit, currently in the form of a sticker, must be displayed on the parked vehicle, trailer, boat, jet ski or camper at all times.

- (a) Boats, trailers, jet skis, and campers may be temporarily parked by Unit Owners in a parking space for the length of their stay in their unit, but in no event for more than two (2) weeks annually. A temporary parking pass must be obtained from the front desk and displayed on the boat, trailer, jet ski, or camper.

- (b) Renters/guests may obtain a trailer/camper parking sticker for the duration of their stay, if space is available. All renters and guests shall be required to display a temporary parking pass on their passenger vehicle during their stay. At management's discretion and depending upon availability, additional parking passes may be obtained by Renters and Guests for a fee.
  - (c) Unit owners will be issued parking stickers for their vehicles; stickers must be displayed at all times while the vehicle is parked at the condominium property.
  - (d) Boats, trailers, jet skis, campers and vehicles which have not been issued a parking sticker/pass, or which are not operational, or which are being stored and not used for an extended period of time by any person currently occupying a unit, will be towed.
- 4.5 Beach. Please keep our beaches beautiful and healthy. Do not litter, abuse the sea oats or destroy our sand dunes. Dogs, glass containers and motor vehicles are not permitted on the beach
- 4.6 Pool. The Association manager has the authority to ask any person to leave the pool or deck areas when not complying with the rules set forth herein or as rules are publicly posted.
- (a) The Association does not provide lifeguard service; you swim at your own risk.
  - (b) The Association will not be responsible for injuries or drowning sustained in or about the swimming pool,
  - (c) Children, regardless of age, who are not toilet trained, and any other persons who are incontinent, may not use the pool unless they are wearing leak-proof protective diapers and waterproof swimwear. Cloth or disposable diapers will not be permitted. No cut-offs permitted.
  - (d) No one is permitted to enter the pool area with beach sand on their person or things. Showers are provided at multiple locations when exiting the beach or entering the pool areas for the removal of sand.
  - (e) Nudity in the pool area is prohibited, as is indecent bathing attire. What is deemed to be "indecent" will be determined on a case-by-case basis in the sole judgment and discretion of the Association management.
  - (f) Pool hours are from 9:00 AM to 10:00 PM.
  - (g) No pets are allowed in the swimming pool or on the pool deck.
  - (h) Diving is not permitted for safety reasons.
  - (i) Radios and personal music players at the pool must be used with headsets only.



- (j) Items are not to be thrown from any balcony to pool or pool areas. All disposable drink containers, trash and refuse must be deposited in receptacles provided.
- (k) Glassware is prohibited. Food and beverages are permitted on the pool deck but are not permitted to be taken into the pool, nor within 4 feet of the pool.
- (l) Smoking is not permitted in the pool area, including E-cigarettes.
- (m) Sports equipment such as but not limited to footballs, baseballs, soccer balls or equipment not construed as appropriate swimming pool items will not be allowed in the pool or on the pool deck.
- (n) No personal furniture items are to be used in the pool deck area. No reserving pool chairs. Do not remove pool furniture from the pool area.
- (o) At the general manager's discretion, wristbands may be required for all persons entering, and for the duration of use, of the pool area.
- (p) For safety reasons, children under 12 must be accompanied by a responsible adult who can swim.

4.7 Fitness Center.

- (a) Athletic shoes, shirts and proper attire are to be worn in the fitness center. Wet swimsuits are not allowed.
- (b) Equipment is to be wiped down after each use.
- (c) Any damaged equipment is to be reported to the Association Management Office. Any person who damages the fitness center equipment through negligence or abuse will be responsible for the cost of repairs or replacement.
- (d) Use of the Fitness Center is at your own risk.
- (e) Those using the fitness center must respect the personal space of others and share in the use of the equipment.
- (f) Fitness Center hours are 6:00 AM- 10:00 PM.
- (g) At the general manager's discretion, wristbands may be required for all persons entering, and for the duration of use, of the fitness center.

