

BYLAWS

OF

ST. AUGUSTINE OCEAN & RACQUET CLUB
CONDOMINIUM ASSOCIATION, INC.

a Florida Corporation Not for Profit

I. IDENTITY.

A. Applicability. These are the Bylaws of ST. AUGUSTINE OCEAN & RACQUET CLUB CONDOMINIUM ASSOCIATION, INC. (the "Association"), a Florida corporation not for profit organized pursuant to the provisions of Chapters 617 and 718, Florida Statutes, 1979, as amended to the date of filing of the Articles of Incorporation. The purpose and object of the Association shall be to administer the operation and management of any condominium which may be established in accordance with the Florida Condominium Act, Chapter 718, Florida Statutes, 1979 ("Act"), upon certain real property in St. Johns County, Florida, as set forth in the Articles of Incorporation of the Association and Exhibit A attached thereto. Any condominium located on the real property described in Exhibit A to the Articles of Incorporation so designated by the Developer to be operated by the Association are hereinafter defined as the "Condominium(s)". The provisions of these Bylaws are applicable to the Condominium(s) and are subject to the provision of the Articles. All members of the Association, as defined in the Articles, and their invitees, including, without limitation, all present or future owners and tenants of Units in the Condominium(s) and other persons using Condominium(s) or any of the facilities thereof in any manner, are subject to these Bylaws, the Articles and the Declaration(s). The Association has been organized for the purpose of administering the operation and management of the St. Augustine Ocean & Racquet Club One, a Condominium (the "Condominium"), established or to be established in accordance with the Florida Condominium Act (the "Act") upon land situated in Walton County, Florida, as described in the Articles of Incorporation of the Association.

B. Office. The office of the Association shall be at 4319 Salisbury Road, Jacksonville, Florida, or at such other place as may be established by resolution of the Board of Directors.

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

D. Seal. The seal of the Association shall bear the name of St. Augustine Ocean & Racquet Club Condominium Association, Inc., the word "Florida", the words "Corporation Not For Profit", and the year of incorporation. An impression of the seal is as follows:

II. MEMBERSHIP, VOTING, QUORUM, PROXIES.

A. Membership. The qualification of members of the Association (the "Members"), the manner of their admission to membership and termination of such membership, and

voting by Members, shall be as set forth in Articles IV and V of the Articles, the provisions of which are incorporated herein by reference.

B. Quorum. A quorum at meetings of Members shall consist of persons entitled to cast a majority of the votes of that class, or those classes of the membership entitled to vote upon any matter or matters arising at said meeting whether in person or by proxy. The joinder of a Member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

C. Voting. The vote of the owner(s) of a Unit in the Condominium owned by more than one natural person, as tenants in common, joint tenants (except a husband and wife as tenants by the entirety), a partnership, or any other association of natural persons, or by a corporation, a trust, or any other entity shall be cast or otherwise exercised, at all meetings at which Members of the Association are entitled to vote or otherwise act, by one natural person designated by the owner(s) of such Unit as the "Primary Occupant" thereof. In each instance where title to a Unit is proposed to be conveyed or is otherwise to become vested in more than one natural person (except a husband and wife as tenants by the entirety), a partnership, or any association of natural persons, or a corporation, a trust, or any other entity, the prospective owner(s) shall, by written instrument acceptable to the Association, designate one natural person as the Primary Occupant. The instrument designating the Primary Occupant shall be filed with the Association, and the person so designated shall be and remain the Primary Occupant of the Unit until such designation has been revoked by written instrument executed by the owner(s) of the Unit or by lawful conveyance of the Unit. The Primary Occupant of the Unit shall be the only person entitled to cast or exercise, in person or by proxy, the vote of the owner(s) of such Unit at any meeting of Members or in connection with any action concerning which members of the Association shall be required or allowed to vote or otherwise act.

D. Approval. Evidence of the approval or disapproval of the owner(s) of a Unit upon any matter, whether or not the subject of an Association meeting, shall be given to the Association by the same person who would cast the vote of such owner if in an Association meeting.

E. Vote Required. Except as otherwise required under the provisions of the Articles, these Bylaws or the Declaration(s), or where the same otherwise may be required by law, at any meeting of the general membership of the Association, if any, duly called and at which a quorum is present, the acts approved by the affirmative vote of the owners of the majority of the Units present and in person or by proxy and entitled to vote upon any question shall be binding upon the Members.

F. Proxies. At any meeting of the Members or any class or classes of members, if any, every Member having the right to vote shall be entitled to vote in person or by proxy, provided that, no person shall be designated to hold more than ten (10) proxies. Any proxy given shall be effective only for the specific meeting for which originally given

and any lawfully adjourned meetings thereof. All such proxies shall be filed with the Secretary prior to or during the roll call of such meeting. In no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Unit owner executing it.

G. Consent to Action. Unless a duly called meeting of the Association shall be specifically required for action to be taken by the members in these Bylaws, the Articles, the Declaration(s), the Act or other Florida Statutes, any action to be taken by the association may be taken by written consent setting forth the action so taken, approved by members holding not less than the minimum number of votes necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voting.

III. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP.

A. Annual Meeting. The annual meeting of the Members shall be held at the office of the Association or such other place in St. Augustine Beach, Florida and at such time as may be specified in the notice of the meeting, on the third Saturday in October of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the Members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding Saturday.

B. Special Meetings. Special meetings of the entire membership of the Association shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors and must be called by such officers upon receipt of a written request from Members entitled to cast a majority of the votes of the entire membership. Special meetings of any class or classes of Members, if any, shall be held whenever called by the President or Vice President or by those Members of the Board of Directors elected by that class, or these classes, and must be called by such officers upon receipt of a written request from a majority of the Members of that class or those classes.

C. Notice of Meetings.

1. Generally. Written notice of all meetings of Members or classes of Members, if any, shall be given by the Secretary or, in the absence of the Secretary, another officer of the Association, to each Member or class of Members, if any, unless waived in writing. Each notice shall state the time and place of and purpose for which the meeting is called and shall be posted at a conspicuous place on the Condominium property at least fourteen (14) days prior to said meeting.

2. Annual. Notice of the Annual Meeting shall be given to each Member not less than fourteen (14) days nor more than sixty (60) days prior to the date set for the meeting, and shall be mailed by certified mail or delivered personally to each Member. If delivered personally, receipt of notice shall be signed by the Member, indicating the date received. If mailed, such notice shall be deemed properly given when deposited in the United States Mail addressed to the Member at his Post Office address as it appears on the

records of the Association, with postage thereon prepaid. Proof of mailing shall be given by the affidavit of the person giving the notice.

3. Special. Notice of Special Meetings shall be given to each Member not less than fourteen (14) days prior to the date set for the meeting and shall be mailed by regular mail or delivered personally to the Member.

4. Waiver. Any Member may, in writing signed by such Member, waive such notice, and such waiver, when filed in the records of the Association, whether before, at or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such Member. Each notice shall in addition be posted at a conspicuous place in the Condominium at least fourteen (14) days prior to said meeting.

5. Adjourned Meetings. If any meeting of Members or classes of Members, if any, cannot be held because a quorum is not present, or because a greater percentage of the membership required to constitute a quorum for a particular purpose is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, the Bylaws or the Declaration(s), the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

D. Presiding Officer and Minutes. At meetings of Members, the Chairman of the Board, or in his absence, the President, shall preside, or in the absence of both, the Members present shall select a chairman of the meeting. Minutes shall be kept in a businesslike manner and available for inspection by Directors Unit owners and their authorized representatives during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven (7) years.

E. Order of Business. The order of business at annual meetings of Members, and, as far as practical, at other meetings of Members, shall be:

- (1) Calling of the roll and certifying of proxies
- (2) Proof of notice of meeting or waiver of notice
- (3) Reading or waiver of reading of minutes of previous meeting of Members
- (4) Reports of officers
- (5) Reports of committees
- (6) Appointment by Chairman of inspectors of election
- (7) Election of Directors
- (8) Unfinished business
- (9) New business
- (10) Adjournment

F. Meetings of the Board of Directors shall be open to all Members and notices of meetings shall be posted conspicuously in the Condominium forty-eight (48) hours in advance for the attention of Unit Owners, except in an emergency. Notice of any meeting where 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.

IV. BOARD OF DIRECTORS

A. Members of Board. The first Board of Directors shall consist of three (3) persons as designated in the Articles of Incorporation. The number of Members of succeeding Board of Directors shall be equal to three (3) directors for each condominium administered by the Association. Developer reserves the right to appoint Directors to the Board as specified in Article IX, of the Articles of Incorporation.

B. Election of Directors. Directors shall be elected in the following manner:

(1) Commencing with the election of the Board to succeed the first Board as designated in the Articles, Developer shall appoint that number, and the identity, of the members of the Board which it shall be entitled to appoint in accordance with the Articles and these Bylaws, and upon such appointment by Developer, by written instrument presented to the meeting at which such election is held, the persons so appointed by Developer shall be deemed and considered for all purposes Directors of the Association and shall thenceforth hold the offices and perform the duties of such Directors until their successors shall have been elected or appointed, as the case may be, and qualified in accordance with the provisions of these Bylaws.

(2) For so long as the Developer shall retain the right to appoint at least one member of the Board of Directors, all members of the Board of Directors whom Developer shall not be entitled to appoint under these Bylaws shall be elected at large, by a plurality of the votes cast at the annual meeting of the general membership, immediately following designation of the members of the Board whom Developer shall be entitled to appoint. Commencing with the first annual election of Directors after the Developer shall have lost or relinquished the right to appoint at least one Director per each class of membership, if any, consisting of the owners of Units in each of the Condominiums, shall elect three (3) Directors, by a plurality of the votes cast by such class at the annual meeting of the general membership.

(3) Vacancies on the Board may be filled, through the unexpired term thereof, by the remaining Directors except that, should any vacancy on the Board be created in a directorship previously filled by any person appointed by Developer, such vacancy should be filled by Developer appointing by written instrument delivered to any officer of the Association, the successor Director, who shall fill the vacated directorship for the unexpired term thereof. Any vacancy created in any directorship previously filled by a person elected by class of membership shall be filled by a member of that class of membership, which member shall thereafter fill the vacated directorship for the unexpired term thereof.

(4) Until such time as the Members are entitled to elect all of the Directors, each Director shall serve for one year until the next annual meeting or such other time as his successor is elected. At the first annual meeting at which the Unit Owners are entitled to elect all of the members of the Board of Directors, one directorship from each Condominium shall be designated as a two-year term, director and the other two shall be for one year. At the next succeeding annual meeting, one of such one-year term directorships from each condominium shall be, from that point on, designated as a two-year term directorship. The intent hereof is to stagger the terms of the directorships so that there shall be only two directors elected each year from each condominium with one member of the old board continuing on the new board. Therefore, as to each condominium there shall be two directorships of two year terms being up for election in different years, and the third directorship shall always remain a one-year term directorship.

(5) In the election of Directors, there shall be appurtenant to each Unit one (1) vote for each Director to the elected by the class of membership in which the owner of each Unit is a Member, [as many votes for Directors at Large as there are Directors at Large] to be elected; provided, however, that no Member or owner of any Unit may cast more than one vote for any person nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative.

(6) Within sixty (60) days after Unit owners other than the Developer are entitled to elect a member or members of the Board of Directors of the Association, the Association shall, in accordance with the provisions of these Bylaws, call in a manner as elsewhere provided in these Bylaws, and give not less than thirty (30) days nor more than forty (40) days notice of a meeting of the Unit owners for this purpose. Such meeting may be called and the notice given by any Unit owner if the Association fails to do so within the time prescribed herein. Election of such Directors shall be conducted in the manner provided in these Bylaws.

