IN RE: PETITION FOR DECLARATORY STATEMENT

TROPIC WINDS OWNERS ASSOCIATION, INC.

DECLARATORY STATEMENT

The Department of Business and Professional Regulation, Division of Florida Condominiums, Timeshares, and Mobile Homes (hereinafter "the Division") issues this Declaratory Statement under section 120.565, Florida Statutes.

PRELIMINARY STATEMENT

The Division received a Petition for Declaratory Statement on March 9, 2015, from Tropic Winds Owners Association, Inc. (hereinafter "Petitioner") seeking a declaratory statement as to whether the closing of the Small Hot Tub constitutes a material alteration of the common elements pursuant to section 718.113(2), Florida Statutes, or an alteration of an appurtenance to the units pursuant to section 718.110(4), Florida Statutes, and, if neither, whether the Association is required to amend the Declaration to depict the closing of the Small Hot Tub and to depict the existence of the Large Hot Tub. The Division counsel responded on March 17, 2015, to confirm receipt of Petitioner’s request for a declaratory statement.

Notice of receipt of the Petition was published in the March 18, 2015, issue of the Florida Administrative Register.

FINDINGS OF FACT

The following findings of fact are based on information submitted by Petitioner. The Division takes no position as to the accuracy of the facts and accepts them as submitted by Petitioner for the purposes of issuing this declaratory statement.
1. Petitioner is a condominium association located at 17643 Front Beach Road, Ste. 805, Panama City Beach, FL 32413.

2. The condominium consists of one, twenty-three story building, comprised of one hundred sixty-four residential units and one commercial unit.

3. The condominium has a small indoor hot tub ("the Small Hot Tub") located on the southeastern portion of the ground floor of the condominium. The Small Hot Tub is depicted in the Declaration.

4. After the Declaration was recorded and prior to turnover of control from the developer, the developer constructed a much larger outside hot tub ("the Large Hot Tub") that is located on the ground floor of the south side of the condominium.

5. The Small Hot Tub seats two to three people while the Large Hot Tub is capable of seating ten or more people at one time.

6. The Small Hot Tub is located in a continuous path of travel directly between the parking garage and one of the condominium's two beach accesses.

7. Owners and guests coming off the beach into the condominium frequently use the Small Hot Tub to wash sand off their feet. The sand frequently causes damage to the Small Hot Tub's pump system.

8. The cost of repair of the Small Hot Tub's pump is approximately $5,000.00 each time the pump is repaired/replaced. In years past, Petitioner has fixed the pump on the Small Hot Tub several times each year. Despite efforts, Petitioner has been unable to prevent owners and guests from using the Small Hot Tub to wash off sand.

9. Currently, the Small Hot Tub is inoperable after the pump failed due to sand intrusion. Petitioner has covered the Small Hot Tub with plywood to prevent injury pending a declaratory statement from the Division.

10. The Large Hot Tub is currently fully operational and is frequently used by owners and guests.

11. The Association determined, after considerable study and observation, that very few owners and guests of units within the condominium used the Small Hot Tub when it was operational. Further, the cost to maintain the Small Hot Tub is
significant due to the continued damage caused by sand penetrating the pumping system. The operational costs of both the Large Hot Tub and the Small Hot Tub are duplicative.

12. Because of the lack of use of the Small Hot Tub and the significant cost of continued repair and maintenance, Petitioner is proposing not to repair and to permanently close the Small Hot Tub by filling it in with cement. The Large Hot Tub will remain operational.

13. Section 7 of the Petitioner's Declaration provides that the common elements of the condominium shall include, among others, "elements of the Condominium Property designated or designed for common use."

14. Petitioner is seeking a declaratory statement as to whether the closing of the Small Hot Tub constitutes a material alteration of the common elements pursuant to section 718.113(2)(a), Florida Statutes, or an alteration of an appurtenance to the units pursuant to section 718.110(4), Florida Statutes, and, if neither, whether the Association is required to amend the Declaration to depict the closing of the Small Hot Tub and to depict the existence of the Large Hot Tub.

CONCLUSIONS OF LAW

1. The Division has jurisdiction to enter this order pursuant to sections 718.501 and 120.565, Florida Statutes.

2. Section 120.565, Florida Statutes, provides in pertinent part:

   (1) Any substantially affected person may seek a declaratory statement regarding an agency's opinion as to the applicability of a statutory provision, or of any rule or order of the agency, as it applies to the petitioner's particular set of circumstances.

   (2) The petition seeking a declaratory statement shall state with particularity the petitioner's set of circumstances and shall specify the statutory provision, rule, or order that the petitioner believes may apply to the set or circumstances.

3. Rule 28-105.001, Florida Administrative Code provides:

   A declaratory statement is a means for resolving a controversy or answering questions or doubts concerning
the applicability of statutory provisions, rules, or orders over which the agency has authority. A petition for declaratory statement may be used to resolve questions or doubts as to how the statutes, rules, or orders may apply to the petitioner's particular circumstances. A declaratory statement is not the appropriate means for determining the conduct of another person.

4. Petitioner has standing to petition for a declaratory statement as a condominium association.¹

I. Whether the closing of the Small Hot Tub constitutes a material alteration of the common elements pursuant to section 718.113(2)(a), Florida Statutes.

5. Section 718.113(2)(a), Florida Statutes, provides in pertinent part:

   Except as otherwise provided in this section, there shall be no material alteration or substantial additions to the common elements or to real property which is association property, except in a manner provided in the declaration as originally recorded or as amended under the procedures provided therein. If the declaration as originally recorded or as amended under the procedures provided therein does not specify the procedure for approval of material alterations or substantial additions, 75 percent of the total voting interests of the association must approve the alterations or additions.

6. The term "material alteration," as applied to common elements of a condominium, means "to palpably or perceptively vary or change the form, shape, elements or specifications ... from the original design or plan, or existing condition, in such a manner as to appreciably affect or influence its function, use, or appearance."² In Sterling, the unit owners replaced the screens on their porch with glass jalousie, without the consent of the association.³ The court determined that the unit owners' actions constituted a change in the elements as they were "originally designed or existing at the time of the change" which affected and influenced "the function, use, and appearance of the building."⁴ As

² Sterling Vill. Condo., Inc. v. Breitenbach, 251 So. 2d 685, 687 (Fla. 4th DCA 1971).
³ Id. at 686.
⁴ Id.
such, the court held that the actions constituted a material alteration to the common elements.

7. The following changes to common elements have also been deemed material alterations or additions: painting the exterior of the building a different color,\textsuperscript{5} installation of hurricane shutters,\textsuperscript{6} construction of a patio on the common elements,\textsuperscript{7} changing from cedar shingles to terra-cotta tiles on roof mansards,\textsuperscript{8} and converting a game room into a manager’s office.\textsuperscript{9}

8. Petitioner is seeking to fill in the Small Hot Tub with cement due to the lack of its use and high maintenance costs. Much like in \textit{Sterling}, filling the Small Hot Tub in with cement will change the form, shape, elements and specifications of the Small Hot Tub from the original design in such a manner as to appreciably affect its function, use, and appearance. Therefore, the closing of the Small Hot Tub constitutes a material alteration to the common elements.

II. Whether the closing of the Small Hot Tub constitutes a material alteration of an appurtenance to the units pursuant to section 718.110(4), Florida Statutes.

9. Section 718.110(4) provides in part:

\textit{Unless otherwise provided in the declaration as originally recorded, no amendment may change the configuration or size of any unit in any material fashion, materially alter or modify the appurtenances to the unit, or change the proportion or percentage by which the unit owner shares the common expenses of the condominium and owns the common surplus of the condominium unless the record owner of the unit and all record owners of liens on the unit join in the execution of the amendment and unless all the record owners of all other units in the same condominium approve the amendment. The acquisition of property by the association and material alterations or substantial additions to such property or the common elements by the association in accordance with s. 718.111(7) or s. 718.113, and amendments providing for the transfer of use rights in limited common elements pursuant to s. 718.106(2)(b) shall not be}

\textsuperscript{5} Islandia Condo. Ass’n, Inc. v. Vermut, 501 So. 2d 741 (Fla. 4th DCA 1987).
\textsuperscript{6} Schmeck v. Sea Oats Condo. Ass’n, Inc., 441 So. 2d 1092 (Fla. 5th DCA 1983).
\textsuperscript{7} See Fountains of Palm Beach Condo., Inc., No. 5 v. Farkas, 355 So. 2d 163 (Fla. 4th DCA 1978).
\textsuperscript{8} George v. Beach Club Villas Condo. Ass’n, 833 So.2d 816 (Fla. 3d DCA 2002).
deemed to constitute a material alteration or modification of the appurtenances to the units. (Emphasis added).

10. Sections 718.106(2)(a) and (b), Florida Statutes, provide that an undivided share in the common elements and common surplus, and the exclusive right to use such portion of the common elements as may be provided by the declaration are appurtenances that “shall pass with a unit.”

11. Where the declaration neither identified a part of the common elements as an appurtenance to any particular unit nor created it as a limited common element with an exclusive right of enjoyment by any particular unit owner or owners, it was found “difficult to perceive precisely what appurtenance is disturbed by amendment”.¹⁰ In Berger, the change at issue was the conversion of a dock into a fishing pier.¹¹ The arbitrator noted:

The unit owners continued to share in the common expenses in the same proportion or percentage, and no appurtenance identified in the statute or documents was disturbed . . . . [P]etitioners' position that the dock structure itself is an appurtenance is without support in the declaration and leads to a result which fatally blends 718.113(2) into 718.110(4), ignoring the intended distinction between the two statutory sections. If, as urged by the petitioners, physically changing the common elements, or one component of the common elements, requires a 100% vote, then an association would never be able to make any material alteration to the common elements without 100% vote, and section 718.113(2), Florida Statutes, with its typically lower vote requirement, would exist without a purpose, since the higher vote required by section 718.110(4), would always apply. An association would effectively be precluded from performing any of the changes described by section 718.113(2) without the vote required by section 718.110(4), Florida Statutes.¹²

12. Where a common element area is utilized in a way that essentially forecloses its use by unit owners generally, a material alteration of the appurtenances to the

---

¹¹ Id.
¹² Id.
units occurs. In *Ladolcetta*, the arbitrator found the Association's conversion of a game room into a manager's office constituted a material alteration to the common elements, but not to the appurtenances to the units because the unit owners were not deprived of the use of the area.

13. In the present case, the Small Hot Tub is recorded in the original plot. There is no evidence that the Small Hot Tub was recorded as an appurtenance to any particular unit or created as a limited common element with the exclusive right of enjoyment by a particular unit owner. The Small Hot Tub is designated for common use and constitutes a part of the common elements of the condominium.

14. However, much like in *Ladolcetta*, the unit owners will not be deprived of the use of the area and will preserve their undivided share in the common elements. Filling in the Small Hot Tub with cement would neither change the beneficial use of the common elements, nor change the shares of common elements; therefore, such a change would not constitute a material alteration to the appurtenances.

For the reasons stated above it is hereby:

ORDERED that the closing of the Small Hot Tub constitutes a material alteration to the common elements pursuant to section 718.113(2)(a), Florida Statutes.

DONE and ORDERED this 27th day of April 2015, at Tallahassee, Leon County, Florida.

KEVIN STANFIELD, Director
Department of Business and
Professional Regulation
Division of Florida Condominiums, Timeshares,
and Mobile Homes
Northwood Centre
1940 North Monroe Street
Tallahassee, FL 32399-1030

---

13 Id. (Citing Kamfjord v. Harbour Green Condo. Ass'n, Inc., Case No. 93-0173, Summary Final Order (Oct. 28, 1993)).
14 Ladolcetta, Arb. Case No. 94-0499.

In re: Petition for Declaratory Statement
Tropic Winds Owners Association, Inc., Docket No. 2015010820
NOTICE OF RIGHT TO APPEAL

THIS FINAL ORDER CONSTITUTES FINAL AGENCY ACTION AND MAY BE APPEALED BY ANY PARTY ADVERSELY AFFECTED PURSUANT TO SECTION 120.68, FLORIDA STATUTES, AND RULE 9.110, FLORIDA RULES OF APPELLATE PROCEDURE BY FILING A NOTICE OF APPEAL CONFORMING TO THE REQUIREMENTS OF RULE 9.110(c), FLORIDA RULES OF APPELLATE PROCEDURE BOTH WITH THE APPROPRIATE DISTRICT COURT OF APPEAL ACCOMPANIED BY APPROPRIATE FILING FEES AND WITH THE AGENCY CLERK, 1940 NORTH MONROE STREET, NORTHWOOD CENTRE, TALLAHASSEE, FLORIDA 32399-2217; AGC.FILING@MYFLORIDALICENSE.COM; FAX (850) 488-5761, WITHIN THIRTY (30) DAYS OF THE RENDITION OF THIS FINAL ORDER.
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. mail to Charles J. Stafford, Esq., Timothy J. Sloan, P.A., 427 McKenzie Avenue, Post Office Box 2327, Panama City, Florida 32402-2327 on this 1st day of May 2015.

[Signature]
Agency Clerk's Office

Copies furnished to:

Thomas Morton
Chief Attorney
March 5, 2015

Department of Business and Professional Regulation
Division of Florida condominiums, Timeshares, and Mobile Homes
1940 North Monroe Street
Tallahassee, FL 32399-1031

Re: Petition for Declaratory Statement

To Whom It May Concern:

Please find enclosed a Petition for Declaratory Statement that we are filing on behalf of our client, Tropic Winds Owners Association, Inc. ("Association"). I am also enclosing copies of the Declaration, Bylaws, and Articles of Incorporation of the Association. We contacted the Department and were advised that a filing fee is not required at this time.

If you have any questions or comments or require any further documentation, please do not hesitate to contact me.

Very truly yours,

TIMOTHY J. SLOAN, P.A.

Charles J. Stafford

CJS/mf
Encl.
STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
DIVISION OF FLORIDA CONDOMINIUMS, TIMEShaRES, AND MOBILE HOMES

IN RE: PETITION FOR DECLARATORY STATEMENT

TROPIC WINDS OWNERS ASSOCIATION, INC.

Docket No. 2015

PETITION FOR DECLARATORY STATEMENT

Petitioner, TROPIC WINDS OWNERS ASSOCIATION, INC. ("Association"), hereby requests the State of Florida, Department of Business and Professional Regulation, Division of Florida Condominiums, Timeshares, and Mobile Homes ("Division") to issue a Declaratory Statement based upon the following:

1. The name and address of Petitioner.

Tropic Winds Owners Association, Inc.
17643 Front Beach Rd, Ste. 805
Panama City Beach, FL 32413

2. The specific provision(s) of the statute, rule, or order on which the Petitioner seeks a Declaratory Statement.

Section 718.113(2)(b) of the Florida Statutes deals with amendments to the declaration and material alterations of the common elements. Section 718.110(4) of the Florida Statutes deals with amendments to the declaration and material alterations or modifications of appurtenances to a unit. As such, the Petitioner seeks a declaration of the application of these provisions, if any, to the facts set forth in this Petition.

3. A statement of the reasons explaining why the Petitioner needs a Declaratory Statement.

Petitioner seeks a Declaratory Statement to settle confusion over whether certain proposed alterations to the common elements
of Tropic Winds, a Condominium, constitute a material alteration of the common elements and/or whether the proposed alterations constitute an alteration or modification of an appurtenance to the units. Consequently, Petitioner is unsure of whether any vote of the unit owners is required and if so, the number of votes required of the unit owners necessary to accomplish the proposed alterations.

4. A short, detailed, and to the point statement of all relevant facts in numbered paragraphs, and a request for the Division's official opinion of how the specified statute, rule or order applies to the Petitioners in their particular set of circumstances. Broad requests for interpretations of laws, rules or orders which apply to all condominiums generally and which are not restricted in scope to the Petitioner's circumstances will not be accepted by the Division.

1. Tropic Winds, a Condominium ("Condominium") was created pursuant to that certain Declaration of Condominium Ownership of Tropic Winds, a Condominium, and exhibits thereto recorded on March 20, 2009, at Book 3138, Page 1736, in the Official Records of Bay County, Florida. A copy of the Declaration, the Bylaws and the Articles of Incorporation are attached hereto and made a part hereof.

2. The Condominium consists of one, twenty-three story building, comprised of one hundred sixty-four residential units and one commercial unit.

3. The Condominium has a small indoor hot tub ("Small Hot Tub") located on the southeastern portion of the ground floor of the Condominium. The Small Hot Tub is depicted on Exhibit "A" to the Declaration (See Book 3138, Page 1755).

4. After the Declaration was recorded and prior to turnover of control from the Developer, the Developer constructed a much larger outside hot tub ("Large Hot Tub") that is located on the ground floor of the south side of the Condominium. The Large Hot Tub is located immediately adjacent to the Condominium's parking garage and outside of parking spaces 12, 11 and 10. Such parking spaces are depicted on Exhibit "A" to the Declaration (See Book 3138, Page 1757)); however, no exhibit to the Declaration nor any recorded as-built survey depicts the Large Hot Tub.
5. There is a large wall separating the Large Hot Tub from the parking garage.

6. The Small Hot Tub is located in a continuous path of travel directly between the parking garage, where the elevators are located, and one of the Condominium's two beach accesses.

7. At the most, the Small Hot Tub seats two or three individuals. The Large Hot Tub is capable of seating ten or more people at one time.

8. Owners and guests coming off the beach into the Condominium frequently use the Small Hot Tub to wash sand off their feet. The sand frequently causes damage to the Small Hot Tub's pump system.