4.8 Tennis Courts / Pickleball Courts / Shuffleboard Courts

- (a) Athletic shoes, shirts and proper attire are to be worn while playing tennis or pickleball. No hard heel/sole shoes or bare feet are permitted.



- (b) Reservations to use the courts (one hour per unit per day) must be made at the front desk.
- (c) Court hours are from 8:00 AM to 10:00 PM.
- (d) Tennis/Pickleball courts are to be used for tennis or pickleball only. Courts may be closed by the manager when they are wet.
- (e) At the general manager's discretion, wristbands may be required for all persons entering, and for the duration of use, of the tennis/pickleball courts.

4.9 Smoking/Tobacco. Smoking is not permitted in or on any interior or exterior Common Elements, including, but not limited to the lobby, lobby restroom, lobby saunas, pool, business center, fitness center, laundry facilities, owners' lounge, surf room, surf room bathroom, elevators, tennis court, shuffle board areas, or the beach (except for in that portion of the beach to be designated as a smoking area by the Board of Directors from time to time). Smoking shall be permitted in the designated area in the parking lot, which shall not be closer than fifty (50) feet from the entrance to the lobby. Owners and their guests may smoke on the Limited Common balconies so long as a smokeless astringent is used at all times and the smoke is contained within the Balcony. If the smoke becomes a nuisance to another owner or guest smoking must be stopped immediately (this rule shall have no impact on separate contractual relationships which may dictate no smoking on the Limited Common Elements balconies). No owner, tenant or occupant of a unit shall allow smoking on Limited Common Element balconies to become a nuisance to other residents. The term "smoking" shall include inhaling, exhaling, burning, carrying or possessing any lighted tobacco product, including cigarettes, cigars, pipe tobacco and any other lighted tobacco product. The term "smoking" shall also include the use of "electronic" or "vapor" cigarettes, cigars, pipes, or similar apparatus, and is likewise prohibited on Common Elements.

4.10 Medical Marijuana. While "medical marijuana" has been legalized in the state of Florida, it remains a federal crime to smoke or ingest marijuana/cannabis. Accordingly, for that reason and the possible adverse effect on Unit Owners, renters, guests and occupants of units, the use of marijuana, medical or otherwise, is prohibited in the common elements of the condominium property and on limited common element balconies.

4.11 Resale or Leasing Units

- (a) No signage for sale by owner or a realtor will be permitted in or on a Unit, nor on Limited Common Elements or Common Elements, nor in the right-of-way adjacent to the Condominium Property or Common Elements. No access to the Condominium Property will be given to potential buyers or tenants unless the Owner, or an authorized agent of the Owner, in the event of unavoidable circumstances, has made prior arrangements with the Association for access. Association management is not to be used as a fill-in for Owner's real estate

agents. Potential buyers or tenants must be escorted personally by the Owner or their agent when showing the Unit or Common Elements.

- (b) In accordance with the minimum rental period established by Holiday Isle Improvement Association, Inc., no unit may be rented/leased for a term of less than three (3) nights.
- (c) In accordance with the Declaration Amendment (Article XII, Section 12) all owners and guest must register with the front desk upon arrival on the property. Owners and Outside rental companies must provide in advance (no less than 24 hours) of the arrival the name of the guest, number of guests in the party, the unit the guest will be staying in and the arrival date to the front desk at the following email: [reservations@holidaysurf.com](mailto:reservations@holidaysurf.com)
- (d) At the discretion of the general manager, wristbands may be required for all persons entering the common elements of the property and for the duration of the use of the common elements.