(7) In the event that Developer selects any person or persons to serve on the Board, Developer shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on the Board. Replacement of any person or persons designated by Developer to serve on any Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from the Board. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

C. Organizational Board Meeting. The organizational meeting of a newly elected or designated Board shall be held within fifteen (15) days of their election or designation, at such time and place as shall be fixed at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary; provided, that a quorum shall be present.

D. Regular Board Meeting. 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 telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived.

E. Special Meeting. Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one-third of the directors. Not less than three (3) days' notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting, unless notice is waived. Notice of any meeting where 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.

F. Board Minutes. Minutes of all meetings of the Board shall be kept in a businesslike manner and available for inspection by Unit owners and Directors during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven years.

G. Waiver of Notice. Any Director may waive notice of a meeting before, at or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

H. Quorum. A quorum at meetings of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these Bylaws or the Declaration. If any meeting of the Board cannot be held because a quorum is not present, or because the greater percentage of the Directors required to constitute of quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these Bylaws or the Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

I. Action without a Meeting. To the extent now or from time to time hereafter permitted by the laws of Florida, the Board may take any action which they might take at a meeting of the Board without a meeting; provided, that a record of all such actions so taken, signed by each Director, shall be filed and retained in the minute book of the Association.

J. Removal. Directors may be removed from office in the manner provided by law for the removal of Directors of Florida corporations not for profit.

K. Presiding Officer. The presiding officer of meetings of the Board shall be the Chairman of the Board, if such officer has been elected, or, if not, the President of the Association. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

L. Powers and Duties. All of the powers and duties of the Association shall be exercised by the Board, including those existing under the laws of Florida, the Articles, these Bylaws and the Declaration(s). Such powers and duties shall be exercised in accordance with the Articles, these Bylaws and the Declaration(s), and shall include, without limitation, the right, power and authority to:

(1) Make, levy and collect assessments, including without limitation assessments for reserves and for betterments to Condominium and/or Association property, against Members and Members' Units to defray the costs of the Condominium(s), and the property owned by the Association and use the proceeds of assessments in the exercise of the powers and duties of the Association;

(2) Maintain, repair, replace, operate and manage the Condominium(s) and Common Area wherever the same is required to be done and accomplished by the Association for the benefit of Members;

(3) Repair and reconstruct improvements after casualty;

(4) Make and amend regulations governing the use of the property, real and personal, in the Condominium(s) and the Common Area provided that such regulations or amendments thereto shall not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles and Declaration(s);

(5) Acquire, own, hold, operate, lease, encumber, convey, exchange, manage, and otherwise trade and deal with property, real and personal, including Units, of and in the Condominium(s), as may be necessary or convenient in the operation and management of the Condominium(s), and in accomplishing the purposes set forth in the Declaration(s);

(6) Contract for the management and maintenance of the Condominium Property and Common Area and to authorize a management agent to assist the Association in carrying out its powers and duties, including but not limited to the performance of such functions as the submission of

proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the common elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times and powers and duties granted by the condominium documents and the Condominium Act, including but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the Association;

(7) Enforce by legal means the provisions of the Articles, these Bylaws, the Declaration(s) and all regulations governing use of property of and in the Condominium now existing or hereafter adopted.

(8) Pay all taxes and assessments which are liens against any part of the Condominium(s) other than Units and the appurtenances thereto, and assess the same against the Members and their respective Units subject to such liens.

(9) Carry insurance for the protection of Members and the Association against casualty and liability, including Directors' liability insurance.

(10) Pay all costs of power, water, sewer and other utility services rendered to the Condominium and not billed to the owners of the separate Units.

(11) Employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

V. OFFICERS.

A. Generally. The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall deem advisable from time to time. The President shall be elected from the membership of the Board, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person. The Board may from time to time elect such other officers, and designate their powers and duties, as the Board may deem necessary to properly manage the affairs of the Association. Officers may be removed from office by the Board.

B. President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of a corporation not for profit, including but not limited to the power to appoint committees from among the Members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall have such additional powers as the Board may designate.

C. Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

D. Secretary. The Secretary shall keep the minutes of all proceedings of the Board and the Members. He shall attend to the affairs of the Association. He shall have such additional powers as the Board may designate. He shall attend to the giving and serving of all notices to the Members and the Board, and such other notices as may be required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of a corporation not for profit and as may be required by the Board and the President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

E. Treasurer. The Treasurer shall have custody of all of the property of the Association including funds, securities and evidences of indebtedness. He shall keep the assessment roll and accounts of the Members; he shall keep the books of the Association (including without limitation a separate set of books of account for each of the condominiums administered by the Association) in accordance with good accounting practices, and he shall perform all other duties incident to the office of Treasurer.

F. Compensation. No compensation shall be paid to any officer of the Association except with the approval of a majority of the membership, reflected by a vote taken at a duly constituted membership meeting. No officer who is appointed by the Developer shall receive any compensation for his services as an officer. Nothing herein shall be construed so as to prohibit or prevent the Board of Directors from employing any director or officer as an employee of the Association at such compensation as the Board shall determine, nor shall anything herein be construed so as to preclude the Board from contracting with a director or officer or with any corporation in which a director or officer of the Association may be stockholder, officer, director or employee, for the management of the Condominium for such compensation as shall be mutually agreed between the Board and such officer, director or corporation, or from contracting with a director or officer of the corporation may be a stockholder, officer, director or employee for the purpose of making available to the owners of condominium units such services as are contemplated by the provisions of Article IV of these Bylaws. It is expressly contemplated that the first Board of Directors may enter into such contracts with persons who are initial officers or directors of the Association, or with corporations having officers, directors or employees who are also members of the first Board of Directors of the Association.

VI. FISCAL MANAGEMENT.

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

3

A. Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and mailing address of the owner(s) of each Unit, the amount of each assessment against the owner(s) of each Unit, the amount of each assessment and due date thereof, and all amounts paid, and the balance due upon each assessment.

B. Annual Budget(s). The Board shall adopt, for, and in advance of, each fiscal year, a budget for each of the Condominium(s) showing the estimated costs of performing all of the functions of the Association as to each such Condominium for the year. Each budget shall show the total estimated expenses of the Association for that year and shall contain an itemized breakdown of the Common Expenses, which shall include, without limitation, the costs of operating and maintaining the Common Elements, taxes on Association property, wages and salaries of Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Units, premiums for insurance carried by the Association and any reserve accounts and/or funds which may be established from time to time by the Board. Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from the owner(s) of each Unit and due date(s) and amounts of installments thereof. Likewise the Board shall adopt a separate budget for the Common Area in similar fashion and with similar detail. Copies of the proposed budgets and proposed assessments shall be transmitted to each member at least thirty (30) days prior to the meeting of the Board of Directors at which the budgets will be considered, together with a notice of the time and place of said meeting, which shall be open to Unit Owners. If any budget is subsequently amended, a copy shall be furnished to each affected Member. Delivery of a copy of any budget or amended budget to a Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon the additional assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

C. Increased Budget(s). If a budget is adopted by the Board which requires assessment of the Unit owners in any budget year exceeding 115% of such assessments for the preceding budget year, upon written application of ten percent (10%) of the Unit owners, a special meeting of the Unit owners shall be held upon not less than ten (10) days written notice to each Unit owner, but within thirty (30) days of the delivery of such application to the Board or any member thereof, at which special meeting Unit owners may consider only and enact only a revision of the budget, or recall any and all members of the Board and elect their successors subject, however, to the right of Developer to elect Directors as provided in Article IV. Any such revision of the budget or recall of any and all members of the Board shall require a vote of not less than fifty-one percent (51%) of the whole number of votes of all Unit owners. The Board may in any event first propose a budget to the Unit owners at any such meeting of Members or by writing, and if such budget or proposed budget be approved by a majority of the whole number of votes of all Unit owners, either at such meeting or

by writing, such budget shall not thereafter be reexamined by the Unit owners in the manner hereinabove set forth nor shall any and all members of the Board be recalled under the terms hereof.

D. Capital Expenditures. In determining whether assessments exceed 115% of similar assessments in the prior budget year, there shall be excluded from the computation any amounts for reasonable reserves made by the Board in respect of repair and replacement of Condominium(s) or Association property, or in respect of anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis; and there shall be excluded from such computation, assessments for betterments to the Condominium(s) or Association property. Provided, however, that so long as Developer is in control of the Board of Directors the Board shall not impose an assessment for a budget year greater than 115% of the prior budget year's assessment without approval of a majority of the whole number of votes of all Unit owners.

E. Notice of Adopted Budgets. Upon adoption of budgets, the Board shall cause a written copy thereof to be delivered to all Unit owners. Assessments shall be made against Unit owners pursuant to procedures established by the Board, and in accordance with the terms of the Declaration(s) and Articles. Unit owners shall be liable to pay assessments not less often than quarterly. Provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these Bylaws.

F. Assessments. Unless otherwise determined by the Board of Directors, assessments shall be payable quarterly on the first day of each calendar quarter, but in no event shall amounts be payable less often than quarterly. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable in equal installments through the end of the fiscal year; provided, nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency. Assessments under the budget for the Common Area shall be payable at the same time as the regular condominium assessments and may be aggregated by the Board to constitute one assessment to provide for single payments.

G. Special Assessments. Special assessments, if required and approved by the Members at a duly convened meeting, shall be levied and paid in the same manner as heretofore provided for regular assessments. Special assessments can be of three kinds: (i) those chargeable to all Members of a Condominium in the same proportions as regular assessments to meet shortages or emergencies, to construct, reconstruct, repair or replace all or any part of the Common Elements (including fixtures and personal property related thereto) and for such other purposes as shall have been approved by the Members at a duly convened meeting; (ii) those assessed against one Member alone to cover repairs or maintenance for which such Member is responsible and which he has failed to make, which failure impairs the value of or endangers the Common Elements or the Condominium, or which

are for expenses incident to the abatement of a nuisance within his Unit; and (iii) those assessed against all Members equally to meet shortages or emergencies relative to the Common Area.

H. The Depository. The depository of the Association shall be such bank or banks or savings and loan association or associations as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks or withdrawals signed by such persons as are authorized may include in its provisions authority for the Manager to sign checks on behalf of the Association for payment of the obligations of the Association.

I. Audit. An audit of the accounts of the Association may be made from time to time as directed by the Board of Directors.

J. Fidelity Bonds. Fidelity bonds may be required from any persons handling or responsible for Association funds as the Board of Directors shall direct. The premiums of said bonds shall be paid by the Association.

K. Condominium Funds. Notwithstanding the fact that the Association shall maintain separate books of account for each of the Condominiums, all sums collected by the Association from all assessments against all Units in the Condominiums may be commingled in a single fund, or divided into more than one fund, as determined from time by the Board of Directors.

VII. PARLIAMENTARY RULES.

Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation or these Bylaws.

VIII. AMENDMENTS TO BYLAWS.

Amendments to these Bylaws shall be proposed and adopted in the following manner:

A. Proposal. Amendments to these Bylaws may be proposed by the Board, acting upon vote of a majority of the Directors, or by Members owning a majority of the Units in the Condominium, whether meeting as Members or by instrument in writing signed by them.

B. Notice. Upon any amendment or amendments to these Bylaws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Association or acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the Members for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each Member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the Members is required as herein set forth; provided, that proposed amendments to the Bylaws may be considered and voted upon at annual meetings of the Members.

C. Content of Amendment. No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of bylaw. See bylaw. . . for present text." Nonmaterial errors or omissions in the bylaw process shall not invalidate an otherwise properly promulgated amendment.