9. The cost of repair of the Small Hot Tub's pump is approximately $5,000.00 each time the pump is repaired/replaced. In years past, the Association has fixed the pump on the Small Hot Tub several times each year. Despite efforts, the Association has been unable to prevent owners and guests from using the Small Hot Tub to wash off sand.

10. Currently, the Small Hot Tub is inoperable after the pump failed due to sand intrusion. The Association has covered the Small Hot Tub with plywood to prevent injury pending a Declaratory Statement from the Division.

11. The Large Hot Tub is currently fully operational and is frequently used by owners and guests. In fact, when both hot tubs were working, very few owners or guests ever used the Small Hot Tub due to its limited size.

12. Section 718.113(2)(b) of the Florida Statutes provides that "[i]f a declaration as originally recorded or as amended under the procedures provided therein does not specify a procedure for approving such an alteration or addition, the approval of 75 percent of the total voting interests of each affected condominium is required."

13. Section 7.1 of the By-Laws of Tropic Winds Owners Association, Inc. ("Bylaws"), requires approval of two-thirds of the voting members of the Association in order to alter the common elements.
14. Section 718.110(4) of the Florida Statutes provides that "[u]nless otherwise provided in the declaration as originally recorded, no amendment may . . . materially alter or modify the appurtenances to the unit . . . unless the record owner of the unit and all record owners of liens on the unit join in the execution of the amendment and unless all record owners of all other units in the same condominium approve the amendment."

15. The Association has determined after considerable study and observation that very few owners and guests of units within the Condominium used the Small Hot Tub when it was operational. Further, the cost to maintain the Small Hot Tub is significant due to the continued damage caused by sand penetrating the pumping system. Further, the operational costs of both the Large Hot Tub and the Small Hot Tub are duplicative.

16. Because of the lack of use of the Small Hot Tub and the significant cost of continued repair and maintenance, the Association is proposing not to repair and to close the Small Hot Tub (fill in with cement). The Large Hot Tub will remain operational.

17. The Association requests a Declaratory Statement on the following:

A. Is the decision not to repair and the closing of the Small Hot Tub a material alteration of the common elements triggering a necessary two-thirds vote of the unit owners pursuant to Section 7.1 of the Bylaws?

B. Is the decision not to repair and the closing of the Small Hot Tub an alteration of an appurtenance to the units triggering a necessary vote of one hundred percent of the membership pursuant to Section 718.110(4) of the Florida Statutes?

C. If the answers to both questions 17.A and 17.B above is no, is the Association required to amend the Declaration to depict the closing of the Small Hot Tub and to depict the existence of the Large Hot Tub?
5. A statement as to whether the Petition (or intervenor) requests a hearing. The Division may, in its discretion, hold a hearing to dispose of the Petition.

No hearing is requested at this time.

Respectfully submitted on this 5th day of March, 2015.

TIMOTHY J. SLOAN, P.A.

[Signature]

Timothy J. Sloan
Florida Bar Number: 0562882
tsylvania.com
Charles J. Stafford
Florida Bar Number: 0036596
cstafford@sloanpa.com
427 McKenzie Avenue
Post Office Box 2327
Panama City, Florida 32402-2327
(850) 769-2501
Attorneys for Petitioner
STATE OF FLORIDA, Tennessee
COUNTY OF OAK, Sequatchee

The foregoing instrument was acknowledged before me this 12th day of
February 2009 by C.B. Harbour, III, as Manager of Tropic Winds
Condominium, LLC, a Florida limited liability company, on its behalf. He is
personally known to me or has provided Driver License as identification.

NOTARY PUBLIC:

Sign Peggy L. Roberts

Print Peggy L. Roberts

My Commission Expires: 10/18/10
SURVEYOR'S CERTIFICATE

M. A. MONGOYEN, Florida Land Surveyor and Mapper Number 4927, hereby certify that the construction of the improvements known as Tropic Winds, a Condominium, are substantially complete so that the material, together with provisions of the Declaration describing the condominium property, is an accurate representation of the location and dimensions of the improvements and the identification, location and dimensions of the common elements of each unit can be determined from these materials.

Dated this 11th day of FEB., 2009.

[Signature]

Florida Land Surveyor and Mapper Number 4927
EXHIBIT "A" AND "B" TO DECLARATION

LEGAL DESCRIPTION, SURVEY, SITE PLANS
AND FLOOR PLAN
TROPIC WINDS, A CONDOMINIUM
UNIT "A"
UNIT AREA = 1461 SQ. FT.
BALCONY = 436 SQ. FT.
TROPIC WINDS, A CONDOMINIUM
UNIT "B"
UNIT AREA = 1432 SQ. FT.
BALCONY = 286 SQ. FT.

28.57'
BALCONY

LIVING ROOM
BATHROOM
BEDROOM
DINING AREA
KITCHEN
BEDROOM
BEDROOM
BALCONY

11.7'
8.6'

2.4'
2.2'

3.9'
3.6'

1.8'
2.1'
2.4'

6.7'
10.2'
10.8'

3.5'
3.0'
2.8'

3.0'
3.0'
2.4'
1.8'

8.2'
8.9'

2.3'
2.3'
2.3'

13.3'
13.1'

SCHOFIELD-KENFIGER
LAND SURVEYING INC.

P.O. BOX 14313
7905 14TH AVENUE
PANAMA CITY BEACH, FL 32413

PHONE: 850-235-4283
FAX: 850-234-2007

JOB NO. 22-67-98
SCALE: 1" = 20'
CHECKED BY: TAH
DRAWN BY: TAH

SHEET NO. OF
TROPIC WINDS, A CONDOMINIUM
UNIT "C"
UNIT AREA = 1435 SQ. FT.
BALCONY = 430 SQ. FT.
TROPIC WINDS, A CONDOMINIUM
UNIT "E"
UNIT AREA = 1435 SQ. FT.
BALCONY = 430 SQ. FT.
TROPIC WINDS, A CONDOMINIUM
UNIT "F"
UNIT AREA = 1432 SQ. FT.
BALCONY = 290 SQ. FT.
TROPIC WINDS, A CONDOMINIUM
UNIT "G"
UNIT AREA = 1747 SQ. FT.
BALCONY = 435 SQ. FT.
TROPIC WINDS, A CONDOMINIUM
UNIT "H"
UNIT AREA = 1147 SQ. FT.
BALCONY = 286 SQ. FT.
TROPIC WINDS, A CONDOMINIUM
UNIT "I"
UNIT AREA = 1173 SQ. FT.
BALCONY = 293 SQ. FT.
TROPIC WINDS, A CONDOMINIUM
UNIT "K"
UNIT AREA = 1147 SQ. FT.
BALCONY = 288 SQ. FT.
TROPIC WINDS, A CONDOMINIUM
UNIT "L"
UNIT AREA = 1173 SQ. FT.
BALCONY = 293 SQ. FT.
TROPIC WINDS, A CONDOMINIUM
OFFICE/COMMERCIAL UNIT
COMMON AREA = 1276 SQ. FT.
COMMERCIAL AREA = 157 SQ. FT.
TROPIC WINDS, A CONDOMINIUM
SECOND LEVEL PARKING GARAGE
CONTAINS 41 REGULAR PARKING SPACES
COMMON PROPERTY

U.S. HIGHWAY No. 98A
TROPIC WINDS, A CONDOMINIUM
FIRST LEVEL PARKING GARAGE
CONTAINS 44 REGULAR PARKING SPACES
COMMON PROPERTY
EXHIBIT "C" TO DECLARATION

SHARE OF COMMON ELEMENTS - SHARE OF COMMON EXPENSES
### EXHIBIT "C"

**UNDIVIDED OWNERSHIP IN COMMON ELEMENTS, COMMON SURPLUS AND SHARING IN COMMON EXPENSES OF EACH UNIT**

<table>
<thead>
<tr>
<th>UNIT TYPE</th>
<th>UNITS</th>
<th>UNDIVIDED OWNERSHIP IN COMMON ELEMENTS, COMMON SURPLUS &amp; SHARING IN COMMON EXPENSES OF EACH UNIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>164</td>
<td>1/165</td>
</tr>
<tr>
<td>Commercial</td>
<td>1</td>
<td>1/165</td>
</tr>
</tbody>
</table>
EXHIBIT "D" TO DECLARATION

ESTIMATED OPERATING BUDGET
**ESTIMATED OPERATING BUDGET**
**FOR FIRST YEAR'S OPERATION**
**OF TROPIC WINDS, A CONDOMINIUM**
**(164 RESIDENTIAL UNITS - 1 COMMERCIAL UNIT)**

<table>
<thead>
<tr>
<th>Administration of Association</th>
<th>Monthly</th>
<th>Quarterly</th>
<th>Yearly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting and Legal</td>
<td>$500.00</td>
<td>$1,500.00</td>
<td>$6,000.00</td>
</tr>
<tr>
<td>Manager/Bookkeeper</td>
<td>2,250.00</td>
<td>6,750.00</td>
<td>27,000.00</td>
</tr>
</tbody>
</table>

**Maintenance**

<table>
<thead>
<tr>
<th>Maintenance</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Building/Walkway Maintenance</td>
<td>2,000.00</td>
<td>6,000.00</td>
<td>24,000.00</td>
</tr>
<tr>
<td>Grounds/Landscaping</td>
<td>600.00</td>
<td>1,800.00</td>
<td>7,200.00</td>
</tr>
<tr>
<td>Pool</td>
<td>600.00</td>
<td>1,800.00</td>
<td>7,200.00</td>
</tr>
<tr>
<td>Elevators</td>
<td>1,000.00</td>
<td>3,000.00</td>
<td>12,000.00</td>
</tr>
<tr>
<td>Fire Safety</td>
<td>300.00</td>
<td>900.00</td>
<td>3,600.00</td>
</tr>
</tbody>
</table>

**Rent for Recreational and Other Commonly Used Facilities**

<table>
<thead>
<tr>
<th>Rent for Recreational and Other Commonly Used Facilities</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Taxes on Association Property**

<table>
<thead>
<tr>
<th>Taxes on Association Property</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Taxes Upon Leased Areas**

<table>
<thead>
<tr>
<th>Taxes Upon Leased Areas</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Insurance**

<table>
<thead>
<tr>
<th>Insurance</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>33,333.33</td>
<td>100,000.00</td>
<td>400,000.00</td>
</tr>
</tbody>
</table>

**Security (Seasonal)**

<table>
<thead>
<tr>
<th>Security (Seasonal)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,000.00</td>
<td>3,000.00</td>
<td>12,000.00</td>
</tr>
</tbody>
</table>

**Other Labor Costs**

<table>
<thead>
<tr>
<th>Other Labor Costs</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,500.00</td>
<td>7,500.00</td>
<td>30,000.00</td>
</tr>
</tbody>
</table>

**Other Expenses**

<table>
<thead>
<tr>
<th>Electricity</th>
<th>6,250.00</th>
<th>18,750.00</th>
<th>75,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>4,250.00</td>
<td>12,750.00</td>
<td>51,000.00</td>
</tr>
<tr>
<td>Cable</td>
<td>1,500.00</td>
<td>4,500.00</td>
<td>18,000.00</td>
</tr>
<tr>
<td>Sanitation</td>
<td>650.00</td>
<td>1,950.00</td>
<td>7,800.00</td>
</tr>
<tr>
<td>Pest Control</td>
<td>600.00</td>
<td>1,800.00</td>
<td>7,200.00</td>
</tr>
<tr>
<td>Heating Pool (Seasonally)</td>
<td>400.00</td>
<td>1,200.00</td>
<td>4,800.00</td>
</tr>
</tbody>
</table>

**Operating Capital**

<table>
<thead>
<tr>
<th>Operating Capital</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Fees Payable to Division of Florida Land Sales, Condominiums and Mobile Homes (164 residential units)**

<table>
<thead>
<tr>
<th>Fees Payable to Division of Florida Land Sales, Condominiums and Mobile Homes (164 residential units)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>54.66</td>
<td>164.00</td>
<td>656.00</td>
</tr>
</tbody>
</table>

**Total Without Reserves**

<table>
<thead>
<tr>
<th>Total Without Reserves</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>57,788.00</td>
<td>173,364.00</td>
<td>693,456.00</td>
</tr>
</tbody>
</table>

**Reserves**

<table>
<thead>
<tr>
<th>Reserves</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Painting</td>
<td>500.00</td>
<td>1,500.00</td>
<td>6,000.00</td>
</tr>
<tr>
<td>Resurfacing Pavement</td>
<td>100.00</td>
<td>300.00</td>
<td>1,200.00</td>
</tr>
<tr>
<td>Roof</td>
<td>650.00</td>
<td>1,950.00</td>
<td>7,800.00</td>
</tr>
<tr>
<td>Pool</td>
<td>450.00</td>
<td>1,350.00</td>
<td>5,400.00</td>
</tr>
</tbody>
</table>
House Pump 100.00 300.00 1,200.00
Elevator 1,200.00 3,600.00 14,400.00

Total With Reserves $60,788.00 182,364.00 729,456.00

Assessments Per Apartment
Without Reserves (165 Units) 350.23 1,050.69 4,202.76

Assessments Per Apartment
With Reserves (165 Units) 368.41 1,105.23 4,420.95

NOTES:

1. Chapter 718, Florida Statutes (the "Condominium Act") and regulations promulgated pursuant thereto (the "Regulations") allow reserves to be waived or reduced in certain circumstances. Generally, reserves are not required in budgets in which members of an association by majority vote of members attending a duly called meeting of the association, determine for a fiscal year to provide no reserves or reserves less adequate than those set forth above; provided that, such reserves cannot be waived or reduced prior to the mailing to unit owners of a proposed annual budget which includes such reserves. More specific information is available by reference to the Condominium Act and the Regulations.

2. Unless waived or reduced pursuant to the Condominium Act and the Regulations, reserves are required for roof replacement, building painting, pavement resurfacing and all other capital expenditures and deferred maintenance. The estimated life, the estimated replacement cost, the estimated remaining useful life for each item for which reserves are maintained and the current balance in each such reserve account are as follows:

<table>
<thead>
<tr>
<th>Reserves in Tropic Winds</th>
<th>Estimated Life</th>
<th>Estimated Replacement Cost</th>
<th>Estimated Remaining Useful Life</th>
<th>Current Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Painting</td>
<td>10 years</td>
<td>$60,000.00</td>
<td>10 years</td>
<td>-0-</td>
</tr>
<tr>
<td>Resurfacing Pavement</td>
<td>15 years</td>
<td>$18,000.00</td>
<td>15 years</td>
<td>-0-</td>
</tr>
<tr>
<td>Roof</td>
<td>20 years</td>
<td>$156,000.00</td>
<td>20 years</td>
<td>-0-</td>
</tr>
<tr>
<td>Pool</td>
<td>25 years</td>
<td>$135,000.00</td>
<td>25 years</td>
<td>-0-</td>
</tr>
<tr>
<td>House Pump</td>
<td>10 years</td>
<td>$12,000.00</td>
<td>10 years</td>
<td>-0-</td>
</tr>
<tr>
<td>Elevator</td>
<td>30 years</td>
<td>$432,000.00</td>
<td>30 years</td>
<td>-0-</td>
</tr>
</tbody>
</table>

3. This budget does not include items of expense that are personal to unit owners or which are not uniformly incurred by all unit owners or which are not provided for nor contemplated by the condominium documents, including but not limited to, private telephone costs, cost of maintenance of the interior of the condominium units to the extent that such maintenance is not the obligation of the condominium or Association, the cost of maid or janitorial services privately...
contracted for by the unit owners, cost of utility bills billed directly to each unit owner for utility service or supplied to his unit, including insurance premiums other than those incurred in respect of policies obtained by the condominium or Association and applicable to the condominium or Association property in general, debt servicing upon any mortgage encumbering the individual unit but not encumbering the condominium or Association property as a whole, real estate taxes assessed directly to a condominium unit, and like personal expenses of the unit owner.

4. While the budget reflects the estimated monthly, quarterly and annual expenses of the Association and the unit owners, the By-Laws of the Association provide that the assessments will be determined annually in advance and will be due and payable in not less than monthly installments on the first day of each month of the year for which the assessments are made. (See Paragraph 9.3 of the By-Laws of the Association.) In the event of quarterly assessments, the assessment for each unit with reserves shall be $1,105.23 and without reserves shall be $1,050.69.

5. The Association maintains limited common elements and the costs are included within this budget. There therefore is no separate budget or schedule included herein.

6. This budget shall take effect upon the recording of the Declaration of Condominium and terminate on December 31 of the year in which the same is recorded.
EXHIBIT "E" TO DECLARATION

ARTICLES OF INCORPORATION OF CONDOMINIUM ASSOCIATION
August 24, 2005

JACK G WILLIAMS, ESQ
502 HARMON AVE
PANAMA CITY, FL 32401

The Articles of Incorporation for TROPIC WINDS OWNERS ASSOCIATION, INC. were filed on August 24, 2005 and assigned document number N05000008728. Please refer to this number whenever corresponding with this office regarding the above corporation.

PLEASE NOTE: Compliance with the following procedures is essential to maintaining your corporate status. Failure to do so may result in dissolution of your corporation.

A corporation annual report must be filed with this office between January 1 and May 1 of each year beginning with the calendar year following the year of the filing/effective date noted above and each year thereafter. Failure to file the annual report on time may result in administrative dissolution of your corporation.

A federal employer identification (FEI) number must be shown on the annual report form prior to its filing with this office. Contact the Internal Revenue Service to insure that you receive the FEI number in time to file the annual report. To obtain a FEI number, contact the IRS at 1-800-829-3676 and request form SS-4.

Should your corporate mailing address change, you must notify this office in writing, to insure important mailings such as the annual report notices reach you.