#### 4.12 Drones/ Remotely Controlled Flying Devices

- (a) Per Florida Statute Section 934.50(3)(b), a person may not use a drone equipped with an imaging device to record an image of privately owned real property or of the owner, tenant, occupant, invitee, or licensee of such property with the intent to conduct surveillance on the individual or property captured in the image in violation of such person's reasonable expectation of privacy without his or her written consent. For purposes of this section, a person is presumed to have a reasonable expectation of privacy on his or her privately owned real property if he or she is not observable by persons located at ground level in a place where they have a legal right to be, regardless of whether he or she is observable from the air with the use of a drone.
- (b) Accordingly, and for safety reasons, unless otherwise prohibited by an applicable governmental regulation, absent specific written authorization by the Association Manager, Drones, as defined by Section 934.50(2)(a), Florida Statutes, and other remotely controlled flying devices, are hereby prohibited from being physically present or otherwise being used or operated over, on or in the common elements or limited common elements of the condominium.

### 5. ASSOCIATION MANAGEMENT

- 5.1 The Association management is contracted to serve the Owners, Occupants and Guests of the Condominium. Excessive demands for management services will either deny service to some residents or common interests and may result in an increase in the cost of the management services for all. Your cooperation and respectful communications with management is appreciated.

6. HURRICANE PREPARATION

- 6.1 Each Unit Owner must prepare their Unit and balcony in the event of a tropical storm or hurricane as follows:
- (a) Removal of all patio furniture from the balcony of the Unit.
  - (b) Close and secure the Unit's doors and windows and place absorbent products (i.e. pig socks) in the sliding glass door tracks to minimize water entry. Owners are responsible for obtaining the absorbent products and storing them in the HVAC closet or placing them in the windows or sliding door.
  - (c) For Owners who plan to be absent from Holiday Surf & Racquet Club at any point during the hurricane season, designate a responsible firm (i.e. rental management company) or individual to perform (a) and (b) tasks before a storm, and to care for the Unit during their absence in the event that the Unit should suffer wind or water damage. Each such Unit Owner shall furnish the manager with the name and contact information of such firm or individual.
  - (d) In the event a unit Owner fails have all patio furniture removed from their balcony at least 36 hours prior to the scheduled landfall of a hurricane or advisory storm, association management will, if time permits, move the items to the interior of the Unit.
  - (e) If the local authorities issue an evacuation notice, such notice shall be heeded, and appropriate compliance will be expected of all occupants (owners and guests) of Holiday Surf & Racquet Club.
- 6.2 Hurricane Shutters. No hurricane shutter shall be installed or put into place/activated except in conformance with the Association's Hurricane Shutter Policy and Specifications, which is set forth separately.

7. VIOLATIONS

Every Owner, renter, guest and occupant shall comply with these Rules and Regulations as set forth herein, any and all rules and regulations which from time to time may be adopted, and the provision of the Declaration, By-Laws and Articles of Incorporation of the Association, as amended from time to time. Failure of an Owner or Occupant to so comply shall be grounds for action which may include, without limitation, fines, an action to recover sums due for damages, injunctive relief, or any combination thereof.

- 7.1 Fines. In addition to any and all other remedies available to the Association, a fine or fines may be imposed upon an Owner for failure of an Owner, his family, guests, invitees, tenants/lessees or employees, to comply with any covenant, restriction, rule or regulation herein or the By-Laws or Rules and Regulations of the Association, provided the following procedures are adhered to:

- (a) Notice: The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include: (i) a statement of the date, time and place of the hearing; (ii) a statement of the provisions of the Declaration, By-Laws or rules which have allegedly been violated; and (iii) a short and plain statement of the matters asserted by the Association.
- (b) Hearing. The non-compliance shall be presented to a committee of other Unit Owners, who are neither Board members nor persons residing in a Board member's household, who shall hear reasons why penalties should not be imposed. The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the committee. If the committee does not agree with the fine, the fine may not be levied.
- (c) Fines. The Board of Directors may impose fines against the applicable Unit up to the maximum amount permitted by law from time to time. At the time of these amended Rules and Regulations, Chapter 718, Florida Statutes provides that no fine may exceed \$100.00 per violation, or \$1,000.00 in the aggregate for a continuing violation.
- (d) Violations. Each separate incident which is grounds for a fine shall be the basis of one separate fine. In the case of continuing violations, each continuation of same after a notice thereof is given shall be deemed a separate incident.
- (e) Payment of Fines. Fines are due within 5 days after the fine hearing at which the fine is approved.
- (f) Non-exclusive Remedy. These fines shall not be construed to be exclusive and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any penalty paid by the offending Owner or occupant shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner or occupant.
- (g) Proviso. Notwithstanding the foregoing, the notice and hearing requirements of this subsection do not apply to the imposition of fines against a Unit owner or a Unit's occupant, licensee, or invitee because of failing to pay any amounts due the Association. If such a fine is imposed, the Association must levy the fine or impose a reasonable suspension at a properly noticed Board meeting, and after the imposition of such fine or suspension, the Association must notify the Unit Owner and, if applicable, the Unit's occupant, licensee, or invitee by mail or hand delivery.

8. PETS/SERVICE/SUPPORT ANIMALS

- 8.1 Persons other than Unit owners and their immediate family members are prohibited, except as provided below, from bringing animals onto the condominium property. Owners and their immediate family members wishing to bring a pet weighting over 25 pounds must obtain in advance approval from the Board of Directors to have the pet on property. The approval must be requested prior to the pet's arrival. All pets must be on a leash at all times. The owner is responsible for their pet's behavior and must maintain control of their pet at all times.
- 8.2 Under the Federal and State Fair Housing Acts, a guest, renter or invitee who is disabled/handicapped may request reasonable accommodation(s) to the Association's rules, policies, practices, or services when such accommodation(s) may be necessary because of his/her disability/handicap.
- 8.3 It is the policy of the Association to make reasonable accommodations for disabled or handicapped residents in accordance with applicable state and federal law with regard to its no-pet restriction for non-owners at Holiday Surf & Racquet Club Condominium. The Association is entitled to obtain information that is reasonably necessary to evaluate whether a requested accommodation is necessary because of the requesting party's disability/handicap. If a person's disability/handicap is obvious and if the requested accommodation is also apparent, then the Association will not normally request any additional information about the requester's disability/handicap or the related need for the requested accommodation.
- 8.4 If the requester's disability/handicap is not obvious, an application for accommodation shall be made to the Association. For any accommodation request, the requestor shall complete and sign where indicated the application forms which are Exhibit "A" to these Rules and Regulations and provide them to Association management. Upon receipt in the management office of the completed forms and all requested information/documentation for a disabled/handicapped owner, resident or other entitled person's request for a reasonable accommodation(s) to the Association's pet restriction, every effort will be made to promptly review the request, and the owner or resident will be notified in writing of the Board's decision.
- 8.5 All owner pets and approved emotional support and/or service animal must be walked on a non-retractable leash providing no more than six (6) feet of slack. Pets are not permitted in the south courtyard area. The owner of the animal is responsible for the pick-up and disposal of all animal waste and excrement, and for supplying his/her own waste removal bags. A violation of the any of these reasonable restrictions is also grounds for immediate revocation of any approval requiring the immediate and permanent removal of the animal and/or a fine assessed against the unit owner as permitted by Florida Statute section 718.303(3) in the maximum amount permitted by law.
- 8.6 No pet or emotional support and/or service animal may be a nuisance, aggressive, or threatening while on the condominium property. Excessive barking, a repeated failure of the owner to clean up after the pet in the common elements, and any

aggressive, threatening nipping or biting behavior may result in the animal being prohibited from the property, in the reasonable discretion of the board of directors.

- 8.6 An approval of an emotional support animal and/or a service animal is limited to the requesting party and his/her needs. If the requesting party no longer resides in this community, or temporarily vacates the property, for whatever reason, the emotional support/service animal is not permitted to remain. The approval of an emotional support/ a service animal does not apply to a residence generally, but rather, is only approved for a particular person. If that person is not in residence, the animal may not be in residence.