D. Voting. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of Members owning not less than fifty-one percent (51%) of the Units in the Condominium(s). Thereupon, such amendment or amendments to these Bylaws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the Public Records of Walton County, Florida within thirty (30) days from the date on which any amendment or amendments have been affirmatively approved by the Members.

E. Written Vote. At any meeting held to consider such amendment or amendments to these Bylaws, the written vote of any Member shall be recognized if such Member is not present at such meeting in person or by proxy, provided such written vote is delivered to the Secretary at or prior to such meeting.

F. Developer's Reservation. Notwithstanding the foregoing provisions of this Article IX, no amendment to these Bylaws which shall abridge, amend or alter the right of Developer to designate members of each Board of Directors of the Association, as provided in Article IV hereof or any other right of the Developer provided herein or in the Articles of Incorporation, may be adopted to become effective without the prior written consent of Developer.

G. Proviso. Provided, however, that no amendment shall discriminate against any condominium Unit owner nor against any condominium unit class or group of units unless the condominium unit owners so affected shall consent. No amendments shall be made that is in conflict with the Condominium Act, the Declaration of Condominium, or the Articles of Incorporation.

H. Proviso. Anything herein to the contrary notwithstanding, until the first regular election of Directors by the membership, and so long as the Developer shall have the right to file vacancies on the Board of Directors, an amendment shall require only the unanimous consent of the Board of Directors, and no meeting of the condominium unit owners nor any approval thereof need be had.

The foregoing were adopted as the Bylaws of ST. AUGUSTINE OCEAN & RACQUET CLUB CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on the 1 day of AUGUST, 1982.

Dated: _____

Secretary

APPROVED:

President

Ocean and Racquet Resort Condominium Association, Inc.

Rules and Regulations Regarding Inspection and Copying of Records

August 1997

In accordance with Chapter 718.111(12)(c), Florida Statutes and Section 61B-23.002(9)(c)(d) official records of the association are open to inspection by any association member, or the authorized representative of such member, at reasonable time, and subject to reasonable rules of the Association. By the authority vested in the Board of Directors of the Association the following rules and regulations are promulgated regarding the inspection of the Association's records:

I. Definitions.

- A. **Copy** shall mean a copy of a record reproducible in its entirety on one side of either a single 8 1/2 x 11 or a single 8 1/2 x 14 sheet.
- B. **Official Records** are those records designated by the Florida Condominium Act, as amended from time to time.
- C. **Record** shall mean a document or group of documents relating to a particular matter. By way of example, the following constitute one (1) record each; monthly phone bill as sent by the utility, monthly bank statement with enclosures as sent by the bank, the general ledger of a particular account for one month, a paid invoice from one vendor as sent by that vendor, and the minutes of a meeting held at one particular time and date, and a specific contract. The Secretary shall, in his or her sole discretion, determine what constitutes a single record. Under no circumstances does a record include any document not already in existence, nor records whose retention period has expired as provided for by law or rule whether or not said records are still in existence.
- D. **Time Periods.** When computing time periods herein, the day of the event from which the designated period of time begins to run shall not be included, nor shall any intervening Saturday, Sunday, Legal or public holiday. The last day of the period so computed will be included unless it is a Saturday, Sunday, legal or public holiday in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, legal or public holiday. Legal and public holidays as used herein shall be deemed to be those holidays specified in Chapter 683, Florida Statutes as amended from time to time.
- E. **Unit** is as defined in the Florida Condominium Act, as amended from time to time.
- F. **Unit Owner** is as defined in the Florida Condominium Act, as amended from time to time. For the purposes of record inspection and copying only, the term "unit owner" also includes a unit owner's authorized representative as designated in writing signed by the unit owner and provided to the secretary in advance of the exercise of any authority thereunder.
- G. **Work day** shall be deemed to Monday, Tuesday, Wednesday, Thursday, or Friday that is not a legal holiday as defined above, between the hours of 10:00 a.m. and 4:00 p.m., local time.

II. Inspection and Copying.

- A. A unit owner desiring to inspect the records of this organization shall submit, on a working day, a written request to the Secretary. The request shall describe each record desired in sufficient detail to identify it, must specify dates or time periods requested. The request must be legible, and must describe records by type such as listed in section 718.111(12), Florida Statutes, and not by transaction such as "all records relating to grounds care" or "all invoices paid by the rental activity on behalf of those owners on the rental program."

- B. Each written request to inspect the records shall contain no more than 10 records, or constitute in the whole more than 200 pages of material. Requests exceeding these limits will be denied.
- C. No more than two (2) written requests to inspect the records shall be permitted from a single unit owner, or single authorized representative irrespective of the number of unit owners said individual represents, within a sixty (60) day period. Requests exceeding these limits will be denied.
- D. Any record inspection scheduled as the result of the receipt of a request, shall be deemed to be an inspection of all records listed in said request that were not previously indicated as exempt or unavailable.
- E. Upon receipt of the written request, and within the time periods permitted by law, the association shall respond to the unit owner designating the date, time and place that the inspection shall occur, and that the inspection shall be limited to the records as detailed in the written request. In the event the Secretary determines there is an exemption to disclosure, the unit owner or authorized representative requesting the record shall be advised in writing the specific grounds for exemption.
- F. The record inspection shall occur at the time, date, and place designated by the association in its response to the unit owner or authorized representative, and will be under the supervision of a person or person designated by the association to monitor the record inspection. No unit owners shall remove any record from the location of the inspection, nor shall mark in any way, any record whatsoever. The record inspection session shall not extend beyond two hours. The Secretary may institute any supervision or reasonable security measures with regard to the record inspection.
- G. The right to obtain copies of records is incidental to, and a part of, the inspection of records. During the inspection of records, a unit owner or authorized representative may request the association to copy any document by placing a paper clip, "post it" memo sheet, or similar marking device on the document or documents of which copies are desired, and by advising the supervision person of the number and location of said marking devices. If a unit owner requests copies of documents larger than 8 1/2" x 14", the unit owner must pay the fee charged by a professional service to make the reproductions.
- H. If during the inspection of the records, the unit owner has determined the need or desire for a copy of said record, the association shall make or obtain those copies and provide same to the unit owner within five (5) working days from the date of the record inspection and subject to the association receiving prior payment therefor.
- I. The association is not required to make and/or mail or deliver record copies to the unit owner or an authorized representative upon demand; but rather the unit owner or authorized representative can obtain record copies or request same, as detailed herein, during the inspection.
- J. A unit owner shall pay to the association, in advance, the sum of twenty-five cents per page for copies of records, said payment to be either cash, business or personal check, whichever the association or the association's agent specifies. The association shall prepare record copies on single sided sheets.
- K. List of unit owners containing their addresses and/or phone numbers, shall not be released by the unit owner or the authorized representative, to anyone not a unit owner in this association.

III. Manner of Inspection.

- A. No written request for inspection or copying shall be made in order to harass any unit owner, resident, association manager, officer, director, or employee. Inspection and copying requests not in conformance with these rules will be deemed to be harassment.

- B. All persons inspecting or requesting copies or records shall conduct themselves in a businesslike manner and shall not interfere with the operation of the association office or place where the records are otherwise inspected or copied.

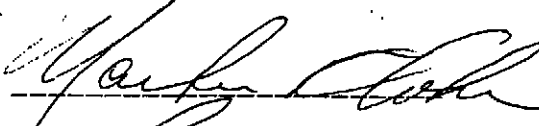
IV. Enforcement of Inspection and Copying Rules.

- A. Any violation of these rules shall cause the immediate suspension of the inspection or copying until such time as the violator agrees in writing to comply herewith.
- B. Any written requests for inspection or copying not complying with these rules will be denied. The association shall indicate in writing the nature of the non-compliance and transmit same to the requesting party within five working days subsequent to receipt of the written request.
- C. Verbal requests for inspection or copying will neither be honored or acknowledged.
- D. A request for record inspection and/or copies will be denied if the unit owner has, within two years preceding his demand, given, sold or offered for sale any list or unit owners, or has aided or abetted any person in procuring any list of unit owners for any such purpose.
- E. A request for record inspection and/or copies will be denied if the unit owner has within 2 years preceding his demand, improperly used any information secured through any prior examination of the records of this association. Improper use shall include the providing to anyone not an association member, a list or unit owners which is subsequently used for a non-association or commercial purposes, or the selling or distribution of any information or records inspected.
- F. The association reserves the right to amend these rules from time to time as deemed necessary.
- B. The association may take any available legal action to enforce these rules.

Approval of form and content by Association's Attorney, Ronald W. Brown, Esq.

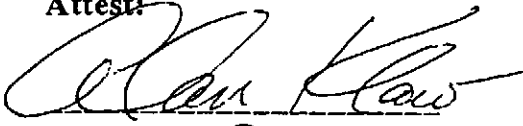
These Rules were adopted on 9 August 1997 pursuant to a proper motion and second with a ~~unanimous~~/majority (strike one) vote from the members of the Board in attendance at a properly called board of Director's Meeting held this date.

For the Association:

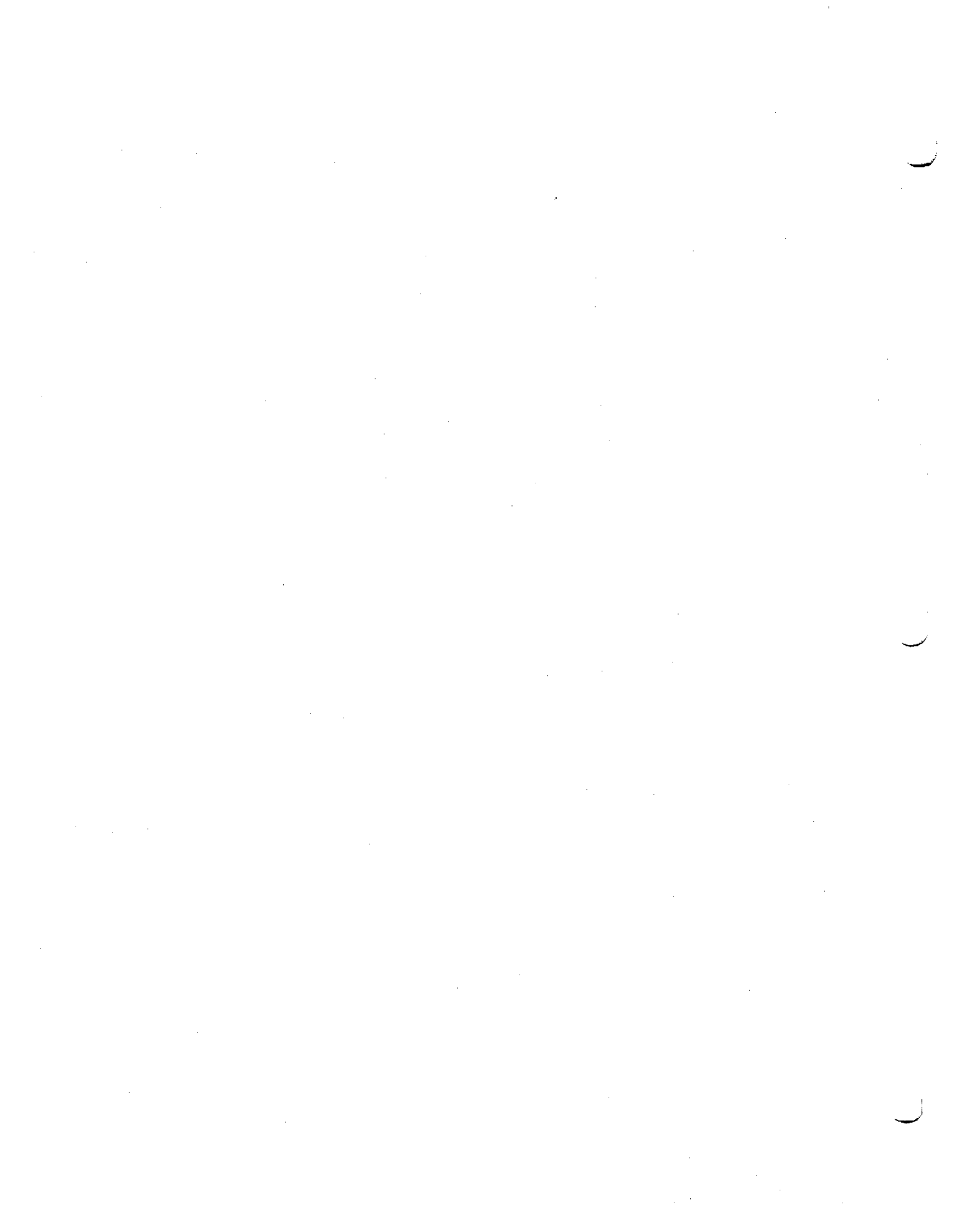


Its: President

Attest:



Its: Vice President



Ocean & Racquet Club Condominium Association, Inc.
Rules Regarding Unit Owner Participation at Association Meetings
August 1997

I. BOARD AND COMMITTEE MEETINGS.

A. Board and Committee Meeting, and Unit Owners Defined.

1. **Meetings of the Board of Directors** is hereby defined as a quorum of directors gathered to conduct official association business. The term "meeting" does not include gathering of less than a quorum of directors engaged in fact-finding investigations, or legal inquiries, or gathering of any number of directors to consult with legal counsel regarding pending or imminent litigation or adversarial administrative proceeding wherein the attorney will express mental impressions, conclusions, litigation strategy or legal theory.
2. **Meetings of a Committee** is hereby defined as a quorum of committee members gathered to conduct the official business of the committee as set forth in the charter creating the committee. The term "meeting" does not include fact-finding investigations or legal inquiries by less than a quorum of committee members, or gatherings of any number of committee members to consult with counsel regarding pending or imminent litigation or adversarial administrative proceeding wherein the attorney will express mental impressions, conclusions, litigation strategy or legal theory.
3. The term **Committee** as used herein is hereby defined as an official body created by the President or Board of Directors to make recommendations to the board, or take action on behalf of the board.

B. Attendance at Board and Committee Meetings.

1. Every unit owner shall have the right to attend board of director and committee meetings except as may be provided by law. No person other than a unit owner may be permitted to attend such meetings, except for persons invited or permitted to attend by the board or committee chairperson.

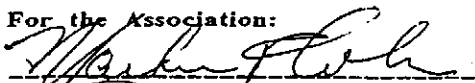
C. Participation at Meetings

1. Every unit owner shall have the right to speak at meetings of the board of directors and committees, to the extent required and permissible under applicable law, subject to the following rules:
 - a) Statements by unit owners at meetings shall be restricted to agenda items (those items to be considered under "Old" and/or "New" business) and motions of the board or committee. No other statements shall be permitted except as may be authorized by the chairperson of the board or a committee, in their sole discretion.
 - b) No unit owner shall speak until recognized by the chair. A unit owner may only speak once on each agenda item and the owner's statement shall not exceed three minutes. *The chairperson of the meeting shall give the floor to any unit owner desiring to speak after a duly called motion and second by members of the Board and prior to the discussion and vote of the board or committee upon the agenda item.* After each owner has had an opportunity to speak, the chairperson shall announce that owner statements are concluded thereby ending owners discussion on that agenda item.
 - c) Each speaker shall speak only to the chair. There will be no cross discussions with other members, board members, legal counsel, or other attendees.
2. Unit owners may not make or second motions, may not participate in discussions after owner discussion is concluded on that subject, and may not vote.

Approval of form and content by Association's Attorney, Ronald W. Brown, Esq.


These Rules were adopted on 9 August 1997 pursuant to a proper motion and second with a ~~unanimous~~/majority (strike one) vote from the members of the Board in attendance at a properly called Board of Director's Meeting held this date.

For the Association:



Its President

Attest:



Its Vice President

Ocean & Racquet Club Condominium Association, Inc.
Rules Regarding Unit Owner Participation at Association Meetings

I. BOARD AND COMMITTEE MEETINGS.

A. Board and Committee Meeting, and Unit Owners Defined.

1. **Meetings of the Board of Directors** is hereby defined as a quorum of directors gathered to conduct official association business. The term "meeting" does not include gathering of less than a quorum of directors engaged in fact-finding investigations, or legal inquiries, or gathering of any number of directors to consult with legal counsel regarding pending or imminent litigation or adversarial administrative proceeding wherein the attorney will express mental impressions, conclusions, litigation strategy or legal theory.
2. **Meetings of a Committee** is hereby defined as a quorum of committee members gathered to conduct the official business of the committee as set forth in the charter creating the committee. The term "meeting" does not include fact-finding investigations or legal inquiries by less than a quorum of committee members, or gatherings of any number of committee members to consult with counsel regarding pending or imminent litigation or adversarial administrative proceeding wherein the attorney will express mental impressions, conclusions, litigation strategy or legal theory.
3. The term **Committee** as used herein is hereby defined as an official body created by the President or Board of Directors to make recommendations to the board, or take action on behalf of the board.

B. Attendance at Board and Committee Meetings.

1. Every unit owner shall have the right to attend board of director and committee meetings except as may be provided by law. No person other than a unit owner may be permitted to attend such meetings, except for persons invited or permitted to attend by the board or committee chairperson.

C. Participation at Meetings

1. Every unit owner shall have the right to speak at meetings of the board of directors and committees, to the extent required and permissible under applicable law, subject to the following rules:
 - a) Statements by unit owners at meetings shall be restricted to agenda items (those items to be considered under "Old" and/or "New" business) and motions of the board or committee. No other statements shall be permitted except as may be authorized by the chairperson of the board or a committee, in their sole discretion.
 - b) No unit owner shall speak until recognized by the chair. A unit owner may only speak once on each agenda item and the owner's statement shall not exceed three minutes. The chairperson of the meeting shall give the floor to any unit owner desiring to speak after a duly called motion and second by members of the Board and prior to the discussion and vote of the board or committee upon the agenda item After each owner has had an opportunity to speak, the chairperson shall announce that owner statements are concluded thereby ending owners discussion on that agenda item.
 - c) Each speaker shall speak only to the chair. There will be no cross discussions with other members, board members, legal counsel, or other attendees.
2. Unit owners may not make or second motions, may not participate in discussions after owner discussion is concluded on that subject, and may not vote.

These Rules were adopted on 9 August 1997 pursuant to a proper motion and second with a unanimous/majority (strike one) vote from the members of the Board in attendance at a properly called Board of Director's Meeting held this date.

Attest: _____, Secretary

**Ocean & Racquet Club
Condominium Association, Inc.**

A Florida Not-for-Profit Corporation

**A RESOLUTION OF THE BOARD OF DIRECTORS
REGULATING USE OF COMMON PARKING AREAS.**

THAT WHEREAS, the Association's Articles of Incorporation (Article III, Para B.1.) grants the Board of Directors the authority to make & establish reasonable rules and regulations governing use of the units, common elements, limited common elements in and of the Condominium(s) and common area, and

WHEREAS, the Association's Bylaws {Section IV, Para L.(4)} provides that all of the powers and duties of the Association shall be exercised by the Board, including those existing under the laws of Florida, the Articles, these Bylaws and the Declaration(s), and shall include, without limitation, the right, power and authority to: Make and amend regulations governing the use of the property, real and personal, in the Condominium(s) and the Common Area provided, that such regulations and limitations which may be placed upon the use of such property under the terms of the Articles and Declaration(s), and

WHEREAS, there are 279 units and 325 parking places (1.16 parking places per unit) and in order to assure equitable parking arrangements as well as safe and attractive parking areas, the BOARD wishes to establish a parking policy, and,

NOW, THEREFORE, BE IT RESOLVED THAT, the following parking policies be adopted by the BOARD:

Section 1. Parking Rights. Ownership of each condominium unit shall entitle the Owner(s) the use of the parking areas for approved vehicles, together with the right of ingress and egress in and upon said parking area.

Section 2. Parking Passes. Each Unit shall be entitled to two permanent windshield parking decals.

Section 3. Reserved parking spots. Full time residents at Ocean & Racquet Resort may reserve a parking spot for a fee of \$18.00. The assigned tire stop will be painted "Reserved." For a fee of \$25.00 a reserved parking sign will be erected at the assigned spot.

Section 4. Authorized vehicles. An approved vehicle shall include any conventional passenger vehicle (including passenger "vans"), and a truck or commercial vehicle of less than 2.5 tons in gross weight that bears no visible advertising signs ("vendor/service" vehicles that have been granted access to the premises to perform a service or perform maintenance for a unit owners or the Association and will not remain overnight are excepted).

Section 5. Vehicle Requirements. All motor vehicles shall display current licenses, display a current parking pass issued by the Ocean & Racquet Resort and be maintained in proper operating condition so as not to be a hazard of nuisance by noise, exhaust emissions or appearance.

Section 6. Restrictions. Commercial vehicles other than those permitted under Section 1, trailers, commercial trucks (over 2.5 tons in gross weight), campers, house trailers, boats or the equivalent shall NOT be parked in the parking areas for longer that seventy-two (72) hours without prior written permission of the BOARD or the Board's Agent. No vehicle, of any type, shall contain on or in it visible material considered unsightly, such as (but not limited to) construction material/tools, refuse, equipment, etc.

Section 7. Vehicle Storage. Vehicles will not be stored on the premises without prior approval of the Board. Any vehicle not moved for a period of two weeks is considered a stored vehicle and is prohibited without prior approval.

Section 8. Interference. There shall be no parking of any vehicles, without express permission from the BOARD or its Agent, that encumbers ingress/egress to any portion of the premises. All vehicles must park in designated parking places and shall not be parked parallel to the marked parking places.

Section 9. Repairs. No major or lengthy car repairs are permitted without prior approval of the BOARD or its Agent.

Section 10. Compliance. The BOARD or its Agent reserve the power to establish and enforce compliance with these rules to include the towing of vehicles.

The security patrol will be instructed to report cars parked out of place. The BOARD'S Agent is authorized to take necessary steps for enforcement of these regulations.

ADOPTED by the Board of Directors this 13th day of September 1997.

Ocean & Racquet Club
Condominium Association, Inc.

(SEAL)

ATTEST:

Vice President

By: _____
President

Ocean & Racquet Club Condominium Association, Inc.

A Florida Not-for-Profit Corporation

REVISED RULES & REGULATING USE OF COMMON PARKING AREAS.

The following rules are a revision of the Resolution properly adopted during the Board meeting held December 6, 1997. These revised rules were adopted by the Board during their regular meeting held January 10, 1998. The revised sections are identified by the "sidebar" adjacent to the respective section.

Section 1. Parking Rights. Ownership of each condominium unit shall entitle the Owner(s) the use of the parking areas for approved vehicles, together with the right of ingress and egress in and upon said parking area.

Section 2. Parking Passes. Each Unit shall be entitled to two permanent windshield parking decals.

Section 3. Reserved parking spots. Full time residents at Ocean & Racquet Resort may reserve a parking spot for a fee of \$18.00. The assigned tire stop will be painted "Reserved." For a fee of \$25.00 a reserved parking sign will be erected at the assigned spot.

Section 4. Authorized vehicles. An approved vehicle shall include any conventional passenger vehicle (including passenger "vans"), and a truck or commercial vehicle of less than 2.5 tons in gross weight that bears no visible advertising signs ("vendor/service" vehicles that have been granted access to the premises to perform a service or perform maintenance for a unit owners or the Association and will not remain overnight are excepted).