Should you have any questions regarding corporations, please contact this office at the address given below.

Justin M Shivers, Document Specialist
New Filings Section

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

Letter Number: 805A00053743
ARTICLES OF INCORPORATION
OF
TROPIC WINDS OWNERS ASSOCIATION, INC.

The undersigned, acting as incorporator of a corporation pursuant to Chapter 617, Florida Statutes, adopts the following Articles of Incorporation for such corporation:

ARTICLE I
NAME

The name of this corporation is Tropic Winds Owners Association, Inc. The corporation is sometimes referred to herein as the "Association".

ARTICLE II
PURPOSE

This corporation is organized to operate and manage Tropic Winds, a Condominium, to be established in accordance with Chapter 718, Florida Statutes, upon real property situate, lying and being in Bay County, Florida; to perform and carry out the acts and duties incident to the administration, operation and management of said condominium in accordance with the terms, provisions, and conditions, contained in these Articles of Incorporation, in the Declaration of Condominium Ownership and any amendments thereto, which will be recorded among the Public Records of Bay County, Florida, and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of the Condominium.

The terms used herein shall have the same meaning attributed to them in Chapter 718, Florida Statutes.

ARTICLE III
POWERS

The Association shall have all of the powers of a corporation not for profit existing under the laws of the State of Florida and all the powers now or hereafter granted to Condominium Associations by the Condominium Act, Chapter 718, Florida Statutes, as the same may be hereafter amended and all powers
reasonably necessary to implement the powers of the Association, which powers shall include, but are not limited to, the power:

A. To make, establish and enforce reasonable rules and regulations governing the use of the Condominium property;

B. To make, levy and collect assessments against Unit Owners of the said Condominium to provide the funds to pay for Common Expenses of the Condominium as provided for in the Condominium Documents and the Condominium Act, and to use and expend the proceeds of assessments in the exercise of the powers and duties of the Association including the operation of and maintenance of a stormwater management facility on the common elements of the property.

C. To maintain, repair, replace and operate those portions of the Condominium Property that the Association has the duty or right to maintain, repair, replace and operate under the Condominium Documents;

D. To contract for the management and maintenance of the Condominium and to authorize the management agent to assist the Association in carrying out its powers and duties by performing such functions as the collection of assessments, preparation of records, enforcement of rules, and maintenance of the common elements. The Association shall, however, retain at all times the power and duties granted to them by the Condominium Act, including, but not limited to, the making of assessments, promulgation of rules, and execution of contracts on behalf of the Association;

E. To employ personnel to perform the services required for the proper operation of the Condominium;

F. To purchase insurance upon the Condominium Property for the protection of the Association and its members;

G. To reconstruct improvements constructed on the real property submitted to Condominium Ownership after casualty or other loss;

H. To make additional improvements on and to the Condominium Property;

I. To approve or disapprove the transfer, mortgage and ownership of Condominium Parcels to the extent such power is granted to it under the Condominium Documents;
J. To acquire and enter into agreements whereby it acquires leaseholds, memberships or other possessory or use interests in lands or facilities including but not limited to country clubs, golf courses, marinas, and other recreational facilities, whether or not contiguous to the lands of the Condominium, intended to provide for the enjoyment, recreation or other use or benefit of the members of the Association;

K. To enforce by legal action the provisions of the Condominium Documents; and

L. To acquire by purchase or otherwise Condominium Parcels in the Condominium.

ARTICLE IV
MEMBERS

1. Members. The members of the Association shall consist of all owners of Condominium Parcels in the Condominium, and after the termination of the Condominium shall consist of those persons who are members at the time of such termination.

2. Voting Members. Each Condominium Parcel shall be entitled to one vote, which vote shall be exercised by the Unit Owner designated by the Owner or Owners of a majority interest in a single Condominium Parcel to cast the vote appurtenant to said Parcel. The designation of voting members shall be perfected in the manner provided in the Condominium Declaration.

3. Assignment. Neither the share or a member in the funds and assets of the Association, nor membership in this Association may be assigned, hypothecated or transferred in any manner except as an appurtenance to a Condominium Parcel.

4. The members of the Association shall be subject to all of the terms, conditions, restrictions and covenants contained in the Condominium Documents.
ARTICLE V
TERM

This corporation shall exist perpetually.

ARTICLE VI
SUBSCRIBER

The name and residence of the subscriber to these Articles of Incorporation is as follows:

Jack G. Williams 502 Harmon Avenue
Panama City, FL 32401

ARTICLE VII
BOARD OF DIRECTORS

The business of the corporation shall be conducted by a Board of Directors consisting of not less than three (3) nor more than five (5) directors. The Board of Directors shall be elected annually by the members of the Association entitled to vote. The names and addresses of the first Board of Directors who shall hold office until their successors are elected and have qualified, are as follows:

C.B. Harbour, III
4513 Hixson Pike, Ste. 108
Chattanooga, TN 37343

C.B. Harbour, IV
4513 Hixson Pike, Ste. 108
Chattanooga, TN 37343

Melinda Harbour
4513 Hixson Pike, Ste. 108
Chattanooga, TN 37343

ARTICLE VIII
OFFICERS

The affairs of the Association shall be managed by a President, Vice President, Secretary and Treasurer. The officers of the Association shall be elected annually by the Board of Directors of the Association in accordance with the provision of the By-Laws of the Association.
ARTICLE IX
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 X
AMENDMENT OF ARTICLES

These Articles may be amended by an affirmative vote of two-thirds (2/3's) of the Voting Members of the Association.

ARTICLE XI
BY-LAWS

The Association shall adopt By-Laws governing the conduct of the affairs of the Association. The By-Laws may be amended by an affirmative vote of two-thirds (2/3's) of the Voting Members of the Association.

ARTICLE XII
PRINCIPAL OFFICE, REGISTERED OFFICE AND REGISTERED AGENT

The street address of the principal office of this corporation is 502 Harmon Avenue, Panama City, Florida 32401. The initial registered office of this corporation shall be located at 502 Harmon Avenue, Panama City, Florida 32401, or at such other place or places as may be designated from time to time by the Board of Directors. The initial registered agent of this corporation shall be Jack G. Williams,
or such other person as may be designated from time to time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned incorporator has hereunto set his hand and seal and caused these Articles of Incorporation to be executed this 28th day of August, 2005.

Jack G. Williams

STATE OF FLORIDA
COUNTY OF BAY

BEFORE ME, the undersigned authority, personally appeared Jack G. Williams, who acknowledged before me that he the foregoing Articles of Incorporation for the purposes therein expressed.

SWORN TO AND SUBSCRIBED before me, this 28th day of August, 2005.

NOTARY PUBLIC

Dawn M. Prue
Notary Public
My Commission expires:
EXHIBIT "F" TO DECLARATION

BY-LAWS OF CONDOMINIUM ASSOCIATION
BY-LAWS
OF
TROPIC WINDS OWNERS ASSOCIATION, INC.

A Corporation Not for Profit
under the Laws of the State of Florida

These are the By-Laws of Tropic Winds Owners Association, Inc., (hereinafter called "Association"), a corporation not for profit, incorporated under the laws of the State of Florida. The Association has been organized for the purpose of administering a condominium created pursuant to Chapter 718, Florida Statutes, as amended (hereinafter called "Condominium Act").

SECTION 1. ASSOCIATION.

1.1 Office. The office of the Association shall be at 502 Harmon Avenue, Panama City, Florida 32401, or such other place as shall be selected by a majority of the Board of Directors.

1.2 Fiscal Year. The fiscal year of the Association shall run from January 1 to December 31 of each year.

1.3 Seal. The seal of the Association shall have inscribed thereon the name of the Association, the year of its organization, and the words "Not for Profit". Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise attached to the instrument or document being sealed.

1.4 Terms. All terms used herein shall have the same definitions as attributed to them in the Declaration of Condominium Ownership of Tropic Winds, a Condominium.

SECTION 2. MEMBERS.

2.1 Qualifications. The members of the Association shall consist of all Unit Owners of Condominium Units in Tropic Winds, a Condominium.

2.2 Membership. Membership in the Association shall be established by recording in the public records of Bay County, Florida, a deed or other instrument establishing a record title to the Condominium Parcel, and delivery to the Association of a copy of such instrument. The grantee in such instrument shall immediately become a member of the Association. The membership of any prior owner of the same Condominium Parcel shall be terminated upon delivery to the Association of a copy of the deed or other instrument as aforesaid.

2.3 Designation of Voting Representative. If a Unit is owned by one person, his right to vote shall be established by the roster of members. If a Unit is owned by more than one person, the Unit Owner entitled to cast the vote appurtenant in said Unit shall be designated by the record Owners of a majority interest in the Parcel as shown in the roster of members and by a statement filed with the Secretary of the Association, in writing. The designation may be revoked and a substitute Voting Member designated at any time at least five (5) days prior to a meeting. If a designation of a Voting Member is not filed with the Secretary at least five (5) days prior to any meeting, no vote shall be cast at such meeting by or for said Unit Owner(s).
2.4 **Restraint Upon Alienation of Assets.** The share of a member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Condominium Parcel.

**SECTION 3. MEMBER'S MEETINGS.**

3.1 **Place.** All meetings of the members of the Association shall be held at the office of the Association or such other place as may be stated in the notice of the meeting.

3.2 **Membership List.** At least five (5) days before every election of directors, a complete list of the Voting Members of the Association, arranged numerically by unit number, shall be prepared by the Secretary. Such list shall be kept at the office of the Association and shall be open to examination by any member at any such time. Changes in the list of Voting Members may be made pursuant to Section 2.3 of these By-Laws.

3.3 **Regular Meetings.** Annual meetings of the Members of the Association shall be held on the first Saturday in the month of October of each year or at such other date as may be authorized by the Board of Directors. Any unit owner may tape record or videotape a meeting of the unit owners subject to reasonable rules adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes.

3.4 **Special Meetings.** Special meetings of the members for any purpose may be called by the President, and shall be called by the President or Secretary at the request, in writing, or either a majority of the Board of Directors or of a majority of the Voting Members. Such request shall state the purpose of the proposed meeting. In addition, special meetings of the members shall be called by the request of a 10% of the voting members for the purpose of recall of a member or members of the Board of Directors and a meeting because of an excessive budget. Any unit owner may tape record or videotape a special meeting of the unit owners subject to reasonable rules adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes.

3.5 **Notice.** Notice of meetings of the owners shall be by written notice, which notice must include an agenda. Written notice shall be mailed or delivered to each unit owner at least fourteen (14) days prior to the annual meeting and shall be posted in a conspicuous place on the condominium property at least fourteen (14) continuous days preceding the meeting. Upon notice to unit owners, the Board shall by duly adopted rule, designate a specific location of the condominium property, upon which all notices of unit owner meetings shall be posted. The method of the mailing of the notice to unit owners shall comply with the provisions of Florida Statute 718.112(2)(d).

3.6 **Participation.** All members shall be entitled to participate in any meeting of the Association but only Voting Members shall have the right to vote on any matter brought before such meeting. Each Voting Member shall be entitled to cast one vote for each condominium parcel owned. Wherever in these By-Laws the vote of a certain percentage of the Voting Members is required to take an action it shall be deemed to mean that percentage of the total number of votes of Voting Members.

3.7 **Transfer of control of the Association.** When unit owners other than the Developer own 15 percent (15%) of the units in the condominium that will be operated ultimately by the Association, the unit owners, other than the Developer, shall be entitled to elect no less than one-third (1/3) of the members of the Board of Administration of the Association. Unit owners other than the Developer are entitled to elect no less than a majority of the members of the Board of Administration of the Association:
(a) Three (3) years after 50 percent (50%) of the units that will be operated ultimately by the Association have been conveyed to the purchasers;

(b) Three (3) months after 90 percent (90%) of the units that will be operated ultimately by the Association have been conveyed to the purchasers;

(c) When all the units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business;

(d) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business;

(e) Seven (7) years after recordation of the Declaration of Condominium, whichever occurs first. The Developer is entitled to elect at least one member of the Board of Administration of the Association as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the units in a condominium operated by the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer- Owned Units in the same manner as any other unit owner, except for purposes of reacquiring control of the Association or selecting the majority members of the Board of Administration. The transfer shall occur in accordance with the provisions of 718.301.

3.8 Proxies. Unit owners may vote by general proxy in certain instances as set forth herein and by limited proxies substantially conforming to a limited proxy form adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes. 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; for votes taken to waive financial statements; for votes taken to amend the Declaration; for votes taken to amend the Articles of Incorporation or By-Laws; recall elections and for any other matter which the Florida Condominium Act requires or permits a vote of the unit owners. No proxy, limited or general, shall be used in the election of Board Members. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given. Notwithstanding the provisions herein, unit owners may vote in person at unit owner meetings.

3.9 Vote Required to Transact Business. When a quorum is present at any meeting, the majority of Voting Members present and voting shall decide any question brought before the meeting, unless the question is one which requires more than a majority vote by express provision of the Condominium Act or the Declaration of Condominium Ownership, Articles of Incorporation or these By-Laws (hereinafter "Condominium Documents"), in which case the express provision shall govern and control the number of votes required.

3.10 Quorum. Fifty percent (50%) of the total number of Voting Members of the Association (present in person or by proxy) shall constitute a quorum at all meetings of the members, except as otherwise provided by statute or the Condominium Documents. If a quorum is not present at any meeting, the Voting Members may adjourn the meeting. Any rescheduled meeting must be properly
noticed. Any business may be transacted at any adjourned meeting where a quorum was present which could have been transacted at the meeting called.

SECTION 4. DIRECTORS.

4.1 Number. The affairs of the Association shall be managed by Board of Directors, consisting of not less than three (3) nor more than five (5) directors. The number of directors shall be determined from time to time by the Voting Members.

4.2 Term. Each director shall be elected to serve for a term of two (2) years, which terms shall be staggered, or until his successor shall be elected and shall qualify, except that directors elected prior to the Unit Owners’ Initial Meeting shall serve only until such meeting. The first two (2) directors elected shall serve for a term of one (1) year and all subsequent directors, including the initial directors, when their term expires, shall be elected for two (2) years.

4.3 First Board of Directors. The first Board of Directors shall consist of three (3) persons appointed by Developer, who shall hold office and exercise all powers of the Board at the pleasure of Developer, until other directors are named pursuant to Section 3.7 of these By-Laws.

4.4 Vacancy and Replacement. Vacancies in the Board of Directors shall be filled in the same manner as election of Directors as provided for in paragraph 4.5 hereof. If a vacancy occurs on the Board as a result of a recall and less than a majority of the Board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors. If vacancies occur on the Board as a result of a recall and a majority or more of the Board members are removed, the vacancies shall be filled in accordance with procedural rules adopted by the Division.

4.5 Election of Directors. Directors shall be elected by written ballot or voting machine. Proxies shall in no event be used in electing Directors, either in general elections or elections to fill vacancies caused by resignation. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, whether by separate association mailing or included in another association mailing or delivery, including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be candidate for the Board of Administration, shall give written notice to the Secretary of the Association not less than forty (40) days before a scheduled election. Together with the written notice and agenda of the annual meeting, the Association shall mail or deliver a second notice of the election to all unit owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of the candidate, the Association shall include an information sheet, no larger than eight and one-half inches by eleven inches (8½ x 11), which must be furnished by the candidate no less than 35 days before the election, to be included in the mailing of the ballot, with the cost of mailing or delivering and copying to be borne by the Association. The voting shall be in accordance with rules as established by the Division of Florida Land Sales, Condominiums and Mobile Homes including rules providing for the secrecy of ballots. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20% of the eligible voters must cast a ballot in order to have a valid election of the members of the Board of Administration. No unit owner shall permit any other person to vote his ballot, and any such ballots improperly cast, shall be deemed invalid. A unit owner who needs assistance in casting the ballot for the reasons as stated in Florida Statute 101.051 may obtain assistance in casting the ballot. Any unit owner violating this provision may be fined by the Association in accordance with Florida Statute 718.303. The regular election shall occur on the date of the annual meeting. Notwithstanding the provisions of this subparagraph, an election and balloting are not required unless more candidates file notices of
intent to run or are nominated than vacancies exist on the Board. The Association may, by the affirmative vote of a majority of the total voting interests, provide for different voting and election procedures in its bylaws, which vote may be by a proxy specifically delineating the different voting and election procedures. The different voting and election procedures may provide for elections to be conducted by limited or general proxy.

4.6 Removal. Directors may be removed with or without cause by an affirmative vote of a majority of the voting members. The removal/recall of Directors shall be in accordance with 718.112(2)(j). No director shall continue to serve on the Board, if, during his term of office, his membership in the Association is terminated for any reason.

4.7 Powers and Duties of Board of Directors. All of the powers and duties of the Association under the Condominium Act and the Condominium Documents shall be exercised by the Board of Directors, or its delegate, subject only to approval by Unit Owners and institutional mortgagees when such approval is specifically required. The powers and duties of the directors include but are not limited to the following:

4.7.1 Assess. To make and collect assessments against members to pay the Common Expenses and the expenses incurred by the Association and the power to make and assess members for capital improvements and replacements.

4.7.2 Disburse. To use the process of assessments in the exercise of its powers and duties.

4.7.3 Maintain. To maintain, repair, replace and operate the Condominium Property in the manner provided by the Declaration of Condominium Ownership.

4.7.4 Purchase. To purchase the necessary equipment and tools required for the maintenance, care and preservation referred to above.

4.7.5 Insure. To insure and keep insured the Condominium Property in the manner set forth in the Declaration of Condominium Ownership and to purchase such other insurance as the Board may deem advisable, including officers’ and directors’ liability insurance.