## 9. UNIT OWNER PARTICIPATION AT MEETINGS

Pursuant to Section 718.112(2) of the Act, which provides that the Association may adopt written reasonable rules governing the frequency, duration, and manner of Unit Owner statements at meetings of the Board, Committees and at Unit Owner meetings, the following shall apply:

### Board Meetings

- 9.1 Unit Owners have the right to attend Board and Statutory Committee meetings except as provided by law. A Statutory Committee means a group of Board members, Unit Owners, or Board members and Unit Owners appointed by the Board or a member of the Board to make recommendations to the Board regarding the proposed annual budget or to take action on behalf of the Board.
- 9.2 No person other than a Unit Owner shall be permitted to attend such meetings, unless permitted by the Chairman of the meeting. Unit Owners do not have the right to attend meetings of any Committee which is not a Statutory Committee, unless permitted by the Committee Chairman or required by law.
- 9.3 Unit Owners have the right to speak at Board and Statutory Committee meetings. No other person shall be permitted to speak at such meetings, unless permitted by the Chairman.
- 9.4 Statements by Unit Owners at meetings shall be restricted solely to items designated on the agenda for that meeting, unless permitted by the Chairman or a majority of the Board or Committee. No other statement shall be permitted.
- 9.5 Unit Owners have the right to attend Unit Owner meetings either in person or by proxy as may be provided by law. No person other than a Unit Owner or a Unit Owner's proxy shall be permitted to attend meetings, except agents of the Association or persons permitted by the Chairman.
- 9.6 Unit Owners have the right to speak at Unit Owner meetings as provided by law. No other person shall be permitted to speak at meetings, except agents of the Association, designated proxies, or those persons permitted to speak by the Chairman.



- 9.7 Statements by Unit Owners at Meetings shall be restricted solely to items designated on the agenda for that meeting, unless permitted by the Chairman or majority vote of those present (in person or by proxy) at the meeting.
- 9.8 A Unit Owner will be permitted to speak once in reference to each designated agenda item at a Board meeting, noticed committee meeting or Unit Owner meeting, unless otherwise requested to speak again by the Chairman of the meeting. A Unit Owner statement shall not exceed three (3) minutes per agenda item unless approved by the Chairman of the meeting. Other Unit Owners cannot "yield" their time for the purpose of extending a Unit Owners time limit.
- 9.9 Unit Owners may tape record or videotape any meetings of the Board, or members' meeting as permitted by law. A Unit Owner desiring to tape record or videotape a meeting shall submit a written notice to the Secretary or Association Manager at least fifteen (15) minutes before the start of the meeting advising that the meeting will be tape recorded or videotaped. A separate written notice must be made for each meeting the Unit Owner desires to tape record or videotape.
- 9.10 No tape recording or videotaping of any meeting shall interfere with or obstruct the meeting, and none of the equipment used for taping shall interfere with or obstruct any person's view of the meeting or ability to hear the meeting, or block access to or from the meeting or to or from the seating in the meeting, or constitute a tripping hazard. Extra lighting for videotaping shall not be permitted. Persons using taping equipment must do so from their seats. All taping equipment used shall conform to the electrical codes. No accessory shall be attached to any electrical outlet that enables more equipment to utilize the outlet than would normally and safely utilize the outlet. Live streaming of a meeting by a unit owner shall not be permitted.