Section 5. Vehicle Requirements. All motor vehicles shall display current licenses, display a current parking pass issued by the Ocean & Racquet Resort and be maintained in proper operating condition so as not to be a hazard of nuisance by noise, exhaust emissions or appearance.

Section 6. Restrictions. Commercial vehicles other than those permitted under Section 4, general purpose trailers, commercial trucks (over 2.5 tons in gross weight), Campers, Motor Homes or House Trailers shall NOT be parked in the parking areas without prior written permission of the BOARD or the Board's Agent. Under no circumstances will any platform addressed in this paragraph be permitted on the premises for longer that seventy-two (72) hours. No vehicle, of any type, shall contain on or in it visible material considered unsightly, such as (but not limited to) construction material/tools, refuse, equipment, etc. Any vehicle that is parked in violation of this paragraph may be towed, at the owners expense.

Section 7. Boats. Boats/boat trailers or the equivalent shall NOT be parked in the parking areas for longer than a two week period without prior approval of the Board. Any boat or boat trailer that is parked in violation of this paragraph may be towed, at the owners expense.

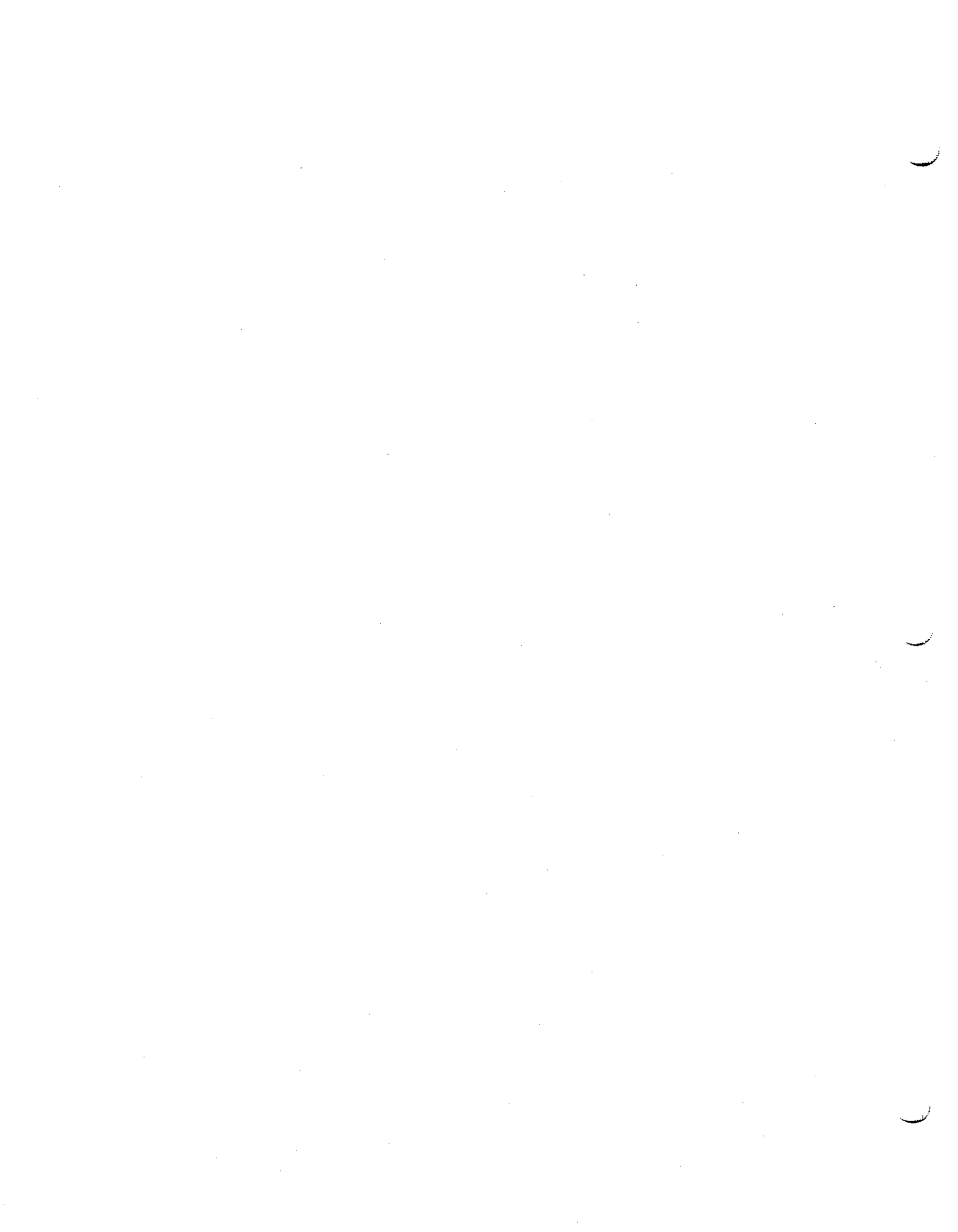
Section 8. Interference. There shall be no parking of any vehicles, without express permission from the BOARD or its Agent, that encumbers ingress/egress to any portion of the premises. All vehicles must park in designated parking places and shall not be parked parallel to the marked parking places.

Section 9. Repairs. No major or lengthy car repairs are permitted without prior approval of the BOARD or its Agent.

Section 10. Compliance. The BOARD or its Agent reserve the power to establish and enforce compliance with these rules to include the towing of vehicles.

The security patrol will be instructed to report cars parked out of place. The BOARD'S Agent is authorized to take necessary steps for enforcement of these regulations.

ADOPTED by the Board of Directors this 10th day of January 1998.



RULES AND REGULATIONS

OF

ST. AUGUSTINE OCEAN & RACQUET CLUB THREE, A CONDOMINIUM

Pursuant to the authority vested by the Declaration of Condominium, Articles of Incorporation and Bylaws, the Board of Directors of St. Augustine Ocean & Racquet Club Association, Inc. have duly adopted the following rules and regulations of St. Augustine Ocean & Racquet Club Three, a Condominium, and the Common Area, as such term is defined in the Declaration of Condominium, which have been adopted at the first meeting of the Board of Directors.

1. **ENFORCEMENT.** All violations of these rules and regulations shall be reported immediately to a member of the Board of Directors, an Association officer and/or the management agent. Disagreements concerning violations, including without limitation, disagreements regarding the proper interpretation and effect of these rules and regulations, shall be presented to and determined by the Board of Directors of the Association, whose interpretation of these rules and/or whose remedial action shall be dispositive. In the event that any person, firm or entity subject to these rules and regulations, fails to abide by them, as they are interpreted by the Board of Directors of the Association, shall be liable to be fined by the Association for each such failure to comply or other violation of these rules and regulations. Such fine, which shall not exceed \$25 for each violation, shall be collected by the Association and shall become a part of the Common Surplus of the Condominium. If the Board of Directors of the Association deems it necessary, it may bring action at law or in equity, in the name of the Association, to enforce these rules and regulations, including the provision herein for fines. In the event any such action is instituted, and reduced to judgment in favor of the Association, the Association shall in addition be entitled to recover its costs and attorneys' fees incurred in enforcing these rules and regulations.

2. **USE OF THE COMMON AREA AND COMMON ELEMENTS.** The whirlpool baths and Common Elements of the Condominium, as defined in the Declaration, are for the exclusive use of Unit owners, and their immediate families, lessees, resident house guests and guest accompanied by a member, and no other person shall be permitted to use the Common Elements of the Condominium unless accompanied by a Unit owner or a member of his immediate family, without the prior written consent of the Association. The Common Areas are for the exclusive use of Unit Owners in this Condominium and Unit Owners of other St. Augustine Ocean & Racquet Club condominiums as described in the Declaration and for their guests and lessees. Upon a Unit Owner's lease of his unit, the Unit Owner relinquishes all of his rights to use the Common Elements and Common Area and facilities for the duration of the lease.

3. **NOISE.** All noise, including, without limitation, talking, singing, television, radio, record player, tape recorder or musical instrument, shall be kept at such volume level that said noise is not audible outside of the boundaries of the unit in which it originates.

4. **CHILDREN.** Children under age 12 shall not play on or about the Common Elements of the Condominium or swimming pools or other Common Area and Facilities except under reasonable supervision by a responsible adult.

5. OBSTRUCTIONS. There shall be no obstruction or cluttering of the Condominium property, including, without limitation, sidewalks, driveways, automobile parking spaces, lawns, entrance, elevators, stairways, patios, courts or vestibules, or other Common Elements or Common Areas.

6. DESTRUCTION OF PROPERTY. There shall be no marking, marring, damaging, destroying or defacing of any part of the Condominium Property or Common Area. Members shall be held responsible for, and shall bear any expense of such damage caused by said member, his family, guests, lessees and/or invitees.

7. BALCONIES, WINDOWS, TERRACES, AND DOORS. Nothing shall be dropped, thrown, swept, or otherwise expelled from any window, door balcony, or terrace. No towels, clothing or other fabric may be hung from or on any window, door, balcony or terrace. Barbeque grills shall be kept neat and shall be stored within the balcony or terrace immediately outside the Unit. All loose or movable objects shall be removed from balconies or terraces upon notice of an approaching hurricane or other inclement weather characterized by conditions of high wind. Balconies, windows, terraces, and doors shall not be altered from the condition in which originally constructed, including without limitation alteration by painting, screening, or installation of reflective materials, unless pursuant to the Declaration of Condominium, Articles of Incorporation and By-Laws of the Association. For purposes of assessing fines for violation of this rule, each day during which this rule is violated shall constitute a separate violation of the rules for which a fine may be levied.

8. DAMAGE TO COMMON ELEMENTS. Members shall be responsible for, and shall bear any expense of, any damage to the Common Elements caused by moving to or removing from their Unit household furnishings or other objects, or caused by any other deliveries to or from Units by their invitees.

9. REFUSE. All refuse, waste, bottles, cans, newspapers, magazines and garbage shall be deposited in the covered sanitary containers provided therefor.

10. COMMON AREA SWIMMING POOL.

A. Swimming is permitted only from 8:00 A.M. to 11:00 P.M.

B. Children under twelve (12) years of age must be accompanied by a responsible adult swimmer.

C. All persons using the swimming pool do so at their own risk.

D. All persons must shower thoroughly before entering the pool.

E. No floats, balls, toys or other object, except swimming aids attached to the swimmer, are permitted in or around the pool.

F. No running shall be permitted in the pool area.

G. No food or beverages shall be brought to or consumed in the pool area except by the prior written consent of the Board of Directors. In no event shall glass containers or glass objects be permitted in the pool area.

H. Persons using suntan oil, lotion or any other

similar substance shall not use poolside furniture unless such furniture is completely covered by a towel or other protective material.

11. GUESTS. Unit Owners shall notify the Manager and Security Guard of the arrival and departure of guests or family members who have permission to use a Unit in owner's absence. No person under eighteen (18) years of age shall occupy a Unit unless their parent or the Unit owner is also in residence.

12. SIGNS. No sign, nameplate, signal, advertisement or illumination shall be inscribed or exposed on or at any window, door, balcony or terrace without the express prior written consent of the Board of Directors.

13. KEYS. The Association shall maintain a key to each Unit in the Condominium. No member shall change existing locks or install additional locks unless duplicate keys therefore are provided to the Association.

14. PARKING. Unauthorized parking shall include:

- A. Vehicles parked so as to impede ingress to or egress from other parking spaces, drives, roads or building entryways, or parked in unauthorized spaces.
- B. Parking of boats, trailers, campers, trucks or other over-sized vehicles, in areas other than those which may be provided for said vehicles.