4.7.6 Enforce. To enjoin or seek damages from any Unit Owner for violation of these By-Laws and the terms and conditions of the Declaration of Condominium Ownership.

4.7.7 Employ. To employ and contract with a maintenance service contractor or manager, or either of them, for the maintenance, service and management of the Common Elements.

4.7.8 Regulate. To make reasonable rules and regulations concerning the use and occupancy of the Condominium Parcels consistent with the Condominium Documents.

4.7.9 Condemnation. To convey a portion of the common elements to a condemning authority for the purposes of providing utility easements, rights of any expansion, or other public purposes,
whether negotiated or as a result of eminent domain proceedings.

4.8 Annual Statement. The Board will present a full and clear statement of the business and condition of the corporation at the annual meeting of the members.

4.9 Compensation. The directors shall not be entitled to any compensation for service as directors.

SECTION 5. DIRECTORS’ MEETINGS.

5.1 Organizational Meetings. The first meeting of each new Board elected by the members shall be held immediately upon adjournment of the meeting at which they were elected or as soon thereafter as may be practicable. The annual meeting of the Board shall be held at the same place as the general members’ meeting.

5.2 Regular Meetings. Regular meetings of the Board 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 telegraph, at least 48 hours in advance of the time named for such meeting and shall be posted conspicuously on the Condominium property at least 48 continuous hours in advance except in an emergency.

5.3 Special Meetings. Special meetings of the Board may be called by the President on 48 hours notice to each director, provided notice of such meeting is posted in a conspicuous place on the Condominium property for at least 48 continuous hours preceding this meeting. Special meetings shall be called by the President or Secretary in like manner and on like notice upon the written request of two (2) directors.

5.4 Adjourned Meetings. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting. Any rescheduled meeting must be properly noticed. At any adjourned meeting where a quorum was present any business that might have been transacted at the meeting as originally called, may be transacted without further notice. Notice of any adjourned meeting must be posted conspicuously on the condominium property at least forty eight (48) continuous hours preceding the meeting.

5.5 Quorum. A quorum at a directors’ meeting shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present, shall constitute the act of a Board, except when approval by a greater number of directors is required by the Condominium Documents.

5.6 Rights of Absent Board Member. A member of the board of administration or a committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

5.7 Presiding Officer. The presiding officer of a director’s meeting shall be the President of the Association. In the absence of the presiding officer, the directors present shall designate one of their number to preside.
5.8 Procedures for Meetings. All meetings of the Board of Directors may be tape recorded or videotaped by unit owners. All unit owners shall have the right to attend such meetings and this includes the right to speak at such meetings with reference to all designated agenda items. The tape recording and/or videotaping of the meeting by unit owners shall be in accordance with rules adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes. The Association may adopt reasonable rules governing the frequency, duration, and manner of unit owner statements. Notice of the meeting shall specifically incorporate an identification of the agenda items. The notice of the meeting, together with the identification of the agenda items, shall be posted conspicuously on the condominium property at least forty-eight (48) continuous hours preceding the meeting, except in emergency. Any item not included on the Notice may be taken up on an emergency basis by at least a majority plus one of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. Written notice of any meeting at which non-emergency special assessments, or at which amendment to rules regarding unit use will be considered and 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. Evidence of compliance with the 14-day notice, shall be made by Affidavit executed by the person providing the notice and filed among the official records of the Association. Upon notice to the unit owners, the Board shall by duly adopted rule, designate a specific location on the condominium property or Association property upon which all notices of the board meetings shall be posted. 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 any such assessments.

SECTION 6. OFFICERS.

6.1 Officers. The executive officers of the Association shall be a President, Vice President, Treasurer, and Secretary, each of whom shall be elected at the annual meeting of the Board of Directors. Any two of said offices may be held by one person except that the President shall not also be the Secretary or an Assistant Secretary of the corporation. The Board may elect more than one Vice President. The Board may appoint such other officers and agents that it may deem necessary, who shall hold office at the pleasure of the Board and have such authority and perform such duties as from time to time may be prescribed by said Board.

6.2 Qualification. No person shall be entitled to hold office except a Voting Member or an officer of a corporate Voting Member. No officer except the President need be a member of the Board.

6.3 Term. The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the members of the Board.

6.4 The President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and directors; shall be an ex-officio member of all standing committees; shall have general management of the business of the corporation, and shall see that all orders and resolutions of the Board are carried into effect.

6.5 The Secretary.

6.5.1 The Secretary shall keep minutes of the members' meetings and of the Board of Directors' meetings in one or more books provided for that purpose, and shall make the same available to inspection by any unit owner or his authorized representative
and board members at reasonable times.

6.5.2 He shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law.

6.5.3 He shall be custodian of the corporate records and of the seal of the corporation. Minutes of meetings of members and of the board shall remain as corporation records for at least seven (7) years.

6.5.4 He shall keep a register of the name and post office address of each member and each Voting Member.

6.5.5 In general, he shall perform all duties incident to the office of the Secretary and such other duties as may be assigned to him by the President or by the Board of Directors.

6.6 The Vice President. The Vice President shall be vested with all the powers and required to perform all the duties of the President in his absence, and such other duties as may be prescribed by the Board of Directors.

6.7 The Treasurer.

6.7.1 The Treasurer shall keep full and accurate records of receipts and disbursements in books belonging to the corporation, and shall deposit all monies and other valuable effects in the name of and to the credit of the corporation in such depositories as may be designated by the Board of Directors or these By-Laws.

6.7.2 He shall disburse the funds of the corporation as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors at the regular meetings of the Board, an account of all his transactions as Treasurer, and of the financial condition of the corporation.

6.8 Vacancies. If any officer becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining directors by a majority vote may choose a successor or successors who shall hold office for the unexpired term.

6.9 Resignations. Any director or other officer may resign his office at any time. Such resignation shall be made in writing, and shall take effect at the time of its receipt by the corporation, unless some time be fixed in the resignation, and then from the date so fixed. The acceptance of a resignation shall not be required to make it effective.

SECTION 7. APPROVAL BY VOTING MEMBERS.

7.1 The Association shall act through its Board of Directors and only the following matters shall require an affirmative vote of the Voting Members of the Association in addition to any other matters which may require a vote of the Voting Members:

<table>
<thead>
<tr>
<th>Matter to be Approved</th>
<th>Approval Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alteration, improvements or additions to the Common Elements, exclusive of the</td>
<td>2/3 of the Voting Members</td>
</tr>
</tbody>
</table>
Limited Elements.

(2) Alteration, improvements or additions to the Limited Common Elements. A majority of the voting interests of the Association, all of the unit owners affected thereby and all record owners of liens on units affected.

(3) Termination of the Project when 90% of the value of the Condominium Property is destroyed. 1/4 of the Voting Members.

(4) Approval of changes in building plans for re-construction after casualty. 3/4 of the Voting Members and all of the Voting Members in the affected Units.

(5) Amendment of By-Laws and Articles of Incorporation. 2/3 of the Voting Members.

(6) Amendment of the Declaration. 2/3 of the Voting Members owning Units in the Condominium the Declaration of which is to be amended.

(7) Termination of Condominium. 3/4 of the Voting Members owning Units in the Condominium except as provided in item (3) of this Section 7.1.

(8) Election of Directors and Officers. Shall be elected pursuant to 718.112(2)(d) 3 as it now exists or hereafter may be amended.

(9) Amendment prohibiting rental of units. 100% of the Voting Members owning Units in the Condominium.


(11) Approval of the Purchase of a Condominium Parcel by the Association. 2/3 of the Voting Members except in a lien foreclosure action pursuant to Chapter 718 Florida Statutes.

(12) Dividing or combining units. A majority of the voting interests of the Association, all of the unit owners affected thereby and all record owners of liens on units affected.

SECTION 8. CONDUCT OF MEETING.

All meetings of the Members and of the Board shall be governed by Robert's Rules of Order.
SECTION 9. FISCAL MANAGEMENT.

The provisions for fiscal management of the Association are set forth in the Declaration of Condominium Ownership and are supplemented by the following provisions:

9.1 Accounts. The funds and expenditures of the Association shall be credited and charged to the appropriate account as set forth below.

9.1.1 Current Expenses. All funds to be expended during the year for the maintenance of the Common Elements, the operation and working capital of the Association shall be held in the Current Expense Account. Any balance in this fund at the end year of each year may be used to pay Common Expenses incurred in any successive year or may be placed in the Reserve Fund Account.

9.1.2 Reserve Fund Account. All funds to be expended for replacement, acquisition, and repair of capital improvements which are a part of the Common Elements or Limited Common Elements shall be held in the Reserve Fund Accounts separate from its operating account or accounts.

9.2 Budget.

[a] The Board of Directors shall adopt a detailed budget for each calendar year which budget will include the estimated funds required to pay the Common Expenses and provide and maintain funds for the foregoing accounts according to good accounting practices and as may be required by law. If a board adopts in any fiscal year an annual budget which requires assessments against unit owners which exceed 115 percent of assessments for the preceding fiscal year, the board shall conduct a special meeting of the unit owners to consider a substitute budget if the board receives, within 21 days after adoption of the annual budget, a written request for a special meeting from at least 10 percent of all voting interests. This special meeting shall be conducted within 60 days after adoption of the annual budget. At least 14 days prior to such special meeting, the board shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished to the Association, a notice of the meeting. An officer or manager of the Association, or other person providing notice of such meeting shall execute an affidavit evidencing compliance with this notice requirement, and such affidavit shall be filed among the official records of the Association. Unit owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of all voting interests unless the Bylaws require adoption by a greater percentage of voting interests. If there is not a quorum at the special meeting or a substitute budget is not adopted, the annual budget previously adopted by the Board shall take effect as scheduled.

[b] In determining whether the assessment exceeds 115% of similar assessments in prior years, reasonable reserves for repairs or replacements, expenses which cannot be reasonably anticipated to be incurred on a regular or annual basis, and
assessments for betterment shall not be considered in the computation.

(c) In addition, if the Association maintains limited common elements with the cost to be shared only by those entitled to use the limited common elements, the budget or a schedule attached thereto, shall show amounts budgeted therefor. Prior to turnover of control of the Association by the Developer to unit owners, the Developer may vote to waive the reserves for the first two (2) years of the operation of the Association, after which time reserves may only be waived or reduced upon the vote of a majority of non-developer voting interest present at a duly-called meeting of the Association. A vote must be taken each budget year to waive reserves. 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 interest present at a duly-called meeting of the Association.

9.3 Assessments. Assessments against the Unit Owners for their shares of the items of the budget, when applicable, shall be made by the Board of Directors for the fiscal year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments shall be payable, initially in monthly installments; however, the Board may change the period installments to no less frequently than quarterly, on the first day of the period for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the prior assessment and payments thereon shall be due upon the first day of each period until changed by an amended assessment. The budget and assessments therefor may be amended at any time by the Board of Directors; provided, however, that if an amended budget exceeds the limitation upon increases for that year imposed by Section 9.2, supra, it shall be subject to the approval of the membership of the association as set forth therein.

9.4 Charges Against Individual Units for Use of Common Elements. The Association may charge a unit owner for the exclusive use of the common elements for a particular amount of time.

9.5 Assessments for Emergencies. Assessment for Common Expenses of emergencies that cannot be paid from the annual assessments for Common Expenses shall be due only after thirty (30) days notice is given to the Unit Owners concerned and shall be paid in such manner as the Board of Directors of the Association may require in the notice of assessment.

9.6 Depository. The funds of the Association will be deposited in such banks or savings and loan association as shall be designated from time to time by the Board of Directors. Withdrawals of funds from such accounts shall be only by checks signed by such persons authorized by the Board.

9.7 Fidelity Bonds. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the association. The association shall bear the costs of bonding.
SECTION 10. RULES AND REGULATIONS.

10.1 As to Common Elements. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing the operation, use, maintenance, management and control of the Common Elements. The Secretary shall from time to time post in a conspicuous place on the Condominium Property, a copy of the rule and regulations adopted by the Board and shall deliver a copy of such rules and regulations to each Unit Owner. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

10.2 As to Condominium Units. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing and restricting the use and maintenance of the Condominium Units, provided, however, that copies of such rules and regulations are furnished to each Unit Owner prior to the time the same shall become effective. Where applicable or desirable, a copy thereof shall be posted in a conspicuous place on the Condominium Property, and shall be delivered to each Unit. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

SECTION 11. DEFAULT.

11.1 Foreclosure. Any action to foreclose a unit by the Association shall be brought in accordance with the provisions of Florida Statute 718.116 (3), (5) and (6) as it currently exists and may be subsequently amended.

11.2 Association Expenses. If the Association becomes the owner of a Condominium Parcel by reason of foreclosure, it may offer said Parcel for sale and, when the sale is consummated, it shall deduct from such proceeds all sums of money due it from monthly assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and any and all expenses incurred in the resale of the Condominium Parcel, which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the Unit in question. All monies remaining after deducting the foregoing items of expenses shall be added to Common Surplus.

11.3 Enforcement. In the event of violation of the provisions of the Condominium Documents as same are now or may hereafter be constituted, the Association, on its own behalf, may bring appropriate action to enjoin such violation, to enforce the provisions of the Documents, to sue for damages, impose fines or take all such courses of action at the same time, or such other legal remedy it may deem appropriate.

11.4 Consent to the Forgoing Provisions. Each Unit owner for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and injunctive relief, regardless of the harshness of the remedy available to the Association, and regardless of the availability of other equally adequate legal procedures. It is the intent of all Unit Owners to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from Unit Owners and to preserve each Unit Owner's right to enjoy his Condominium Parcel free from unreasonable restraint and nuisance.

SECTION 12. MORTGAGE OF UNIT.

12.1 The Association shall maintain a suitable register for the recording of the name and address of mortgagees of Condominium Parcels. Any mortgagee of a Condominium Parcel, may, but is not obligated to, notify the Association in writing, of its mortgage, in which case its name and address will be entered in the register. If notice of default is thereafter given any member, under any applicable provision of the Condominium Documents, a copy of such notice shall be mailed to the
mortgagor named in the register.

SECTION 13. ARBITRATION OF DISPUTES.

13.1 In the event of internal disputes arising from the operation of the condominium among unit owners, association's, their agent and assigns, the matter shall be submitted to mandatory non-binding arbitration as provided for in Fla. Stat. 718.1255 as may be amended from time to time.

SECTION 14. AMENDMENT OF BY-LAWS.

14.1 By-Laws. The By-Laws of the corporation may be altered, amended or repealed, unless specifically prohibited herein, at any regular or special meeting of the members by a two-thirds (2/3) vote of the Voting Members of the Association unless a greater number is required under paragraph 7.1 hereof. No modification or amendment to the By-Laws shall be valid unless set forth or annexed to a duly recorded amendment to the Declaration of Condominium Ownership nor shall any modification or amendment be valid if made by reference to title or number only.

SECTION 15. CERTIFICATE OF COMPLIANCE.

15.1 Certificate of Compliance. A Certificate of Compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board as evidence of compliance of the condominium units to the applicable Fire and Life Safety Code.

SECTION 16. COMPLAINTS.

16.1 Inquiry Requirements. When a unit owner files a written inquiry by certified mail with the Board of Administration, the Board shall respond to the unit owner within 30 days of receipt of the complaint. The Board shall give a substantive response to the complainant, notify the complainant that a legal opinion has been requested, or notify the complainant that advice has been requested from the division. The failure to act within 30 days and to notify the unit owner within 30 days after the action taken precludes the Board from recovering attorney's fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the complaint.

SECTION 17. FINES.

17.1 Procedure. Before a unit owner, or its occupant, licensee, or invitee, can be fined for failure to abide by a provision of the declaration, the Association Bylaws, or Rules of the Association, the following procedure shall be followed:

(a) 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:

1. A statement of the date, time and place of the hearing;

2. A statement of the provisions of the declaration, association bylaws, or association rules which have allegedly been violated; and

3. A short and plain statement of the matters asserted by the association.

(b) 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 association.
(c) The hearing shall be held before a committee of other unit owners. If the committee does not agree with the fine, the fine may not be levied.

(d) No fine may exceed $100.00 per violation and the same shall not constitute a lien against a unit. A fine may be levied on the basis of each day of a continuing violation, with single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed $1,000.00.
DECLARATION OF CONDOMINIUM OWNERSHIP

OF

TROPIC WINDS, A CONDOMINIUM

WHEREAS, Tropic Winds Condominium, LLC, whose post office address is 502 Harmon Avenue, Panama City, Florida 32401 (herein called "Developer"), owns fee simple title to the real property described in Exhibit "A" attached hereto (the "Property"), and desires to submit the Property to the condominium form of ownership.

NOW, THEREFORE, in order to create a Condominium consisting of the Property and the improvements constructed and to be constructed thereon (the "Improvements"), the Developer hereby submits the Property and Improvements to Condominium Ownership under the provisions of the Florida Condominium Act, (Chapter 718, Florida Statutes), and Developer hereby makes the declarations as to divisions, limitations, restrictions, covenants and conditions hereinafter set forth and declares and agrees that the Property is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to this Declaration.

SECTION 1. CONDOMINIUM PROPERTY.

1.01 The Property, Improvements and all easements and rights appurtenant thereto intended for and granted for use in connection with said Property, are hereby submitted to condominium ownership.

SECTION 2. NAME.

2.01 The Condominium shall be known as Tropic Winds, a Condominium.

SECTION 3. DEFINITIONS.

3.01 Assessment: A proportionate share of the funds required for the payment of Common Expenses which from time to time is levied against each Unit Owner by the Association.