## 10. INSPECTION AND COPYING OF ASSOCIATION RECORDS

Pursuant to Section 718.111(12)(c) of the Act, which provides that the Association may adopt reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and copying, the following shall apply:

- 10.1 The Official Records available for inspection and copying are those designated by the Act, as amended from time to time, as the Official Records of the Association, to the extent that the Association is required to maintain such records.
- 10.2 No records other than those defined above shall be available for inspection or copying.
- 10.3 No Unit Owner, or the Unit Owner's authorized representative, shall have any right to inspect or copy the records of the Association, except as permitted by law. All references to Unit Owner will include a Unit Owner's authorized representative. No other person shall be permitted to inspect or copy the Association records, unless approved by the Board or the President or unless required by law.
- 10.4 A Unit Owner desiring to inspect or copy Association records shall submit a written request by hand delivery during regular business hours, or Certified U.S. Mail, Return

Receipt Requested, therefore to the Association at the official address of the Association, pursuant to the most recent on-line records of the Florida Secretary of State, Division of Corporations. Requests by facsimile transmission, electronic mail (e-mail) or other means do not comply with this Rule. Verbal requests do not comply with this Rule. The written request must specify the particular records the Unit Owner desires to inspect or copy, including pertinent dates or time periods. The specification of the particular records must be sufficiently detailed to permit the Association to retrieve the exact records requested.

- 10.5 Inspection or copying of records shall be restricted solely to those records specifically designated in the written request for inspection or copying and shall be conducted solely by the Unit Owner signing the inspection request, or their authorized representative. No inspection or copying of any other records shall be permitted. If more than one Unit Owner desires to inspect the same records, the Association may require that such inspections are conducted at different times. If a Unit Owner has designated an authorized representative, either the Unit Owner or the authorized representative may inspect the records; however, both parties may not inspect the records together. However, this shall not preclude a Unit Owner from inspecting the records with the Unit Owner's representative if such representative is a Certified Public Accountant licensed to practice in Florida, or an Attorney at Law, admitted to practice in Florida.
- 10.6 A Unit Owner shall not submit more than one (1) written request for inspection or copying of records per calendar month.
- 10.7 Inspections of records shall be conducted at the office where the Association's records are maintained or at such other location as may be designated by the Association. At the option of the Association, the records may be made available electronically via the Internet or by allowing the records to be viewed in electronic format on a computer screen and printed upon request. If, however, a Unit Owner provides the Association with written notice that they do not have access to a computer, the Association must supply the records in paper format. No Unit Owner shall remove original records from the location where the records are inspected. No marks or alterations shall be made on original records.
- 10.8 Records shall generally be made available for inspection by the Association on or before the fifth (5th) working day subsequent to actual receipt by the Association of the written request for inspection. This time frame may be extended upon request of the Unit Owner or for good cause. In any case, the Association shall always use its best efforts to make records available for inspection by the tenth (10th) working day after receipt of the request, and the failure to do so shall create a rebuttable presumption that the Association has violated the provisions of this Rule. The Association may rebut the presumption by obtaining an opinion from legal counsel that the Association has, under the circumstances, attempted to address the Unit Owner's records inspection request in good faith. In addition, this time frame shall be extended in the event the records are so voluminous, or otherwise in such condition as to render this time frame unreasonable. The Association shall notify the Unit Owner by telephone or in



writing/email, that the records are available and the time, date and place for such inspection. Inspection shall be made only during normal Association business hours, or during the normal business hours of the location of inspection if other than the Association office. For the purposes herein, "working day" shall mean Monday through Friday, exclusive of federal, state and local holidays in which the office of the Association is closed. For purposes herein, "normal business hours" shall be the hours the Association office is customarily open, or the hours the location where the records are to be inspected is customarily open, or if there are no customary hours of operation, then 9:00 A.M. to 12:00 P.M. and 1:00 P.M. to 5:00 P.M., all on a working day. No Unit Owner shall be entitled to inspect records for more than nine (9) hours in any calendar month. At the request of either the Association or the Unit Owner, inspections may be broken up into segments, provided that three (3) inspection visits per calendar month shall be the maximum number of sessions in a calendar month.