Except in the event of emergency, no vehicle maintenance or repairs shall be performed on the Condominium Property or Common Area. No vehicles shall be washed, polished and/or waxed on the Condominium Property or Common Area except in such specific area as may from time to time be designated by the Board of Directors for such activity. Only operational vehicles or vehicles of the type described in 14(B) above may be parked on Condominium Property.

15. TENNIS AND RACQUET BALL COURTS. Tennis and racquet ball courts shall be used only from 8:00 A.M. to 11:00 P.M. Users must limit play to one and one-half (1-1/2) hours when others are waiting for a court.

16. LAKES.

- A. No motorized vehicles shall be permitted on the lakes at any time.
- B. No bottles, trash, cans or garbage of any kind or description shall be placed or allowed in the lakes.
- C. No commercial use shall be made of the lakes nor shall anything be done thereon which may become an annoyance or nuisance to the Condominium Property or users of the Common Area.

17. WHIRLPOOL BATHS.

- A. Whirlpools will be used only from 8:00 A.M. to 11:00 P.M.
- B. All persons must shower before entering whirlpool.

C. No floats, balls, toys or other objects shall be allowed in the whirlpool.

D. No children under 12 shall be allowed in the whirlpool unless accompanied by an adult.

E. No noisy or boisterous activity shall be permitted in the whirlpool area due to the close proximity to dwelling units.

F. No food or beverages shall be brought to or consumed in the whirlpool area nor shall glass containers or objects be permitted in the whirlpool area.

18. COMPLIANCE WITH DOCUMENTS. All members, and every lessee, guest or visitor of a member, shall comply with all of the terms, conditions, covenants, restrictions and limitations contained in the Declaration of Condominium, the Articles of Incorporation and the By-Laws.

19. PETS. No animals of any kind other than one dog and/or one cat, aquarium fish or small birds such as canaries and parakeets shall be kept in a unit or allowed upon the Condominium Property or Common Area except by prior written consent of the Board of Directors of the Association. Such consent, if given, shall be revocable by the Board of Directors at any time, and shall automatically expire upon the death or other disposition of the pet. Pets shall be leashed and restrained at all times when on or about the Condominium Property or Common Area. No guest, lessee or invitee shall bring any animal upon the Condominium Property or Common Area, shall be responsible for, and bear the expense of any damage to person or property resulting therefrom. Any such damage shall be determined by the Board of Directors of the Association and collected by the Association. Unit Owners shall be specifically responsible for cleaning up all waste left by their pets and to remove excessively noisy pets from the condominium premises. No pets will be permitted in the whirlpool of the Condominium or in the swimming pool, racquet ball or tennis facilities of the Common Area.

The Association shall have the right to make such additional rules and regulations from time to time as, in their opinion, shall be necessary or desirable for the safety and protection of the buildings and their occupants, to promote cleanliness and good order of the property and to assure the comfort and convenience of members; provided such rule changes or revocations shall be subject to approval of at least fifty-one percent (51%) of the Members of the Association.

AMENDMENT NUMBER TWO
RULES AND REGULATIONS
OF

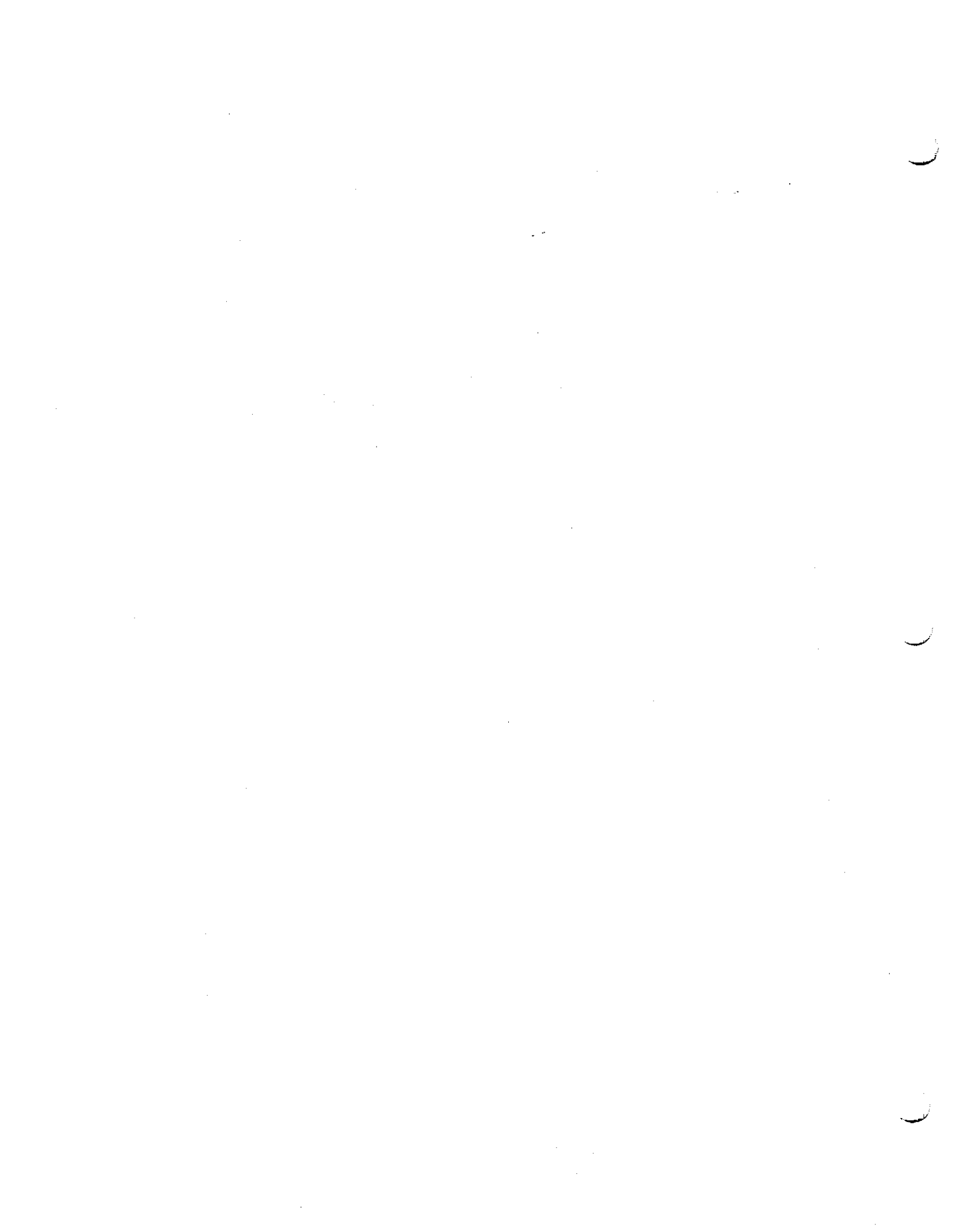
ST. AUGUSTINE OCEAN & RACQUET CLUB CONDOMINIUM ASSOCIATION, INC.

Paragraph 1 of the existing Rules and Regulations is hereby amended to delete the number \$25 and substitute therefor the number \$50.

RECEIVED

1987 JAN 27 PM 3:41

Paul J. ...
CLEAN



POND SYSTEM MAINTENANCE AGREEMENT

This Agreement, dated and effective 08-22, 2002, by and between ST. AUGUSTINE RESORTS, INC. ("Resorts") and ST. AUGUSTINE OCEAN AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC. ("Association"), (collectively, the "Pond System Owners") and ST. JOHNS COUNTY, FLORIDA, ("County"), a political subdivision of the state of Florida;

RECITALS

- A. The County owns, and is desirous of improving, a public right-of-way known as A1A Beach Blvd., a County road (the "Road"). In order to make these desired Road improvements, the County will need to provide for the treatment of waters discharged from the Road. For purposes of this Agreement, there are three retention/detention ponds located proximate to the Road: one pond is located on the real property owned by Resorts and two ponds are located on lands comprising the St. Augustine Ocean and Racquet Club Condominium ("Condominium"). Association is the condominium association responsible for administration and operation of the St. Augustine Ocean and Racquet Club Condominium and is authorized by Chapter 718 to enter into agreements and easements with respect to the common property of the Condominium. The lands owned by Resorts, the Condominium, and the location of the ponds on such lands in relationship to the Road are depicted on **Exhibit "A"**.
- B. The County proposes certain modifications and improvements to the pond located on the lands owned by Resorts and the lands administered by Association, which modifications are more fully depicted in **Exhibit "B"**. In general, these plans provide for the removal of silt from the existing ponds, deepening and connecting the ponds by and through underground piping, installing weirs or other water control devices, enlarging the southerly pond on the Condominium property, and installing underground drainage piping within and along the Road right of way which connects with the pond on Resorts' property and the southerly pond on the Condominium property in order to convey stormwater to an outfall lying southerly of the Condominium property, all so that the three (3) ponds will provide retention/detention for the Condominium property and the properties of Resorts and County (the "Pond System") as depicted on **Exhibit "C"**.
- C. The proposed Pond System will benefit the Pond System Owners by reducing the likelihood of flooding of these properties after significant rainfall events. Resorts and Association are each willing to enter into this Agreement with the County for the construction and improvement of the Pond System.

029
9991
Inlet - P. Degraide
- Bill Co. BCC Secty

NOW, THEREFORE, in consideration of the sum of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Undertakings of the County. The County will construct, at its sole cost and expense and in a good and workmanlike manner, the proposed modifications and improvements to the ponds located on the lands owned by Resorts and on the lands administered by Association, which modifications are more fully depicted in **Exhibit "B"**. All of such modifications and improvements will be constructed and located within the lands described in the Easements set forth in Section 2 below.

2. Easements among the Parties. The Pond System Owners acknowledge that County's performance of this Agreement requires easements from Resorts and Association to County to permit the flow of water into, out of, over and through the Pond System, to permit the installation of underground drainage pipes, to allow for storm water drainage and retention from the Road, and to permit the County to construct the Pond System. The easement from Resorts to the County will be substantially in the form attached hereto as **Exhibit "D-1"**. The easement from Association to the County will be substantially in the form attached hereto as **Exhibit "D-2"**. This Agreement also requires a reciprocal easement between Resorts and Association to permit the flow of water to and from the ponds on the Condominium property and the pond on the Resorts' property and to provide for the installation of underground drainage pipes, which easement will be substantially in the form attached hereto as **Exhibit "E"**.

3. Pond System Maintenance Responsibility - Resorts. Resorts, during its period of ownership of the Resorts' property, and thereafter by its successors in title, shall be responsible at its cost for:

a. All routine maintenance of the portion of the Pond System located on the Resorts' property, which includes mowing the grass around the pond and controlling vegetation within the pond whether by spraying or by using natural controls such as any fish population used to control vegetation, as required to keep the pond in a condition acceptable to permitting agencies. Resorts will refrain from depositing any organic materials, such as grass clippings of landscape materials, in the pond on Resorts' property.

b. Repair or replacement of pipes and structures serving the Pond System which are damaged by the negligent or willful actions of Resorts or its guests or invitees.

4. Pond System Maintenance Responsibility - Association. Association, during the time that it operates the Condominium property and thereafter by its successors or assigns, shall be responsible at its cost for:

a. All routine maintenance of the portion of the Pond System located on the Condominium property, which includes mowing the grass around the pond and controlling vegetation within the pond whether by spraying or by using natural controls

such as any fish population used to control vegetation, as required to keep the pond in a condition acceptable to permitting agencies. Association will refrain from depositing any organic materials, such as grass clippings or landscape materials, in the ponds on the Condominium property.

b. Repair or replacement of pipes and structures serving the Pond System which are damaged by the negligent or willful actions of Association, the owners of the Condominium property, or their guests or invitees.