3.02 Association: The Association is Tropic Winds Owners Association, Inc., a Florida corporation not for profit, and it is the legal entity responsible for the operation of the Condominium.

3.03 By-Laws: The rules governing the conduct of the affairs of the Association, as they exist from time to time.

3.04 Common Elements: The common elements as defined in Section 7 hereof.

3.05 Common Expenses: The expenses incurred in the maintenance, administration, improvement and repair and replacement of the Common Elements as set forth in Section 12.01.

3.06 Common Surplus: The excess of all receipts of the Association over Common Expenses.
3.07 Condominium: That system of ownership of Condominium Property under which individual Units of improvements are subject to ownership by one or more owners, and there is appurtenant to each Unit, as a part thereof, an undivided share in the Common Elements.

3.08 Condominium Act: The Condominium Act of the State of Florida (Fla.Stat. 718, et seq.) as it exists on the date of the filing hereof and all amendments thereto hereafter adopted except amendments imposing additional obligations upon or limiting any rights of the Developer.

3.09 Condominium Documents: The Declaration, By-Laws, Articles of Incorporation of the Association, and all Exhibits annexed thereto, as the same may be amended from time to time.

3.10 Condominium Parcel, or Parcel: A Unit, together with the undivided share in the Common Elements which is appurtenant to the Unit.

3.11 Condominium Property: All of the Condominium Parcels and Common Elements.

3.12 Condominium Unit, or Unit: A part of the condominium property which is subject to exclusive ownership.

3.13 Declaration, or Declaration of Condominium, or Declaration of Condominium Ownership: The instrument which submits the property to Condominium Ownership as it may from time to time be amended.

3.14 Developer: Tropic Winds Condominium, LLC. Developer may assign any right reserved to it by this Declaration. No assignee or successor developer who acquires any of Developer’s rights shall be deemed to have assumed any obligation of Developer unless by written assumption agreement duly recorded in the public records of Bay County, Florida. Any subsequent developer cannot retain control of the Association after a majority of the units have been sold unless it received an assignment of the creating developer’s rights and obligations.

3.15 Floor Plans: The plans are attached to the Declaration as Exhibit “B”.

3.16 Institutional Mortgagor: A bank, savings and loan association, insurance company or pension fund authorized to do business in the United States of America, an agency of the United States Government, a real estate investment trust, mortgage company, title insurance company or other lender generally recognized in the community as an institutional type lender.

3.17 Member or Association Member: Owner of a Condominium Unit.

3.18 Occupant: The person or persons, other than the Unit Owner, in possession of a Unit.

3.19 Unit Owner: A record owner of legal title to a condominium parcel.

3.20 Voting Member: A Unit Owner, except that where a unit is owned by more than one person a Voting Member is that Unit Owner designated by the Owner or Owners of a majority interest in the Unit to cast the vote appurtenant to such Unit. In any case, a Voting Member must be designated under oath by the Owners of a majority interest in a Condominium Unit as the person entitled to cast the vote of all such Owners. If a Unit is owned by an estate by the entitiles either spouse may vote unless they disagree, in which case neither shall vote.
3.21 Unless the context otherwise requires, all other terms used in this Declaration shall have the meaning attributed to said term by the Condominium Act.

SECTION 4. IDENTIFICATION OF CONDOMINIUM

4.01 The Condominium Property shall consist of property as described in Exhibits "A" and "B" attached hereto and made a part hereof.

4.02 Each Condominium Unit is described in Exhibit "B" in such manner that there can be determined therefrom the identification, location, dimensions and size of such Unit.

4.03 Each Condominium Unit is identified by a number as shown on the plans in Exhibit "B", so that no Unit bears the same designation as any other Unit except for the commercial unit which is designated as "Commercial Unit".

SECTION 5. CHANGES IN PLANS AND SPECIFICATIONS AND AMENDMENT OF DECLARATION.

5.01 Amendment of Declaration by Unit Owner. This Declaration may be amended at any regular or special meeting of the Association called or convened in accordance with the By-Laws, by the affirmative vote of not less than two-thirds (2/3) of the Voting Members of the Association, and each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the public records of Bay County, Florida. No such amendment shall change the proportionate ownership of the Common Elements appurtenant to any Unit, nor the proportionate share of the Common Expenses, Common Surplus or voting rights appurtenant to any Unit unless the Unit Owner(s) and all Institutional Mortgagees encumbering the affected Unit join in the execution of the amendment. No amendment shall be effective which materially affects the rights or interests of any Institutional Mortgagee without the written consent of the holder of each mortgage which is affected thereby, which consent may not be unreasonably withheld. No amendment shall be effective which changes, impairs or prejudices the rights of Developer or changes the provisions of this Declaration with respect to the Developer’s rights hereunder without Developer’s written approval.

SECTION 6. PARCELS OWNED BY DEVELOPER.

6.01 The Developer reserves the right to sell Condominium Parcels to any person or persons without restriction and to lease or rent condominium parcels pursuant to the terms of this Declaration. Developer also reserves the right to transact any business on the Condominium Property which may, in its sole judgment, be necessary to consummate the sale of Condominium Units including, but not limited to, the right to maintain model Units, signs in the Common Elements, a business office in one or more Units and to use the Common Elements to show units to prospective purchasers and lessees. The sales office, signs and other items used in connection with the sale or leasing of Condominium Parcels shall not be considered a part of the Common Elements and shall remain the property of Developer. Except as provided in this section, the Developer shall be subject to the same rules and regulations and entitled to enjoy the same privileges as any other Unit Owner with respect to each Unit owned by Developer.
6.02 The Developer, its successors or assigns, will retain ownership of the commercial unit and the same may be used for any lawful purpose and shall not be subject to the restrictions set forth in Paragraph 15 hereof as to the requirement that a unit be used exclusively for residential purposes except that no such use shall deprive owners of residential units of their right to quiet enjoyment of their respective units.

SECTION 7. COMMON ELEMENTS.

7.01 Common Elements. The Common Elements shall include and mean, in addition to the items listed in the Condominium Act, all areas which are so designated on the Floor Plans (Exhibit "B") and the following items:

(a) the foundations, bearing walls, perimeter walls, structural slabs, roofs, columns, girders, beams, supports, corridors, fire escapes, stairways, and common entrances, exits and communication ways; and

(b) the compartments or installations of central services such as power, light, gas, hot and cold water, heating and air conditioning systems which serve areas other than a single Unit, water storage tanks, pumps, pipes, flues, chutes, conduits, cables and wire outlets and other utility lines; and

(c) all other elements of the Condominium Property designated or designed for common use.

7.02 Automobile Parking Spaces. Automobile parking spaces will be made available so that at least one automobile parking space will be available for use by each unit owner according to such reasonable rules and regulations as may from time to time be promulgated by the Association; provided, that at all times each unit owner shall be entitled to the use of at least one automobile parking space without charge.

SECTION 8. OWNERSHIP OF COMMON ELEMENTS.

8.01 Each Unit Owner shall own an undivided interest in the Common Elements, and the undivided interest, stated as percentages or fractions of such ownership in the said Common Elements is set forth in Exhibit "C" which is annexed to this Declaration and made a part hereof.

8.02 Any attempt to separate the title to a Condominium Unit from the Common Elements appurtenant to such Unit shall be null and void.

SECTION 9. UNIT BOUNDARIES.

9.01 Each Unit shall include that part of the building within boundaries determined as set forth in this Section 9.

9.02 Upper and Lower Boundary. The upper and lower boundaries of the unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(a) Upper Boundary. The horizontal plane of the undecorated lower face of a concrete slab between floors.
(b) Lower Boundary. The horizontal plane of the undecorated upper face of a concrete slab between floors.

9.03 Perimetrical Boundaries. Upper and Lower Boundaries:

(a) Exterior Building Walls. The intersecting vertical planes adjacent to and which include the interior surface of the exterior structural walls of the building and where the unit contains a balcony, the outside edges of the balcony.

(b) Interior Building Walls. The vertical planes of the center line of walls bounding a Unit, except that (a) when walls between Units are of varying thickness or abut a column or shaft, the plane of the center line of a boundary wall shall be extended to an intersection with the connecting boundary plane without regard to the plane of the centerline of an intervening column or shaft, and (b) when walls of different thickness abut a flush side so that their center lines do not intersect, the plane of the center line of the thinner wall shall be extended to the thicker wall for a distance which is one-half of thickness of a thinner wall and the boundary shall thence run at a right angle to the plane of the center line of the thicker wall, (c) when walls bounding a Unit are structural or chase walls, such boundary shall be the intersecting vertical planes adjacent to and including the interior surface of the interior structural or chase walls.

9.04 Encroachments. If any portion of a Condominium Unit or Common elements encroaches upon another, a valid easement for the encroachment and maintenance of such encroachment shall and does exist for so long as the encroaching improvement stands. If a part of the Condominium Property is destroyed and rebuilt pursuant to this Declaration, minor encroachments of parts of the Common Elements or Condominium Units due to construction shall be permitted and a valid easement for the maintenance of such encroachments shall exist.

SECTION 10. THE OPERATING ENTITY.

10.01 The Association shall be responsible for the operation of the Condominium Property. The Association shall have all the powers and duties set forth in the Condominium Act, as well as all the powers and duties granted to or imposed upon it by this Declaration, By-laws of the Association (Exhibit "F") and its Articles of Incorporation (Exhibit "E") as they may be amended from time to time. No modification of or amendment to the By-Laws or the Articles of Incorporation of the Association shall be valid unless set forth in a recorded amendment to this Declaration. The By-Laws and the Articles of Incorporation may be amended in the manner provided for therein, but no amendment thereto shall be adopted which would affect or impair the validity or priority of any mortgage encumbering any Condominium Unit, or which would change the provisions hereof with respect to Institutional Mortgagees, without written approval of each mortgagee whose mortgage has been recorded in the public records of Bay County, Florida, whose lien is affected or impaired thereby. No such amendment shall change the rights and privileges of the Developer without the Developer's written approval.

10.02 Every Unit Owner shall be bound by the Condominium Documents.

10.03 Each Unit Owner shall be a member of the Association and shall have one (1) vote for each unit owned in the condominium.
SECTION 11.  ASSESSMENTS

11.01 The Association has the power to and shall fix and determine from time to time the assessments necessary to provide for the Common Expenses and other sums which are required by the Condominium Documents to be paid by Unit Owners.

11.02 Assessments that are unpaid for a period of ten (10) days after their due date shall bear interest at the rate of 18 percent (18%) per annum from the due date until paid. In addition, the Association shall charge an administrative late fee not to exceed the greater of $25.00 or 5 percent (5%) of each installment of the assessments for each delinquent installment that the payment is late.

11.03 The Association shall have a lien against each Parcel against which the assessment is made for unpaid assessments, together with the interest thereon, except that such lien shall be subordinate to prior recorded bona fide liens held by Institutional Mortgagees. Reasonable attorneys’ fees incurred by the Association in the collection of assessments shall be payable by the Unit Owner and secured by such lien. The Association may take such action as it deems necessary to collect assessments either by personal action against the Unit Owner of the Parcel against which such assessment has been made, or by enforcing and foreclosing said lien, or by exercising both of such remedies. The lien of an assessment shall be effective as and in the manner provided for by the Condominium Act and shall have the priorities established by said Act. The Association shall be entitled to bid at any sale held in connection with the foreclosure of an assessment lien and may apply as a cash credit against its bid all sums secured by the lien enforced.

11.04 A first Mortgagee or its successors or assigns who acquire title to a unit by foreclosure or by deed in lieu of foreclosure is liable for the unpaid assessments that become due prior to the Mortgagee’s or its successors or assigns receipt of the deed. However, the Mortgagee’s or its successors or assigns liability is limited to a period not exceeding six (6) months, but in no event does the first Mortgagee’s or its successors or assigns liability exceed one percent (1%) of the original debt if there is a foreclosure action and the Association is joined as a Defendant in the foreclosure action.

SECTION 12.  COMMON EXPENSES AND COMMON SURPLUS.

12.01 Common Expenses. The Common Expenses of the Condominium shall be shared by the Unit Owners as specified in Exhibit "C". Common Expenses include all taxes, assessments, insurance and all other expenditures for which the Association is responsible, including stormwater management and those expenditures contracted for in any maintenance or management agreement.

12.02 Common Surplus. Any Common Surplus shall be owned by each of the Unit Owners in the same proportion as their percentage of ownership interest in the Common Elements.

SECTION 13.  MAINTENANCE AND ALTERATIONS.

13.01 The Association may enter into contracts with any firm, person or corporation and may join with other Condominium Associations and entities in contracting for the maintenance and repair of the Condominium Property and may delegate to the contractor or manager all the powers and duties of the Association, except such as are specifically required by this Declaration or by the By-Laws to have the approval of the membership of the Association.
13.02 Each Unit Owner Agrees:

(a) Not to make, or cause to be made, any addition or alterations to his Unit that would impair the structural soundness of the building. Structural alterations within a Unit may be made only with the consent of the Association and any Institutional First Mortgagee holding a mortgage on said Unit. In addition, each unit owner agrees not to change the color or to enclose the balcony which is part of the unit without the written consent of the Association.

(b) Not to make any alteration, addition or improvement to the Common Elements. In addition, no signs (including “for sale” or “for rent”) may be placed outside any units, or on the common elements.

(c) The association has the irrevocable right of access to each unit during reasonable hours, when necessary for the maintenance, repair, or replacement of any common elements or any portion of a unit to be maintained by the association pursuant to the declaration or as necessary to prevent damage to the common elements or to a unit or units.

(d) To promptly report to the Association any defects or needed repairs for which the Association is responsible.

(e) To keep his Unit clean and free of accumulation of debris and permit licensed pest control service to be performed therein by the Association.

13.03 Each Unit Owner shall promptly perform all maintenance and repair within his Unit which its omission or delay would affect any other Condominium Property, and such Unit Owner shall be responsible for any damages or liability which may be incurred by his failure to do so. Each Unit Owner shall be responsible for any damage resulting from an accident within his Unit including, without limitation, damages suffered by the Association and by any other Unit Owner by reason of the failure of a Unit Owner to properly protect his Unit from the elements, or by reason of over-flowing or leaking plumbing fixtures, overloaded electrical circuits and similar occurrences.

13.04 If any damage, or if maintenance, repair or replacement for which a Unit Owner is responsible is covered by insurance maintained by the Association, the proceeds of insurance received by the Association or the Insurance Trustee shall be used or made available to such Unit Owner for use in paying for such damage or in performing such maintenance, repair or replacement.

13.05 If the Unit Owner violates the provisions hereof, the Association shall have the right to proceed in a court of equity for an injunction to seek compliance with the provisions hereof. In lieu thereof, or in addition thereto, the Association shall have the right to levy reasonable fines against a Unit or the Unit Owner, for the failure of the owner of the unit, or its occupant, licensee, or invitee, to comply with any provision hereof. No fine will become a lien against a unit. No fine may exceed $100.00 per violation and a fine may be levied on the basis of each day of a continuing violation with single notice and opportunity for hearing provided that no fine shall in the aggregate exceed $1,000.00. For the procedure to be followed involving fines, see Section 17 of the By-Laws of the Association.

13.06 The Association shall determine the color scheme of the building and the Common Elements and shall be responsible for the maintenance thereof. No Owner shall paint any surface of the building outside such Owner’s Unit or add or replace anything thereon or affixed thereto without written consent of the Association which restriction shall also include the balcony which is a part of the unit.
13.07 The Association shall be responsible for the maintenance, repair and replacement of the Common Elements at the Association's expense, including those portions which contribute to the support of the buildings, and all conduits, ducts, plumbing and wiring and other facilities located in the Common Elements and should incidental damage be caused to any Unit by any work which may be done or caused to be done by the Association, in the maintenance, repair or replacement of the Common Elements, the Association shall, at its expense, repair such damage; provided that, if any repairs or replacements to the Common Elements are made necessary because of abuse or negligent use thereof by an Unit Owner, the cost of such repair or replacement shall be the responsibility of such Unit Owner.

SECTION 14. INSURANCE PROVISIONS.

14.01 Liability Insurance. The Association shall maintain comprehensive public liability and property damage insurance covering all of the Common Elements and insuring the Association, the Unit Owners and, as long as a Maintenance Agreement is in effect, the Management Company, in such amounts as the Association determines necessary, provided that the minimum amount of coverage shall be $500,000.00 for bodily injury or death of any one person, $1,000,000.00 for bodily injury or death of any number of persons arising out of any one occurrence and $50,000.00 for any instance of property damage. Premiums for such insurance shall be paid by the Association.

14.02 Casualty Insurance.

(a) Purchase of Insurance. The Association shall obtain and maintain fire, windstorm, extended coverage insurance including vandalism, and malicious mischief insurance, covering all Condominium Property, including personal property owned by the Association, for the benefit of the Unit Owners and their mortgagees and the Association, as their interests may appear, with a company selected by the Association having not less than a policyholder's rating of "A" in the most recent addition of Best's Insurance Guide in an amount equal to the replacement cost of the Condominium Property, as determined annually by the Association. The insurance shall include coverage of that part of the building including but not limited to fixtures, installations or additions within the unfinished inferior the individual unit initially installed (or replacements thereof of like kind or quality) in accordance with the original plans and specifications, or as they existed at the time the unit was initially conveyed, if the original plans and specifications are not available. However, the word "building" does not include floor coverings, wall coverings, ceiling coverings and does not include the following equipment if it is located within a unit and the unit owner is required to repair or replace such equipment: Electrical fixtures, appliances, air conditioners or heating equipment, water heaters or built-in cabinets.