- 10.9 If, at or subsequent to inspection, a Unit Owner desires to have a copy of a record, the Unit Owner shall designate in a separate writing, which record, or portion thereof, for which a copy is desired, or, in the alternative, shall designate such record by use of a clip or tab upon the page(s) desired. Not more than one (1) copy of each record requested shall be permitted. If the location where the records are being inspected or stored has a copy machine capable of making copies of the records designated, then copies of the records shall be available within two (2) working days subsequent to the designation of such records. If, however, the records to be copied are so voluminous that it is not practicable for them to be copied where they are kept or there is no copy machine at the location where the records are being inspected or stored capable of making copies of the records designated, the Association may send the records out for copying by an outside source, such as a commercial copying company. Copies made by an outside source shall be available as soon as a copying service can pick-up, copy and return the records to the location where the records are being inspected or stored. Photocopies will be available at the place where Official Records are kept. Unit Owners requesting copies must arrange for pick-up of records. The Association shall have no obligation to mail or otherwise deliver copies to any place. As determined by the Manager, the President, the Board, or the person designated by the Association to oversee the inspection of records, in the event the copies of the records are so voluminous, or a copy machine or copy service is not available or too busy, or the records are in such condition or form that copies cannot be made available within the above-stated time periods, then copies will be made available as soon as practical.
- 10.10 A Unit Owner shall pay the reasonable expense of copying. In the event the copies are made by the Association, the cost shall not exceed fifty cents (\$.50) per page and absent a Resolution by the Board to the contrary, copies shall be charged at thirty cents (\$.30) per page. If copies are made by outside vendors, actual costs shall be charged to the Unit Owner. Payment in advance for the cost of a copy shall be required. In the event payment is made in form other than cash, cashier's check, money order, or certified check, payment shall not be deemed received unless and until payment has cleared. No copy of a record shall be made unless and until payment for the copy is received.

10.11 As an alternative to paper copies of inspected records, a Unit Owner or his authorized representative may use a portable device, including a smartphone, tablet, portable scanner, or other technology capable of scanning or taking photographs, to make an electronic copy of the official record. There shall be no charge for the use of such portable device.

11. ASSOCIATION FEE SCHEDULE

11.1 Estoppel Letters:

Pursuant to Section 718.116(8) of the Act, and prior Resolution of the Board of Directors, the estoppel fee is set at Two Hundred Fifty Dollars and No Cents (\$250.00) per Estoppel Certificate, plus:

- (a) an additional fee of One Hundred Dollars and No Cents (\$100.00) per Unit to be charged if a request is made to expedite delivery of the estoppel certificate such that the certificate is to be delivered within three (3) business days after the request is made, plus
- (b) an additional fee of One Hundred Fifty Dollars and No Cents (\$150.00) per applicable Unit to be charged if the Unit Owner is delinquent with respect to moneys owed to the Association at the time that the estoppel certificate is requested; plus
- (c) attorneys' fees incurred for the preparation of payoff or estoppel letters.

11.2. Mortgagee/Lender Questionnaires:

The Association is not obligated to complete these forms and reserves the right to decline to do so in any instance. If a mortgagee/lender questionnaire is prepared, the fee is \$300, per form, plus legal fees incurred by the Association necessary to assist in preparation of the form.

11.3. Miscellaneous:

<u>Type</u>	<u>Amount</u>
Photocopying of Association's Official Records .....	\$.30 (thirty cents) per page
Copying of other Official Records.....	Actual Cost to Association

12. ASSESSMENT COLLECTION POLICY.

12.1 References to "Assessments" herein shall refer to Annual Assessments which are payable monthly or quarterly, as specified by the Board, and due on the first day of each month, (hereinafter the "Assessment Due Date") and Special Assessments which are due on the date specified by the Board in the notice of the assessment given

pursuant to Section 718.116(10) of the Act ("Special Assessment Due Date"). The Assessment Due Date and Special Assessment Due Date shall collectively be referred to as the Due Date. All Assessments or Charges not paid within ten (10) days after the Due Date shall be considered delinquent.