5. County Responsibility. The County shall be responsible at its cost for:

- a) Performance of all non-routine maintenance of the Pond System including without limitation:
- b) Repair to the portion of the Pond System on Resorts' property or Condominium property caused by a storm event.
- c) Maintenance and repair of the portion of the Pond System which is located within the Road right of way, including opening and cleaning drainage pipes,
- d) Maintenance and repair of underground drainage pipes and structures located on Resorts' property and Condominium property which were not damaged by the willful action or negligence of the Pond System Owners, their guests or invitees,
- e) Maintenance of Pond System's control structures in a manner that ensures the Pond System will operate as designated and permitted.
- f) Repair and replacement of any damage to concrete, pavement or landscaping as a result of County's construction or maintenance activity within the easements granted by Resorts or by Association to the County;
- g) De-silting of the Pond System at a rate no greater than once every 10 years from the date of this agreement unless the depth of the ponds should be less than two feet at the source of the irrigation pumps. The County agrees to dredge this area within 10 days of notification that the two-foot minimum condition exists.
- h) Installation of bulkhead per approved plans and any subsequent repair or replacement to said bulkhead due to normal wear or County drainage requirements. If either Resorts or Association damages the bulkhead, the party causing the damage shall be responsible for its repair at their sole cost and expense

- i) County shall notify Resorts and Association, as the case may be, in writing 48 hours prior to conducting any maintenance within the land owned by Resorts or within the Condominium lands administered by Association.
- j) Should these Ponds water level be permanently lowered as a result of the activities of the County, exposing a bare muddy bank, the County will install sod around the exposed bank. Maintenance of this sod, once installed, will become the responsibility of the respective property owners.

6. Miscellaneous. This Agreement governed by Florida law, is binding upon the successors and assigns of the parties hereto and may be amended only in writing. No obligation of the County hereunder shall be secured by any obligations of the County to expend ad valorem tax monies. Any future modification of or improvements to the Pond System within the lands of Resorts shall be subject to the mutual agreement of Resorts and the County. Any future modification of or improvements to the Pond System within the Condominium property shall be subject to the mutual agreement of Association and the County.

7. Notices. All notices, demands or requests provided for or permitted pursuant to this Agreement must be in writing, and shall be deemed to have been properly given or served by hand or by depositing the same in the United States Mail, postage prepaid by Registered or Certified Mail with Return Receipt Requested and sent to each of the parties at the following addresses:

St. Johns County
4020 Lewis Speedway
St. Augustine Florida 32084

St. Augustine Resorts, Inc.
111 West Fortune Street
Tampa, Florida 33602

St. Augustine Ocean and Racquet Club Condominium, Inc.
880 A1A Beach Boulevard
St. Augustine, Florida 32080

Any party may change its address for purposes of this paragraph by written notice to the other parties in accordance with the terms of this paragraph. All notices shall be deemed to have been given upon receipt or inability to deliver because of refusal to accept.

8. Equitable Remedies. Each party confirms that damages at law may be an inadequate remedy for a breach or threatened breach of this Agreement and agrees that in the event of a breach or a threatened breach of any provision hereof, the respective rights and obligations hereunder shall be enforceable by specific performance, injunction or

other equitable remedy, in addition to such other remedies as may be available to the aggrieved party at law.

9. Binding Agreement; Recording of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties and their respective legal representatives, members, successors and assigns. This Agreement shall be recorded in the public records of St. Johns County, Florida.

10. Attorneys Fees. In the event of any litigation involving this Agreement, the prevailing party shall be entitled to reimbursement for its attorneys' fees incurred at trial and all appellate proceedings.

IN WITNESS WHEREOF, this Agreement has been executed the 18th day of May, 2002.

WITNESSES:

FOR ST. AUGUSTINE OCEAN & RACQUET CLUB CONDOMINIUM ASSOCIATION, INC.

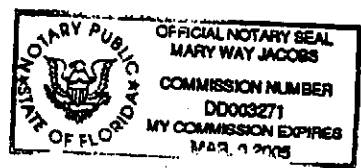
Amy N. Brown
Print Name: Amy N. Brown

BY: Joseph K. Winsey, for St. Augustine Ocean and Racquet Club Condominium Association, Inc.

Jessica M. Cornett
Witness Name: Jessica M. Cornett

Signed, sealed and delivered in the Presence of:

The foregoing instrument was acknowledged before me this 18 day of May, 2002 by Joe Winsey, as president of St. Augustine Ocean and Racquet Club Condominium Association, Inc., a Florida non-profit corporation. On behalf of this corporation, who is personally known or who has produced _____ as identification.



Mary Way Jacobs
Notary Public
My commission expires:
State of Florida, County of St. Johns

IN WITNESS WHEREOF, this Agreement has been executed the 18 day of May, 2002.

WITNESSES:

FOR RESORTS

St. Augustine Resorts, Inc.
a Florida corporation

William J. Kemener
Print Name: WILLIAM J. KEMENER

BY: Andre P. Callen
Andre P. Callen, as President of St.
Augustine Resorts Inc.

Wendy M. Boehm
Print Name: WENDY M. BOEHM

Signed, sealed and delivered in the
Presence of:

The foregoing instrument was acknowledged before me this 24th day of June,
2002 by Andre P. Callen, as President of St. Augustine Resorts, Inc., a Florida
corporation. On behalf of this corporation, who is personally known or who has
produced _____ as identification.



Suzanne M. Frazer
Commission # CC 913045
Expires March 21, 2004
Bonded Thru
Atlantic Bonding Co., Inc.

Suzanne M. Frazer
Notary Public
My commission expires:
State of Florida, County of St. Johns

IN WITNESS WHEREOF, this Agreement has been executed the 24th day of
June 2002.

WITNESSES:

FOR ST. JOHNS COUNTY, a political
subdivision of the State of Florida

Print Name: Ben W Adams Jr.

BY: [Signature]
County Administrator, for St. Johns
County, a political subdivision of the State
of Florida

[Signature]
Witness Name: SANDRA T. SHEFFIELD

Signed, sealed and delivered in the
Presence of:

The foregoing instrument was acknowledged before me this 23rd day of Aug
2002 by Ben W. Adams Jr. as County Administrator of St. Johns County, a
political subdivision of the State of Florida. On behalf of this political subdivision, who
is personally known or who has produced _____ as identification.

[Signature]
Notary Public

My commission expires:
State of Florida, County of St. Johns

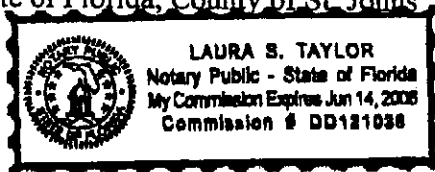


Exhibit "A" to Pond System Maintenance Agreement

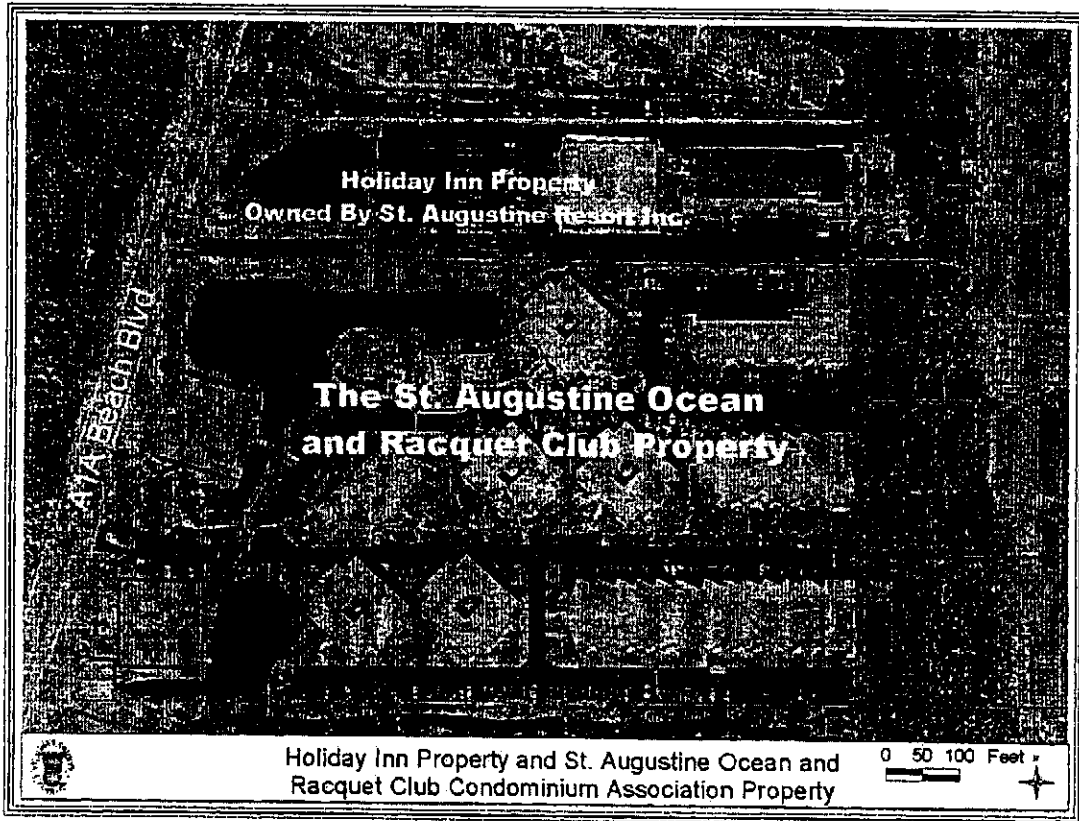
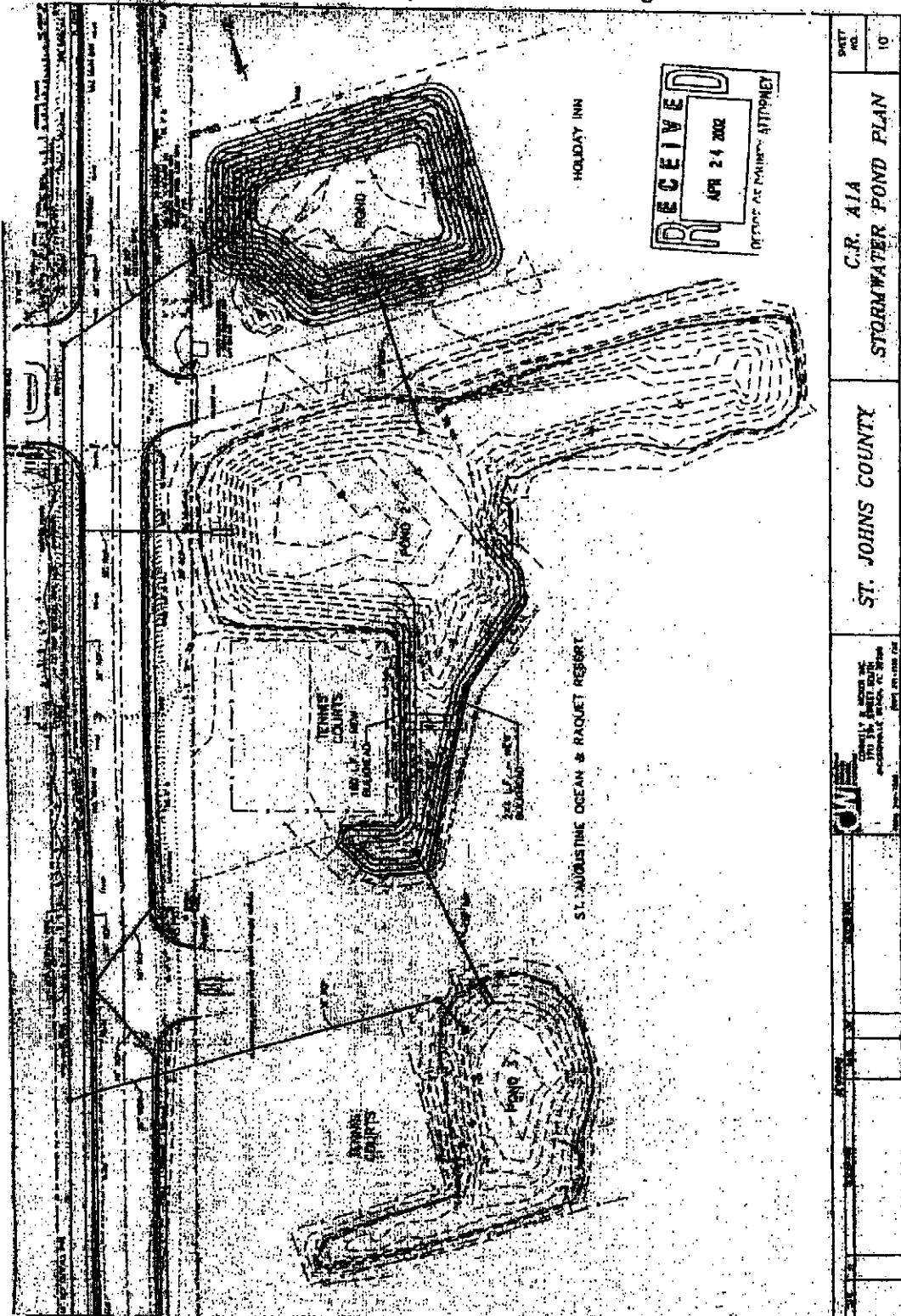