(b) Loss Payable Provisions - Insurance Trustee. All policies purchased by the Association shall be for the benefit of all Unit Owners and their mortgagees and the Association, as their interests may appear. However, an Insurance Trustee shall be the named insured and it shall not be necessary to name the Association or the Unit Owners or any mortgagees, although mortgagee endorsements may be issued. The policies shall be deposited with the Insurance Trustee and shall provide that all insurance proceeds payable on account of loss or damage shall be payable to said Insurance Trustee. The Insurance Trustee may be any bank, maintaining offices and holding trust powers in Florida selected by the Association. The Insurance Trustee shall not be liable for the payment of the premiums, for the renewal or the sufficiency of policies, for the failure to collect any insurance proceeds, nor for the form or content of the policies. The sole duty of the Insurance Trustee shall be to hold the insurance policies and to receive the proceeds paid pursuant to the policies in trust for the purposes stated herein, for the benefit of the Association and the Unit Owners and their respective mortgagees, in the following
shares:

(1) **Proceeds Paid on Account of Damage to Common Elements**: An undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

(2) **Proceeds Paid on Account of Damages to any Units**: Proceeds of insurance payable on account of damage to Units shall be held for the owners of damaged Units in the same proportion that the cost of repairing the damage suffered by each Unit Owner bears to the total cost of restoring all damaged Units, which cost shall be determined by the Association.

(3) **Mortgagees**: In the event a mortgagee endorsement has been issued with respect to a Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner, as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions thereof made to the Unit Owner and mortgagee, pursuant to the provisions of this Declaration.

(c) **Distribution of Proceeds**: Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owner in the following manner:

(1) **Expense of the Trust**: All expenses of the Insurance Trustee shall be first paid or provisions made therefor, including reasonable compensation for services rendered by the Trustee.

(2) **Reconstruction and Repair**: The remaining proceeds of any insurance shall be utilized to pay the cost of reconstructing or repairing the damage on account of which the proceeds are payable. Any proceeds remaining after paying such costs shall be distributed to the beneficial owners, provided that, if a mortgagee endorsement has been issued with respect to a Unit, the share of the Unit Owner will be paid to the Unit Owner and mortgagee jointly.

(3) **Certificate**: In making distributions the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to the names of the Unit Owners, their mortgagees, and their respective shares of the distribution.

(d) **Association as Agent**: The Association is hereby irrevocably appointed agent for each Unit Owner and for each owner of a mortgage or other lien encumbering a Unit and for each owner of any other interest in the Condominium Property, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

(e) **Benefit of Mortgagees**: The provisions of this Section 14.02 are for the benefit of mortgagees of Condominium Parcels, and may be enforced by such mortgagee.

14.03 **Reconstruction or Repair after Casualty**.

(a) **Reconstruction or Repair Required**: In the event the Common Elements or the Units are damaged by any casualty, whether such damage is insured against or not, the same shall be repaired or reconstructed, by the
Association or the Unit Owner, as the case may be.

(b) Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached hereto as exhibits; or if not, then according to the plans and specifications approved by the Board of Directors of the Association, and by not less than 75% of the Unit Owners, including the owners of all damaged Units, which approval shall not be unreasonably withheld.

(c) Responsibility. If the damage is only to those parts of a Unit for which the responsibility of maintenance and repair is that of the Unit Owner and for which insurance coverage is not required, then the Unit Owner shall be responsible for the reconstruction and repair of any damage caused by casualty. In all other instances the responsibility of reconstruction and repair of damage caused by casualty shall be that of the Association.

(d) Estimate of Costs. Immediately after a determination to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

(e) Assessments. If the proceeds of insurance are not sufficient to pay the estimated costs of reconstruction and repair by the Association, or at any time during reconstruction and repair, funds for the payment of the costs thereof are insufficient, assessments shall be made against all Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such assessments shall be in proportion to the Unit Owner's share in the Common Elements. Any assessment made pursuant to this Section may be enforced in the manner provided in Section 11 hereof.

14.04 Construction Funds. The funds for payment of costs of reconstruction and repair of damage caused by casualty, which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessments against Unit Owners, shall be disbursed in payment of such costs in the following manner:

(a) Association. If the total of the assessments made by the Association in order to provide funds for payment of costs of reconstruction and repair which is the responsibility of the Association, is more than $25,000.00, then the sums paid upon such assessments shall be deposited by the Association with the Insurance Trustee. In all other cases, the Association shall hold the sums paid on account of such assessments and disburse the same in payment of the costs of reconstruction and repair.

(b) Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Association from collections of assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(1) Association - Minor Damage. If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association, is less than $25,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee which is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.
(2) **Association - Major Damage.** If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association, is more than $25,000.00, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an Architect, Engineer or other qualified person and employed by the Association to supervise the work.

(3) **Unit Owner.** The portion of insurance proceeds, if any, representing damage for which the responsibility of reconstruction and repair lies with a Unit Owner as provided in Section 14.03(c) shall be paid by the Insurance Trustee to the Unit Owner (or if there is a mortgagee endorsement as to such Unit, then to the Unit Owner and the mortgagee jointly) promptly upon completion of all required repairs and reconstruction.

(4) **Surplus.** The first moneys disbursed in payment of costs of reconstruction and repair shall be deemed to be the proceeds of insurance. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund was established, such balance shall be distributed to the Unit Owners and mortgagees in the same percentages as the unit owners percentages of ownership of the common elements.

(5) **Certificate.** Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Unit Owners on account of assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an Architect or otherwise, nor whether a disbursement is to be made from the construction fund nor to determine the payee or the amount to be paid. The Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when a mortgagee is herein required to be named as payee, the Insurance Trustee shall also name the mortgagee as payee of any distribution of insurance proceeds to a Unit Owner; and further provided that when the Association, or a mortgagee which is the beneficiary of an insurance policy the proceeds of which are included in the construction fund, the Insurance Trustee shall require as a condition precedent to any disbursement, a certificate of the architect named by the Association certifying that the work has progressed to the point indicated in the contractor's application for payment, that the work is in accordance with the contract documents, and the contractor is entitled to payment in the amount certified.

14.05 **Restoration Not Required.** In the event more than ninety percent (90%) in value of the Condominium Property is substantially damaged or destroyed by fire or other casualty and the extent of such damage is certified, in writing by the Association to each Unit Owner, and 25% of the Voting Members signify their desire to terminate the Condominium, the Condominium shall terminate within sixty (60) days after the casualty by filing in the public records of Bay County, Florida, a Notice of Election to Terminate, accompanied by the Certification of Extent of Damage by the Association. Thereafter, the Unit Owners will become tenants in common of the Condominium Property and the insurance proceeds. The share of the Owners of each Unit in the Condominium Property shall be the same as their share in the Common Elements. The share of each Unit Owner in the insurance proceeds shall be the same as set forth in Exhibit "C". Any mortgage or other lien which encumbers a Condominium Parcel shall continue as a lien of equal dignity against the interest of the Unit Owner in the Condominium Property and the proceeds of insurance. If any Unit Owner requests a partition of the property, the Condominium Property shall be sold, and each Unit Owner, or each Unit Owner and his respective mortgagee, will be entitled to recover from the fund composed of sale proceeds, a share of such sums that shall be the same as the undivided
share of such Unit Owner in the Common Elements. In the event the fund does not contain sufficient sums to fully compensate every Unit Owner, the sum payable to each Unit Owner will be proportionately reduced.

Before distribution to a Unit Owner of insurance or sale proceeds, all liens against such Unit Owner’s Unit will be paid to the extent to the proceeds allocated to said Unit are sufficient to do so.

14.06 Other Insurance. The Association shall maintain worker’s Compensation insurance to meet the requirement of law and such other insurance as the Association shall determine from time to time to be desirable. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association including the President, Secretary and Treasurer of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time and the Association shall bear the cost of said insurance policy or bonding.

14.07 Unit Owners Insurance. Each individual Unit Owner may purchase, at his own expense, liability insurance to cover accidents occurring within his Unit. Unit Owners may also purchase casualty insurance covering personal property within any improvements to their Units, provided such does not contain a co-insurance provision or any other provision that in any way affects the master policy maintained by the Association on the Condominium Property.

14.08 Waiver of Subrogation. If available without additional cost, and where applicable, the Association and each Unit Owner shall endeavor to obtain policies which provide that the insurer waives the right of subrogation as to any claim against Unit Owners, the Association, their respective servants, agents, and guests, and any Management Company.

SECTION 15. OBLIGATION OF UNIT OWNERS.

15.01 In addition to the other obligations and duties heretofore set out in this Declaration, no Unit Owner shall:

(a) Use or permit the use of his Unit for any purpose other than as a single family residence except for the commercial unit or fail to maintain his Unit in a clean and sanitary manner;

(b) Permit or suffer anything to be done or kept in his Unit which will increase the insurance rates on any Unit or the Common Elements, or which will obstruct or interfere with the rights of other Members, or commit, permit or suffer any nuisance or illegal act in his Unit or on the Common Elements;

(c) Fail to conform to and abide by the By-Laws and nondiscriminatory rules and regulations in regard to the use of the Condominium Property which may be adopted in writing from time to time by the Association, and each Unit Owner shall be responsible to see that all persons using such Unit Owner’s property do likewise;

(d) Attempt to exempt himself from liability for his contribution toward the Common Expenses by waiver of the use and enjoyment of any of the Common Elements, or by the abandonment of his Condominium Unit.

15.02 Pets. Pets may be kept or maintained by Unit Owners in their Units upon such terms and conditions as the Association may establish from time to time, provided such pet does not create a nuisance. Whether or not a pet creates a nuisance shall be determined in the sole judgment of the Association. No exotic
pets or "domesticated" wild animals will be permitted on the Condominium Property.

SECTION 16.  RESERVE FUND ACCOUNT.

16.01 The Association shall establish Reserve Fund Accounts separate from its operating account or accounts to accumulate sums in a separate account for capital improvements or repairs or replacements of major components of the building which are, or will be, a part of the Common Elements all as required by the Act (the "Fund"). The assessment will be in the amounts required by the Act unless such requirement is waived by the members in accordance with the Act. The Association shall use the funds in the Reserve Fund Accounts for the purpose for which they have been reserved unless their use for another purpose is approved by the unit owners. The Association shall determine those capital improvements to be replaced, acquired or repaired with the deposits in the Fund. The proportionate interest of each owner in the Fund shall be appurtenant to his Unit and may not be separately withdrawn, assigned or transferred or otherwise separated from the Unit to which it appertains and shall be deemed to be transferred with such Unit.

16.02 The assessment provided for in this section may be enforced in the same manner as provided in Section 11 for the enforcement of assessments.

SECTION 17.  NOTICES.

17.01 Unit Owner. Whenever a notice is required to be sent to a Unit Owner, such notice may be delivered either personally or by mail, addressed to such Unit Owner’s Unit address, unless the Unit Owner has, by written notice duly receipted for by the Secretary of the Association, specified a different address.

17.02 Association. Notices to the Association shall be delivered by mail in person to the Secretary of the Association at the Secretary’s Unit, or in the event of the Secretary’s absence, then to the President of the Association at his Unit, and, in his absence, to any member of the Board of Directors of the Association.

17.03 Developer. Notices to the Developer shall be delivered by registered or certified mail to:

Tropic Winds Condominium, LLC
502 Harmon Avenue
Panama City, FL 32401

or such other address as Developer may from time to time designate.

17.04 All notices shall be deemed to have been given when deposited in the United States Mail, postage prepaid, addressed as aforesaid. Any party may change his or its mailing address by written notice duly receipted for by the Secretary of the Association. Notices required to be given to a deceased Owner may be delivered, either personally or by mail, to the personal representative at his or its address appearing in the records of the Court wherein the estate of such deceased Owner is being administered, or if there is none, then to the nearest relative of such deceased person.

SECTION 18.  SAVINGS ACCOUNTS; INVESTMENTS.

18.01 The Association shall have the power to establish and maintain in a national or state bank or a federal savings and loan association, interest bearing accounts for such purposes as it may see fit to establish from time to time.

18.02. The Association shall have the power to invest money of the Association in any obligation guaranteed as to payment by the United States.
SECTION 19. MISCELLANEOUS PROVISIONS.

19.01 Provisions of Declaration - Binding Effect. All provisions of the Condominium Documents are intended to be and shall be construed as covenants running with the land and every part thereof, including, but not limited to, every Unit and the appurtenances thereto; and every Unit Owner and claimant of the property, or any part thereto, or of any interest therein, and his heirs, executors, administrators, successors and assigns, shall be bound by all of the provisions of the Condominium Documents.

19.02 Dividing or Combining Units. The unit owners by an affirmative vote of a majority of the total voting interests may from time to time authorize the removal or addition of a wall or portion of a wall between Units in order that said Units might be used together as one integral Unit or in order to add to or subtract from space in any Unit, provided, that no such alteration shall be made without the consent of all Unit Owners whose Units are directly affected thereby and all record owners of liens against the affected units. If the joinder or division of Units is permitted, the share of the Common Elements and Common Expenses and Surplus appurtenant to the altered Units may be reapportioned by the Unit Owners owning such altered Units, provided, no such reapportionment shall affect the share of Common Elements, Common Expenses or Surplus appurtenant to Units not so altered. If a joinder or Division of Units is permitted and the share of Common Elements, Common Surplus, or Common Expenses appurtenant to such Units reapportioned, such changes shall be reflected by an amendment of this Declaration. Said amendment shall be signed by the President and Secretary of the Association, each affected Unit Owner, all record owners of liens against the affected unit and their respective mortgagees.

19.03 Attorneys' Fees. In any suit where the association is involved against a unit owner, tenant or an invitee, the prevailing party in said litigation shall be entitled to recover their reasonable attorney's fees.

19.04 Agreement for Recreational Facilities. Subsequent to the filing of this Declaration, the Association may, either alone or in concert with other Condominium Associations, purchase and/or acquire and enter into agreements, from time to time, whereby it acquires leaseholds, memberships, and other passersby or use interests in lands or facilities, whether or not contiguous to the Condominium Property intended to provide for the enjoyment, recreation and other use or benefit of the Unit Owners. No such purchase or agreement shall be valid, however, unless approved by the owners of a majority of the Units, which are not owned by Developer. The expense of ownership, rental membership fees, operations, replacements, and other undertakings in connection therewith shall be Common Expenses, together with all other expenses and costs herein or by law defined as Common Expenses.

19.05 Gender. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and the plural shall include the singular. The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating an uniform plan for the operation of a Condominium.

19.06 Captions. The captions used in the Condominium documents are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text in the Condominium Documents.

19.07 Institutional First Mortgages. Where an Institutional First Mortgage, by some circumstance, fails to be a first mortgage but it is evident that it is intended to be a first mortgage, it shall nevertheless, for the purpose of the Condominium Documents, be deemed to be an Institutional First Mortgage.
SURVEYOR'S CERTIFICATE
19.08 **Severability of Provisions.** If any term, covenant, provisions, phrase or other element of the Condominium Documents is held invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify or impair in any manner whatsoever any other term, provision, covenant or element of said Documents or of the Condominium Act.

19.09 **Warranties.** The Developer's warranty shall be limited to an implied warranty of fitness and merchantability as set forth in Florida Statutes 718.203 and as subject to the limitations therein set forth.

19.10 **Acceptance by Association.** The Association approves the foregoing and all of the covenants, terms and conditions, duties and obligations of this Declaration and Exhibits attached hereto. Each Unit Owner, by virtue of its acceptance of a Deed of Conveyance to a Condominium Parcel, and other parties, by virtue of their occupancy of Units, hereby approved the Declaration and all of the terms and conditions, duties and obligations set forth in the Condominium Documents.

19.11 **Partition.** No Unit Owner shall bring, or have any right to bring, any action for partition or division of the Condominium Property, except as provided in Section 14.05.

19.12 **Construction by Unit Owner.** Any addition, alteration, or construction by a Unit Owner, including electrical wiring or plumbing, shall comply with the Bay County Building Code and all other applicable ordinances.

19.13 **Developer's Liability.** Notwithstanding any other provision of this Declaration, no partner of Developer shall have any liability whatsoever on account of the Developer's obligation, except to the extent of his interest in the property which is submitted to condominium ownership hereby.

**SECTION 20. SCRIVENER'S ERRORS.**

20.01 Developer, for itself and each incumbent President of the Association, reserves the right to amend the Declaration to correct scrivener's errors, however, no such amendment shall materially adversely affect the property rights of Unit Owners. Such amendment need only be approved, executed and acknowledged by the Developer or the President of the Association, as the case may be, and shall be effective when recorded in public records of Bay County, Florida.

**IN WITNESS WHEREOF, Tropic Winds Condominium, LLC, has executed this instrument in its name, this 12th day of February, 2009.**

Signed, sealed and delivered in the presence of:

*Bill Brown*
Witness, Sign

*Bill Brown*
Witness, Print

By:

*C.B. Harbour, III, Manager*

*Tropic Winds Condominium, LLC, a Florida limited liability company.*

*Shadae Johnson*
Witness, Sign

*Sandra Johnson*
Witness, Print
BY-LAWS
OF
TROPIC WINDS OWNERS ASSOCIATION, INC.
A Corporation Not for Profit
under the Laws of the State of Florida

These are the By-Laws of Tropic Winds Owners Association, Inc., (hereinafter
called "Association"), a corporation not for profit, incorporated under the laws of
the State of Florida. The Association has been organized for the purpose of
administering a condominium created pursuant to Chapter 718, Florida Statutes,
as amended (hereinafter called "Condominium Act").

SECTION 1. ASSOCIATION.

1.1 Office. The office of the Association shall be at 502 Harmon Avenue,
Panama City, Florida 32401, or such other place as shall be selected by a majority
of the Board of Directors.