- 12.2 A monetary obligation as that term is used herein shall include any regular Assessment, Special Assessment, Fine, or Charge authorized by the Declaration, the Bylaws of the Association or the Condominium Act.
- 12.3 If payment of an Assessment in full has not been received by the Association, at such address/location as the Association may specify from time to time, within ten (10) days of the Due Date, the Association (either itself, or through its agent) will add an Administrative Late Fee of five percent (5%) of the installment due, or \$25.00, whichever is greater. Interest at 18% per annum shall also be added, retroactive to the 11th day after the Due Date until paid.
- 12.4 Once any Assessment is forty-five (45) days past the Due Date, Management will cause a statutory lien notice to be sent. Delinquency for the purposes of this Policy shall be measured from the Due Date, without regard to the ten day "grace period" provided above. Owners shall be responsible for all applicable Administrative Late Fees and interest as referenced above, as well as all reasonable expenses of collections and costs and attorney's fees affiliated with the statutory lien notice.
- 12.5 Once the payment deadline from the statutory lien notice has lapsed and if the amount due has not been paid in full, Management shall refer the delinquency to the Association's attorney. The attorney will then be authorized to prepare and record a claim of lien on behalf of the Association and provide the Unit Owner with notice of intention to foreclose a lien, as required by the Act, in order to collect the outstanding amounts owed, including but not limited to the amount of the delinquent Assessment(s), interest, late fees, attorney's fees and costs, reasonable collection expenses and any amounts that have been accelerated. The Association's attorney's notice will advise the Owner that a foreclosure action will be commenced unless the entire amount indicated on the claim of lien, as well as any sums that have accrued since the date of the claim of lien, are paid within thirty (30) days from the date of the notice.
- 12.6 Any person who is delinquent in the payment of any monetary obligation to the Association by more than 90 days is not eligible to sit on the Board of Directors. If such an individual has submitted a notice of intent to run for the Board, their name shall not be included on the annual meeting ballot where such individual is delinquent on the date of the deadline for submitting a notice of intent to run. However, if such individual remains delinquent at the time of the election, votes cast for such individual shall not be counted and the next highest vote recipient shall be seated, as applicable. Further, such individual shall not be eligible for appointment to the Board, in the event of no election.

- 12.7 Should any person become more than 90 days delinquent in the payment of any monetary obligation to the Association, the Board of Directors shall consider the suspension of such Unit Owners, or Unit occupant, invitee, or licensee's, use rights of the Common Elements and voting rights at a regularly scheduled Board meeting or a special meeting of the Board. In the event that such suspension is imposed at said meeting, the Association shall notify the Owner of such suspension by mail or hand delivery. Such suspension shall continue until all outstanding monetary obligations are brought current. Use rights in all Common Elements shall be included in such suspension, including without limitation, all amenities, and recreational or social facilities, but excluding Limited Common Elements intended to be used only by that Unit, or Common Elements required to access the Unit.
- 12.8 The Unit Owners whose voting rights have been suspended by this rule shall be subtracted from the quorum and voting requirements of any votes taken during such suspensions to the extent permitted by the Act, the Declarations or the Association's Bylaws.
- 12.9 This collections policy shall be adhered to as closely as possible. However, any deviation from or waiver of this Policy will not affect the collections process and cannot be raised as a defense by a delinquent Unit Owner in any collections proceeding. Further, the Board shall have the authority to deviate from or waive the provisions of this Policy, when in the opinion of the Board of Directors, the best interests of the Association are served by such waiver or deviation, including but not limited to situations where substantial hardship or excusable neglect by the Unit Owner has been shown. The waiver or deviation of the provisions of this Policy in one instance shall not require waiver or deviation in any other instance.

### 13. AMENDMENT

The Board of Directors of the Association may amend these Rules and Regulations from time to time by majority vote at a duly noticed board meeting.

### 14. MEETING NOTICES

All notices required to be posted on the condominium property for board meetings or owner meetings under Chapter 718, Florida Statutes, shall be posted in/on the bulletin board located on the 1<sup>st</sup> floor elevator lobby across from the elevators.

END