1.2 Fiscal Year. The fiscal year of the Association shall run from January 1 to
December 31 of each year.

1.3 Seal. The seal of the Association shall have inscribed thereon the name
of the Association, the year of its organization, and the words "Not for Profit". Said
seal may be used by causing it or a facsimile thereof to be impressed, affixed,
reproduced or otherwise attached to the instrument or document being sealed.

1.4 Terms. All terms used herein shall have the same definitions as attributed
to them in the Declaration of Condominium Ownership of Tropic Winds, a
Condominium.

SECTION 2. MEMBERS.

2.1 Qualifications. The members of the Association shall consist of all Unit
Owners of Condominium Units in Tropic Winds, a Condominium.

2.2 Membership. Membership in the Association shall be established by
recording in the public records of Bay County, Florida, a deed or other instrument
establishing a record title to the Condominium Parcel, and delivery to the
Association of a copy of such instrument. The grantee in such instrument shall
immediately become a member of the Association. The membership of any prior
owner of the same Condominium Parcel shall be terminated upon delivery to the
Association of a copy of the deed or other instrument as aforesaid.

2.3 Designation of Voting Representative. If a Unit is owned by one person,
his right to vote shall be established by the roster of members. If a Unit is owned by
more than one person, the Unit Owner entitled to cast the vote appurtenant in said
Parcel shall be designated by the record Owners of a majority interest in the Parcel
as shown in the roster of members and by a statement filed with the Secretary of
the Association, in writing. The designation may be revoked and a substitute Voting
Member designated at any time at least five (5) days prior to a meeting. If a
designation of a Voting Member is not filed with the Secretary at least five (5) days
prior to any meeting, no vote shall be cast at such meeting by or for said Unit
Owner(s).
2.4 Restraint Upon Alienation of Assets. The share of a member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Condominium Parcel.

SECTION 3. MEMBER'S MEETINGS.

3.1 Place. All meetings of the members of the Association shall be held at the office of the Association or such other place as may be stated in the notice of the meeting.

3.2 Membership List. At least five (5) days before every election of directors, a complete list of the Voting Members of the Association, arranged numerically by unit number, shall be prepared by the Secretary. Such list shall be kept at the office of the Association and shall be open to examination by any member at any such time. Changes in the list of Voting Members may be made pursuant to Section 2.3 of these By-Laws.

3.3 Regular Meetings. Annual meetings of the Members of the Association shall be held on the first Saturday in the month of October of each year or at such other date as may be authorized by the Board of Directors. Any unit owner may tape record or videotape a meeting of the unit owners subject to reasonable rules adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes.

3.4 Special Meetings. Special meetings of the members for any purpose may be called by the President, and shall be called by the President or Secretary at the request, in writing, or either a majority of the Board of Directors or of a majority of the Voting Members. Such request shall state the purpose of the proposed meeting. In addition, special meetings of the members shall be called by the request of a 10% of the voting members for the purpose of recall of a member or members of the Board of Directors and a meeting because of an excessive budget. Any unit owner may tape record or videotape a special meeting of the unit owners subject to reasonable rules adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes.

3.5 Notice. Notice of meetings of the owners shall be by written notice, which notice must include an agenda. Written notice shall be mailed or delivered to each unit owner at least fourteen (14) days prior to the annual meeting and shall be posted in a conspicuous place on the condominium property at least fourteen (14) continuous days preceding the meeting. Upon notice to unit owners, the Board shall by duly adopted rule, designate a specific location of the condominium property, upon which all notices of unit owner meetings shall be posted. The method of the mailing of the notice to unit owners shall comply with the provisions of Florida Statute 718.112(2)(d).

3.6 Participation. All members shall be entitled to participate in any meeting of the Association but only Voting Members shall have the right to vote on any matter brought before such meeting. Each Voting Member shall be entitled to cast one vote for each condominium parcel owned. Wherever in these By-Laws the vote of a certain percentage of the Voting Members is required to take an action it shall be deemed to mean that percentage of the total number of votes of Voting Members.

3.7 Transfer of control of the Association. When unit owners other than the Developer own 15 percent (15%) of the units in the condominium that will be operated ultimately by the Association, the unit owners, other than the Developer, shall be entitled to elect no less than one-third (1/3) of the members of the Board of Administration of the Association. Unit owners other than the Developer are entitled to elect no less than a majority of the members of the Board of Administration of the Association:
(a) Three (3) years after 50 percent (50%) of the units that will be 
operated ultimately by the Association have been conveyed to 
the purchasers;

(b) Three (3) months after 90 percent (90%) of the units that will be 
operated ultimately by the Association have been conveyed to 
the purchasers;

(c) When all the units that will be operated ultimately by the 
Association have been completed, some of them have been 
conveyed to purchasers, and none of the others are being 
offered for sale by the Developer in the ordinary course of 
business;

(d) When some of the units have been conveyed to purchasers 
and none of the others are being constructed or offered for sale 
by the Developer in the ordinary course of business;

(e) Seven (7) years after recordation of the Declaration of 
Condominium, whichever occurs first. The Developer is entitled 
to elect at least one member of the Board of Administration of 
the Association as long as the Developer holds for sale in the 
ordinary course of business at least five percent (5%) of the units 
in a condominium operated by the Association. Following the 
time the Developer relinquishes control of the Association, the 
Developer may exercise the right to vote any Developer- 
Owned Units in the same manner as any other unit owner, 
except for purposes of reacquiring control of the Association or 
selecting the majority members of the Board of Administration. 
The transfer shall occur in accordance with the provisions of 
718.301.

3.8 Proxies. Unit owners may vote by general proxy in certain instances as set 
forth herein and by limited proxies substantially conforming to a limited proxy form 
adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes. 
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; for votes taken 
to waive financial statements; for votes taken to amend the Declaration; for votes 
taken to amend the Articles of Incorporation or By-Laws; recall elections and for 
any other matter which the Florida Condominium Act requires or permits a vote of 
the unit owners. No proxy, limited or general, shall be used in the election of Board 
Members. General proxies may be used for other matters for which limited proxies 
are not required, and may also be used in voting for non-substantive changes to 
items for which a limited proxy is required and given. Notwithstanding the provisions 
herein, unit owners may vote in person at unit owner meetings.

3.9 Vote Required to Transact Business. When a quorum is present at any 
meeting, the majority of Voting Members present and voting shall decide any 
question brought before the meeting, unless the question is one which requires 
more than a majority vote by express provision of the Condominium Act or the 
Declaration of Condominium Ownership, Articles of Incorporation or these By-Laws 
(herinafter "Condominium Documents"), in which case the express provision shall 
govern and control the number of votes required.

3.10 Quorum. Fifty percent (50%) of the total number of Voting Members of 
the Association (present in person or by proxy) shall constitute a quorum at all 
meetings of the members, except as otherwise provided by statute or the 
Condominium Documents. If a quorum is not present at any meeting, the Voting 
Members may adjourn the meeting. Any rescheduled meeting must be properly
noticed. Any business may be transacted at any adjourned meeting where a quorum was present which could have been transacted at the meeting called.

SECTION 4. DIRECTORS.

4.1 Number. The affairs of the Association shall be managed by Board of Directors, consisting of not less than three (3) nor more than five (5) directors. The number of directors shall be determined from time to time by the Voting Members.

4.2 Term. Each director shall be elected to serve for a term of two (2) years, which terms shall be staggered, or until his successor shall be elected and shall qualify, except that directors elected prior to the Unit Owners’ Initial Meeting shall serve only until such meeting. The first two (2) directors elected shall serve for a term of one (1) year and all subsequent directors, including the initial directors, when their term expires, shall be elected for two (2) years.

4.3 First Board of Directors. The first Board of Directors shall consist of three (3) persons appointed by Developer, who shall hold office and exercise all powers of the Board at the pleasure of Developer, until other directors are named pursuant to Section 3.7 of these By-Laws.

4.4 Vacancy and Replacement. Vacancies in the Board of Directors shall be filled in the same manner as election of Directors as provided for in paragraph 4.5 hereof. If a vacancy occurs on the Board as a result of a recall and less than a majority of the Board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors. If vacancies occur on the Board as a result of a recall and a majority or more of the Board members are removed, the vacancies shall be filled in accordance with procedural rules adopted by the Division.

4.5 Election of Directors. Directors shall be elected by written ballot or voting machine. Proxies shall in no event be used in electing Directors, either in general elections or elections to fill vacancies caused by resignation. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, whether by separate association mailing or included in another association mailing or delivery, including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be candidate for the Board of Administration, shall give written notice to the Secretary of the Association not less than forty (40) days before a scheduled election. Together with the written notice and agenda of the annual meeting, the Association shall mail or deliver a second notice of the election to all unit owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of the candidate, the Association shall include an information sheet, no larger than eight and one-half inches by eleven inches (8½ x 11), which must be furnished by the candidate no less than 35 days before the election, to be included in the mailing of the ballot, with the cost of mailing or delivering and copying to be borne by the Association. The voting shall be in accordance with rules as established by the Division of Florida Land Sales, Condominiums and Mobile Homes including rules providing for the secrecy of ballots. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20% of the eligible voters must cast a ballot in order to have a valid election of the members of the Board of Administration. No unit owner shall permit any other person to vote his ballot, and any such ballots improperly cast, shall be deemed invalid. A unit owner who needs assistance in casting the ballot for the reasons as stated in Florida Statute 101.051 may obtain assistance in casting the ballot. Any unit owner violating this provision may be fined by the Association in accordance with Florida Statute 718.303. The regular election shall occur on the date of the annual meeting. Notwithstanding the provisions of this subparagraph, an election and balloting are not required unless more candidates file notices of
intent to run or are nominated than vacancies exist on the Board. The Association may, by the affirmative vote of a majority of the total voting interests, provide for different voting and election procedures in its bylaws, which vote may be by a proxy specifically delineating the different voting and election procedures. The different voting and election procedures may provide for elections to be conducted by limited or general proxy.

4.6 Removal. Directors may be removed with or without cause by an affirmative vote of a majority of the voting members. The removal/recall of Directors shall be in accordance with 718.112(2)(j). No director shall continue to serve on the Board, if, during his term of office, his membership in the Association is terminated for any reason.

4.7 Powers and Duties of Board of Directors. All of the powers and duties of the Association under the Condominium Act and the Condominium Documents shall be exercised by the Board of Directors, or its delegate, subject only to approval by Unit Owners and institutional mortgagees when such approval is specifically required. The powers and duties of the directors include but are not limited to the following:

4.7.1 Assess. To make and collect assessments against members to pay the Common Expenses and the expenses incurred by the Association and the power to make and assess members for capital improvements and replacements.

4.7.2 Disburse. To use the process of assessments in the exercise of its powers and duties.

4.7.3 Maintain. To maintain, repair, replace and operate the Condominium Property in the manner provided by the Declaration of Condominium Ownership.

4.7.4 Purchase. To purchase the necessary equipment and tools required for the maintenance, care and preservation referred to above.

4.7.5 Insure. To insure and keep insured the Condominium Property in the manner set forth in the Declaration of Condominium Ownership and to purchase such other insurance as the Board may deem advisable, including officers' and directors' liability insurance.

4.7.6 Enforce. To enjoin or seek damages from any Unit Owner for violation of these By-Laws and the terms and conditions of the Declaration of Condominium Ownership.

4.7.7 Employ. To employ and contract with a maintenance service, contractor or manager, or either of them, for the maintenance, service and management of the Common Elements.

4.7.8 Regulate. To make reasonable rules and regulations concerning the use and occupancy of the Condominium Parcels consistent with the Condominium Documents.

4.7.9 Condemnation. To convey a portion of the common elements to a condemning authority for the purposes of providing utility easements, rights of any expansion, or other public purposes.
whether negotiated or as a result of eminent domain proceedings.

4.8 Annual Statement. The Board will present a full and clear statement of the business and condition of the corporation at the annual meeting of the members.

4.9 Compensation. The directors shall not be entitled to any compensation for service as directors.

SECTION 5. DIRECTORS' MEETINGS.

5.1 Organizational Meetings. The first meeting of each new Board elected by the members shall be held immediately upon adjournment of the meeting at which they were elected or as soon thereafter as may be practicable. The annual meeting of the Board shall be held at the same place as the general members' meeting.

5.2 Regular Meetings. Regular meetings of the Board 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 telegraph, at least 48 hours in advance of the time named for such meeting and shall be posted conspicuously on the Condominium property at least 48 continuous hours in advance except in an emergency.

5.3 Special Meetings. Special meetings of the Board may be called by the President on 48 hours notice to each director, provided notice of such meeting is posted in a conspicuous place on the Condominium property for at least 48 continuous hours preceding this meeting. Special meetings shall be called by the President or Secretary in like manner and on like notice upon the written request of two (2) directors.

5.4 Adjourned Meetings. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting. Any rescheduled meeting must be properly noticed. At any adjourned meeting where a quorum was present any business that might have been transacted at the meeting as originally called, may be transacted without further notice. Notice of any adjourned meeting must be posted conspicuously on the condominium property at least forty eight (48) continuous hours preceding the meeting.

5.5 Quorum. A quorum at a directors' meeting shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present, shall constitute the act of a Board, except when approval by a greater number of directors is required by the Condominium Documents.

5.6 Rights of Absent Board Member. A member of the board of administration or a committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

5.7 Presiding Officer. The presiding officer of a director's meeting shall be the President of the Association. In the absence of the presiding officer, the directors present shall designate one of their number to preside.
5.8 Procedures for Meetings. All meetings of the Board of Directors may be tape recorded or videotaped by unit owners. All unit owners shall have the right to attend such meetings and this includes the right to speak at such meetings with reference to all designated agenda items. The tape recording and/or videotaping of the meeting by unit owners shall be in accordance with rules adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes. The Association may adopt reasonable rules governing the frequency, duration, and manner of unit owner statements. Notice of the meeting shall specifically incorporate an identification of the agenda items. The notice of the meeting, together with the identification of the agenda items, shall be posted conspicuously on the condominium property at least forty-eight (48) continuous hours preceding the meeting, except in emergency. Any item not included on the Notice may be taken up on an emergency basis by at least a majority plus one of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. Written notice of any meeting at which non-emergency special assessments, or at which amendment to rules regarding unit use will be considered and 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. Evidence of compliance with the 14-day notice, shall be made by Affidavit executed by the person providing the notice and filed among the official records of the Association. Upon notice to the unit owners, the Board shall by duly adopted rule, designate a specific location on the condominium property or Association property upon which all notices of the board meetings shall be posted. 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 any such assessments.

SECTION 6. OFFICERS.

6.1 Officers. The executive officers of the Association shall be a President, Vice President, Treasurer, and Secretary, each of whom shall be elected at the annual meeting of the Board of Directors. Any two of said offices may be held by one person except that the President shall not also be the Secretary or an Assistant Secretary of the corporation. The Board may elect more than one Vice President. The Board may appoint such other officers and agents that it may deem necessary, who shall hold office at the pleasure of the Board and have such authority and perform such duties as from time to time may be prescribed by said Board.

6.2 Qualification. No person shall be entitled to hold office except a Voting Member or an officer of a corporate Voting Member. No officer except the President need be a member of the Board.

6.3 Term. The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the members of the Board.

6.4 The President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and directors; shall be an ex-officio member of all standing committees; shall have general management of the business of the corporation, and shall see that all orders and resolutions of the Board are carried into effect.

6.5 The Secretary.

6.5.1 The Secretary shall keep minutes of the members' meetings and of the Board of Directors' meetings in one or more books provided for that purpose, and shall make the same available to inspection by any unit owner or his authorized representative.
and board members at reasonable times.

6.5.2 He shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law.

6.5.3 He shall be custodian of the corporate records and of the seal of the corporation. Minutes of meetings of members and of the board shall remain as corporation records for at least seven (7) years.

6.5.4 He shall keep a register of the name and post office address of each member and each Voting Member.

6.5.5 In general, he shall perform all duties incident to the office of the Secretary and such other duties as may be assigned to him by the President or by the Board of Directors.

6.6 The Vice President. The Vice President shall be vested with all the powers and required to perform all the duties of the President in his absence, and such other duties as may be prescribed by the Board of Directors.

6.7 The Treasurer.

6.7.1 The Treasurer shall keep full and accurate records of receipts and disbursements in books belonging to the corporation, and shall deposit all monies and other valuable effects in the name of and to the credit of the corporation in such depositories as may be designated by the Board of Directors or these By-Laws.

6.7.2 He shall disburse the funds of the corporation as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors at the regular meetings of the Board, an account of all his transactions as Treasurer, and of the financial condition of the corporation.

6.8 Vacancies. If any officer becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining directors by a majority vote may choose a successor or successors who shall hold office for the unexpired term.

6.9 Resignations. Any director or other officer may resign his office at any time. Such resignation shall be made in writing, and shall take effect at the time of its receipt by the corporation, unless some time be fixed in the resignation, and then from the date so fixed. The acceptance of a resignation shall not be required to make it effective.

SECTION 7. APPROVAL BY VOTING MEMBERS.

7.1 The Association shall act through its Board of Directors and only the following matters shall require an affirmative vote of the Voting Members of the Association in addition to any other matters which may require a vote of the Voting Members:

<table>
<thead>
<tr>
<th>Matter to be Approved</th>
<th>Approval Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alteration, improvements or additions to the Common Elements, exclusive of the</td>
<td>2/3 of the Voting Members</td>
</tr>
</tbody>
</table>
Limited Elements.

(2) Alteration, improvements or additions to the Limited Common Elements.
A majority of the voting interests of the Association, all of the unit owners affected thereby and all record owners of liens on units affected.

(3) Termination of the Project when 90% of the value of the Condominium Property is destroyed.
1/4 of the Voting Members

(4) Approval of changes in building plans for reconstruction after casualty.
3/4 of the Voting Members and all of the Voting Members in the affected Units

(5) Amendment of By-Laws and Articles of Incorporation.
2/3 of the Voting Members.

(6) Amendment of the Declaration.
2/3 of the Voting Members owning Units in the Condominium the Declaration of which is to be amended.

(7) Termination of Condominium.
3/4 of the Voting Members owning Units in the Condominium except as provided in item (3) of this Section 7.1.

(8) Election of Directors and Officers.
Shall be elected pursuant to 718.112(2)(d) 3 as it now exists or hereafter may be amended.

(9) Amendment prohibiting rental of units.
100% of the Voting Members owning Units in the Condominium.

(10) Making Agreements for use of Off-Site Recreational Facilities.
A majority of the Voting Members.

(11) Approval of the Purchase of a Condominium Parcel by the Association.
2/3 of the Voting Members except in a lien foreclosure action pursuant to Chapter 718 Florida Statutes.

(12) Dividing or combining units.
A majority of the voting interests of the Association, all of the unit owners affected thereby and all record owners of liens on units affected.

SECTION 8. CONDUCT OF MEETING.

All meetings of the Members and of the Board shall be governed by Robert's Rules of Order.
SECTION 9. FISCAL MANAGEMENT.

The provisions for fiscal management of the Association are set forth in the Declaration of Condominium Ownership and are supplemented by the following provisions:

9.1 Accounts. The funds and expenditures of the Association shall be credited and charged to the appropriate account as set forth below.

9.1.1 Current Expenses. All funds to be expended during the year for the maintenance of the Common Elements, the operation and working capital of the Association shall be held in the Current Expense Account. Any balance in this fund at the end year of each year may be used to pay Common Expenses incurred in any successive year or may be placed in the Reserve Fund Account.

9.1.2 Reserve Fund Account. All funds to be expended for replacement, acquisition, and repair of capital improvements which are a part of the Common Elements or Limited Common Elements shall be held in the Reserve Fund Accounts separate from its operating account or accounts.

9.2 Budget.

(a) The Board of Directors shall adopt a detailed budget for each calendar year which budget will include the estimated funds required to pay the Common Expenses and provide and maintain funds for the foregoing accounts according to good accounting practices and as may be required by law. If a board adopts in any fiscal year an annual budget which requires assessments against unit owners which exceed 115 percent of assessments for the preceding fiscal year, the board shall conduct a special meeting of the unit owners to consider a substitute budget if the board receives, within 21 days after adoption of the annual budget, a written request for a special meeting from at least 10 percent of all voting interests. This special meeting shall be conducted within 60 days after adoption of the annual budget. At least 14 days prior to such special meeting, the board shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished to the Association, a notice of the meeting. An officer or manager of the Association, or other person providing notice of such meeting shall execute an affidavit evidencing compliance with this notice requirement, and such affidavit shall be filed among the official records of the Association. Unit owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of all voting interests unless the Bylaws require adoption by a greater percentage of voting interests. If there is not a quorum at the special meeting or a substitute budget is not adopted, the annual budget previously adopted by the Board shall take effect as scheduled.

(b) In determining whether the assessment exceeds 115% of similar assessments in prior years, reasonable reserves for repairs or replacements, expenses which cannot be reasonably anticipated to be incurred on a regular or annual basis, and
assessments for betterment shall not be considered in the computation.

(c) In addition, if the Association maintains limited common elements with the cost to be shared only by those entitled to use the limited common elements, the budget or a schedule attached thereto, shall show amounts budgeted therefor. Prior to turnover of control of the Association by the Developer to unit owners, the Developer may vote to waive the reserves for the first two (2) years of the operation of the Association, after which time reserves may only be waived or reduced upon the vote of a majority of non-developer voting interest present at a duly-called meeting of the Association. A vote must be taken each budget year to waive reserves. 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 interest present at a duly-called meeting of the Association.

9.3 Assessments. Assessments against the Unit Owners for their shares of the items of the budget, when applicable, shall be made by the Board of Directors for the fiscal year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments shall be payable, initially in monthly installments; however, the Board may change the period installments to no less frequently than quarterly, on the first day of the period for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the prior assessment and payments thereon shall be due upon the first day of each period until changed by an amended assessment. The budget and assessments therefor may be amended at any time by the Board of Directors; provided, however, that if an amended budget exceeds the limitation upon increases for that year imposed by Section 9.2, supra, it shall be subject to the approval of the membership of the association as set forth therein.

9.4 Charges Against Individual Units for Use of Common Elements. The Association may charge a unit owner for the exclusive use of the common elements for a particular amount of time.

9.5 Assessments for Emergencies. Assessment for Common Expenses of emergencies that cannot be paid from the annual assessments for Common Expenses shall be due only after thirty (30) days notice is given to the Unit Owners concerned and shall be paid in such manner as the Board of Directors of the Association may require in the notice of assessment.

9.6 Depository. The funds of the Association will be deposited in such banks or savings and loan association as shall be designated from time to time by the Board of Directors. Withdrawals of funds from such accounts shall be only by checks signed by such persons authorized by the Board.

9.7 Fidelity Bonds. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the association. The association shall bear the costs of bonding.
SECTION 10. RULES AND REGULATIONS.

10.1 As to Common Elements. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing the operation, use, maintenance, management and control of the Common Elements. The Secretary shall from time to time post in a conspicuous place on the Condominium Property, a copy of the rules and regulations adopted by the Board and shall deliver a copy of such rules and regulations to each Unit Owner. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

10.2 As to Condominium Units. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing and restricting the use and maintenance of the Condominium Units, provided, however, that copies of such rules and regulations are furnished to each Unit Owner prior to the time the same shall become effective. Where applicable or desirable, a copy thereof shall be posted in a conspicuous place on the Condominium Property, and shall be delivered to each Unit. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

SECTION 11. DEFAULT.

11.1 Foreclosure. Any action to foreclose a unit by the Association shall be brought in accordance with the provisions of Florida Statute 718.116 (3), (5) and (6) as it currently exists and may be subsequently amended.

11.2 Association Expenses. If the Association becomes the owner of a Condominium Parcel by reason of foreclosure, it may offer said Parcel for sale and, when the sale is consummated, shall deduct from such proceeds all sums of money due it from monthly assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney’s fees, and any and all expenses incurred in the resale of the Condominium Parcel, which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurnishing of the Unit in question. All monies remaining after deducting the foregoing items of expenses shall be added to Common Surplus.

11.3 Enforcement. In the event of violation of the provisions of the Condominium Documents as same are now or may hereafter be constituted, the Association, on its own behalf, may bring appropriate action to enjoin such violation, to enforce the provisions of the Documents, to sue for damages, impose fines or take all such courses of action at the same time, or such other legal remedy it may deem appropriate.

11.4 Consent to the Forgoing Provisions. Each Unit owner for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and injunctive relief, regardless of the harshness of the remedy available to the Association, and regardless of the availability of other equally adequate legal procedures. It is the intent of all Unit Owners to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from Unit Owners and to preserve each Unit Owner’s right to enjoy his Condominium Parcel free from unreasonable restraint and nuisance.

SECTION 12. MORTGAGE OF UNIT.

12.1 The Association shall maintain a suitable register for the recording of the name and address of mortgagees of Condominium Parcels. Any mortgagee of a Condominium Parcel, may, but is not obligated to, notify the Association in writing, of its mortgage, in which case its name and address will be entered in the register. If notice of default is thereafter given any member, under any applicable provision of the Condominium Documents, a copy of such notice shall be mailed to the
mortgagee named in the register.

SECTION 13. ARBITRATION OF DISPUTES.

13.1 In the event of internal disputes arising from the operation of the condominium among unit owners, association's, their agent and assigns, the matter shall be submitted to mandatory non-binding arbitration as provided for in Fla.Stat. 718.1255 as may be amended from time to time.

SECTION 14. AMENDMENT OF BY-LAWS.

14.1 By-Laws. The By-Laws of the corporation may be altered, amended or repealed, unless specifically prohibited herein, at any regular or special meeting of the members by a two-thirds (2/3) vote of the Voting Members of the Association unless a greater number is required under paragraph 7.1 hereof. No modification or amendment to the By-Laws shall be valid unless set forth or annexed to a duly recorded amendment to the Declaration of Condominium Ownership nor shall any modification or amendment be valid if made by reference to title or number only.

SECTION 15. CERTIFICATE OF COMPLIANCE.

15.1 Certificate of Compliance. A Certificate of Compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board as evidence of compliance of the condominium units to the applicable Fire and Life Safety Code.

SECTION 16. COMPLAINTS.

16.1 Inquiry Requirements. When a unit owner files a written inquiry by certified mail with the Board of Administration, the Board shall respond to the unit owner within 30 days of receipt of the complaint. The Board shall give a substantive response to the complainant, notify the complainant that a legal opinion has been requested, or notify the complainant that advice has been requested from the division. The failure to act within 30 days and to notify the unit owner within 30 days after the action taken precludes the Board from recovering attorney's fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the complaint.

SECTION 17. FINES.

17.1 Procedure. Before a unit owner, or its occupant, licensee, or invitee, can be fined for failure to abide by a provision of the declaration, the Association Bylaws, or Rules of the Association, the following procedure shall be followed:

(a) 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:

1. A statement of the date, time and place of the hearing;

2. A statement of the provisions of the declaration, association bylaws, or association rules which have allegedly been violated; and

3. A short and plain statement of the matters asserted by the association.

(b) 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 association.
(c) The hearing shall be held before a committee of other unit owners. If the committee does not agree with the fine, the fine may not be levied.

(d) No fine may exceed $100.00 per violation and the same shall not constitute a lien against a unit. A fine may be levied on the basis of each day of a continuing violation, with single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed $1,000.00.
August 24, 2005

JACK G WILLIAMS, ESQ
502 HARMON AVE
PANAMA CITY, FL 32401

The Articles of Incorporation for TROPIC WINDS OWNERS ASSOCIATION, INC. were filed on August 24, 2005 and assigned document number N05000008729. Please refer to this number whenever corresponding with this office regarding the above corporation.

PLEASE NOTE: Compliance with the following procedures is essential to maintaining your corporate status. Failure to do so may result in dissolution of your corporation.

A corporation annual report must be filed with this office between January 1 and May 1 of each year beginning with the calendar year following the year of the filing/effective date noted above and each year thereafter. Failure to file the annual report on time may result in administrative dissolution of your corporation.

A federal employer identification (FEI) number must be shown on the annual report form prior to its filing with this office. Contact the Internal Revenue Service to insure that you receive the FEI number in time to file the annual report. To obtain a FEI number, contact the IRS at 1-800-829-3676 and request form SS-4.

Should your corporate mailing address change, you must notify this office in writing, to insure important mailings such as the annual report notices reach you.

Should you have any questions regarding corporations, please contact this office at the address given below.

Justin M Shivers, Document Specialist
New Filings Section

Letter Number: 805A00053743

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314
ARTICLES OF INCORPORATION

OF

TROPIC WINDS OWNERS ASSOCIATION, INC.

The undersigned, acting as incorporator of a corporation pursuant to Chapter 617, Florida Statutes, adopts the following Articles of Incorporation for such corporation:

ARTICLE I

NAME

The name of this corporation is Tropic Winds Owners Association, Inc. The corporation is sometimes referred to herein as the "Association".

ARTICLE II

PURPOSE

This corporation is organized to operate and manage Tropic Winds, a Condominium, to be established in accordance with Chapter 718, Florida Statutes, upon real property situate, lying and being in Bay County, Florida; to perform and carry out the acts and duties incident to the administration, operation and management of said condominium in accordance with the terms, provisions, and conditions, contained in these Articles of Incorporation, in the Declaration of Condominium Ownership and any amendments thereto, which will be recorded among the Public Records of Bay County, Florida, and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of the Condominium.

The terms used herein shall have the same meaning attributed to them in Chapter 718, Florida Statutes.

ARTICLE III

POWERS

The Association shall have all of the powers of a corporation not for profit existing under the laws of the State of Florida and all the powers now or hereafter granted to Condominium Associations by the Condominium Act, Chapter 718, Florida Statutes, as the same may be hereafter amended and all powers
reasonably necessary to implement the powers of the Association, which powers shall include, but are not limited to, the power:

A. To make, establish and enforce reasonable rules and regulations governing the use of the Condominium property;

B. To make, levy and collect assessments against Unit Owners of the said Condominium to provide the funds to pay for Common Expenses of the Condominium as provided for in the Condominium Documents and the Condominium Act, and to use and expend the proceeds of assessments in the exercise of the powers and duties of the Association including the operation of and maintenance of a stormwater management facility on the common elements of the property.

C. To maintain, repair, replace and operate those portions of the Condominium Property that the Association has the duty or right to maintain, repair, replace and operate under the Condominium Documents;

D. To contract for the management and maintenance of the Condominium and to authorize the management agent to assist the Association in carrying out its powers and duties by performing such functions as the collection of assessments, preparations of records, enforcement of rules, and maintenance of the common elements. The Association shall, however, retain at all times the power and duties granted them by the Condominium Act, including, but not limited to, the making of assessments, promulgation of rules, and execution of contracts on behalf of the Association;

E. To employ personnel to perform the services required for the proper operation of the Condominium;

F. To purchase insurance upon the Condominium Property for the protection of the Association and its members;

G. To reconstruct improvements constructed on the real property submitted to Condominium Ownership after casualty or other loss;

H. To make additional improvements on and to the Condominium Property;

I. To approve or disapprove the transfer, mortgage and ownership of Condominium Parcels to the extent such power is granted to it under the Condominium Documents;
J. To acquire and enter into agreements whereby it acquires leaseholds, memberships or other possessory or use interests in lands or facilities including but not limited to country clubs, golf courses, marinas, and other recreational facilities, whether or not contiguous to the lands of the Condominium, intended to provide for the enjoyment, recreation or other use or benefit of the members of the Association;

K. To enforce by legal action the provisions of the Condominium Documents; and

L. To acquire by purchase or otherwise Condominium Parcels in the Condominium.

ARTICLE IV
MEMBERS

1. Members. The members of the Association shall consist of all owners of Condominium Parcels in the Condominium, and after the termination of the Condominium shall consist of those persons who are members at the time of such termination.

2. Voting Members. Each Condominium Parcel shall be entitled to one vote, which vote shall be exercised by the Unit Owner designated by the Owner or Owners of a majority interest in a single Condominium Parcel to cast the vote appurtenant to said Parcel. The designation of voting members shall be perfected in the manner provided in the Condominium Declaration.

3. Assignment. Neither the share or a member in the funds and assets of the Association, nor membership in this Association may be assigned, hypothecated or transferred in any manner except as an appurtenance to a Condominium Parcel.

4. The members of the Association shall be subject to all of the terms, conditions, restrictions and covenants contained in the Condominium Documents.
ARTICLE V
TERM

This corporation shall exist perpetually.

ARTICLE VI
SUBSCRIBER

The name and residence of the subscriber to these Articles of Incorporation is as follows:

Jack G. Williams 502 Harmon Avenue
Panama City, FL 32401

ARTICLE VII
BOARD OF DIRECTORS

The business of the corporation shall be conducted by a Board of Directors consisting of not less than three (3) nor more than five (5) directors. The Board of Directors shall be elected annually by the members of the Association entitled to vote. The names and addresses of the first Board of Directors who shall hold office until their successors are elected and have qualified, are as follows:

C.B. Harbour, III
4513 Hixson Pike, Ste. 108
Chattanooga, TN 37343

C.B. Harbour, IV
4513 Hixson Pike, Ste. 108
Chattanooga, TN 37343

Melinda Harbour
4513 Hixson Pike, Ste. 108
Chattanooga, TN 37343

ARTICLE VIII
OFFICERS

The affairs of the Association shall be managed by a President, Vice President, Secretary and Treasurer. The officers of the Association shall be elected annually by the Board of Directors of the Association in accordance with the provision of the By-Laws of the Association.
ARTICLE IX
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 X
AMENDMENT OF ARTICLES

These Articles may be amended by an affirmative vote of two-thirds (2/3's) of the Voting Members of the Association.

ARTICLE XI
BY-LAWS

The Association shall adopt By-Laws governing the conduct of the affairs of the Association. The By-Laws may be amended by an affirmative vote of two-thirds (2/3's) of the Voting Members of the Association.

ARTICLE XII
PRINCIPAL OFFICE, REGISTERED OFFICE AND REGISTERED AGENT

The street address of the principal office of this corporation is 502 Harmon Avenue, Panama City, Florida 32401. The initial registered office of this corporation shall be located at 502 Harmon Avenue, Panama City, Florida 32401, or at such other place or places as may be designated from time to time by the Board of Directors. The initial registered agent of this corporation shall be Jack G. Williams,
or such other person as may be designated from time to time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned incorporator has hereunto set his hand and seal and caused these Articles of Incorporation to be executed this 28th day of August, 2005.

Jack G. Williams

STATE OF FLORIDA
COUNTY OF BAY

BEFORE ME, the undersigned authority, personally appeared Jack G. Williams, who acknowledged before me that he the foregoing Articles of Incorporation for the purposes therein expressed.

SWORN TO AND SUBSCRIBED before me, this 28th day of August, 2005.

NOTARY PUBLIC

Diana Prue
Notary Public
My Commission expires:
Department of Business and Professional Regulation
Division of Florida condominiums, Timeshares, and Mobile Homes
1940 North Monroe Street
Tallahassee, FL 32399-1031