Exhibit "B" to Pond System Maintenance Agreement



RECEIVED
 APR 24 2002
 OFFICE OF THE COUNTY ATTORNEY


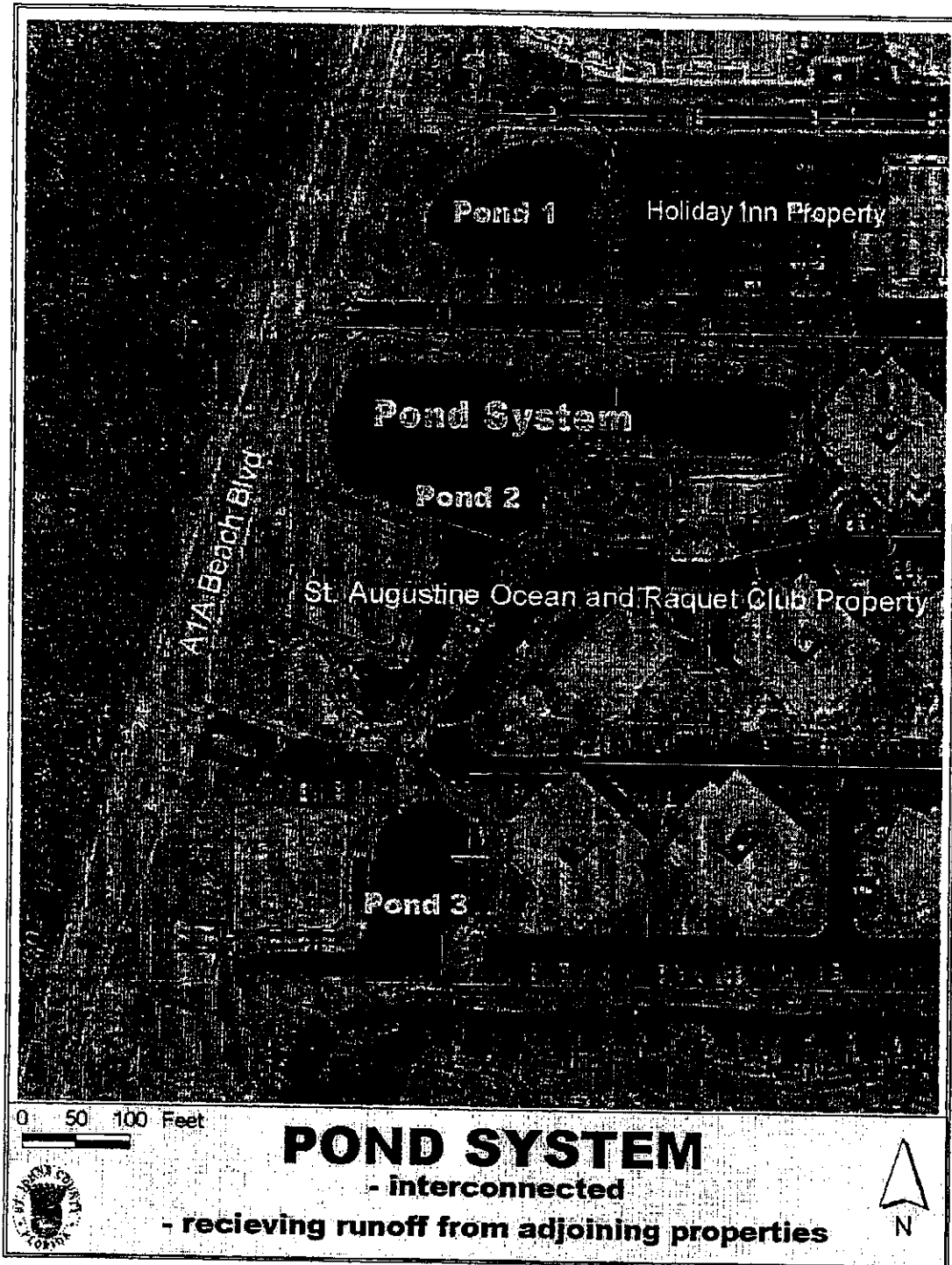
SHEET NO. 10	C.R. A1A STORMWATER POND PLAN	ST. JOHNS COUNTY	 COUNTY OF ST. JOHNS ST. JOHNS COUNTY 1000 N. GULF BLVD. ST. AUGUSTINE, FL 32080 (904) 829-1234	
--------------	----------------------------------	------------------	--	--

Exhibit "C" to Pond System Maintenance Agreement



Prepared By/Record and Return To:
Lynda R. Aycock, Esquire
Rogers, Towers, Bailey, Jones & Gay, P.A.
1301 Riverplace Blvd., Suite 1300
Jacksonville, Florida 32207

Exhibit "D-1" to Pond System Maintenance Agreement

GRANT OF DRAINAGE AND ACCESS EASEMENT

THIS INDENTURE, made this 22nd day of August 2002, between St. Augustine Resorts, Inc., a Florida corporation, whose address is 111 West Fortune Street, Tampa, Florida 33602, hereinafter called Grantor, and St. Johns County, a political subdivision of the State of Florida whose post office address is 4020 Lewis Speedway, St. Augustine Florida, 32084 hereinafter called Grantee.

Background. Grantor owns certain lands in St. Johns County which abut A1A Beach Blvd. ("Road"). A "Holiday Inn®" franchise hotel is located on the lands owned by Grantor and a drainage and retention pond, driveway, and parking area serve the hotel improvements (collectively, the "Property"). Grantee desires to use and improve a drainage and retention pond on a portion of the Property, to install and maintain underground drainage pipes to connect the pond with other similar ponds on adjoining properties, and to construct other drainage structures within this easement, all as provided in a "Pond System Maintenance Agreement" ("Agreement") recorded contemporaneously herewith. Grantor agreed to grant this easement to Grantee to effect the terms and conditions of the Agreement.

WITNESSETH:

That Grantor, for and in consideration of the sum of Ten and No/100 Dollars and other good and valuable consideration in hand paid by Grantee, the receipt whereof is hereby acknowledged, has granted, bargained, sold and conveyed to the Grantee, its successors and assigns forever, a non-exclusive easement for the purpose of using, maintaining, improving and repairing an existing retention/detention pond on, over and across the following described land together with the right to use a portion of the parking area and driveway on the premises for access to the pond (the "Premises"), situate in St. Johns County, Florida, to-wit:

See Exhibit "A" attached hereto and by this reference made a part hereof.

TOGETHER, with the right of said Grantee, its successors and assigns, of ingress and egress to and over said above described premises, and for doing anything necessary or useful which may be required for the enjoyment of the rights herein granted subject to the reservations, limitations, and conditions set forth below.

PROVIDED, however, that this Grant of Easement is subject to the following reservations, limitations and conditions:

1. Grantor reserves the right to use the stormwater pond on the Premises for the treatment and storage of stormwater from its property and for any other use or purpose which does not materially obstruct the Grantee from using the Premises for the purposes described hereinabove. Grantee may deepen the existing

stormwater pond on the Premises so that it will accommodate a greater volume of water, but Grantee will not otherwise enlarge the surface of stormwater pond within the easement without the prior written consent of Grantor nor will Grantee materially impair the ability of the stormwater pond to treat surface and stormwater discharged from Grantor's Property. In event of any conflict, it is agreed that Grantor's right to discharge stormwater into the pond for the benefit of the Property shall be superior to and take precedence over Grantee's right to discharge stormwater into the pond from the Road.

2. Grantee recognizes that part of the Premises is improved with a driveway that provides access to the hotel on the Property owned and operated by Grantor. Grantee will not disturb the driveway located on the Premises except for the purpose of installing and maintaining the underground drainage pipes under the driveway on the Premises. At all times, Grantee will schedule and time the construction of its underground drainage improvements and its repairs of such drainage improvements in a manner that access over the driveway on the Premises for vehicular traffic to and from the hotel is not substantially impaired. In addition, Grantee may use the parking spaces located on the Premises for access to the pond, for parking purposes to maintain the pond (but not for public parking) but Grantee shall not otherwise disturb such parking improvements on the Premises. Grantee will not construct any open ditches or canals on the Premises and all structures for the conveyance of water from the pond or to the pond on the Premises shall be by underground piping.
3. Upon completion of any construction, repair, restoration, replacement, maintenance or other alteration, Grantee shall restore in a good and workmanlike manner the surface of the Premises in the same manner as if the Premises were within a public right-of-way, with respect to trench repair, restoration of grass areas and landscaping, paving, walks, driveways, curbs and gutters, storm drains, culverts and drainage structures on, in, through, or under the Premises. Any further repair or restoration beyond the scope of any of the standards shall be the responsibility of the Grantor or its successors or assigns in and to the Premises, all at the expense of Grantor or any such successor or assign.
4. Except in the case of emergency repairs, Grantee shall notify Grantor of Grantee's plans to construct, repair, restore, replace, maintain or otherwise alter any part of the drainage facilities on the Premises, prior to undertaking such activity so that Grantor may identify improvements on, in, through, or under the portion of the Premises to be affected by such activity. In the case of emergency repairs, Grantee shall provide notice of the same as soon as reasonably possible after the completion of such construction and repairs.
5. Grantee will not assign its right, title and interest in the Premises and will not grant any sub-easements, partial assignments, licenses or other permissions to any other person to use any part of the Premises for the construction or placement of any drainage lines or facilities or for any other purpose whatsoever.

- 6. Grantee shall comply with all governmental or quasi-governmental laws, ordinances, rules, regulations of every kind pertaining to the Premises or to the use and occupancy thereof, including, without limitation, any such law, ordinance, rule or regulation regarding or relating to environmental protection, pollution, sanitation or safety and will not impair any permits issued to Grantor by any such governmental agencies. Grantee will not commit or suffer any waste at the Premises and will not use or permit any use of the Premises for any illegal purpose or in such a way as to constitute a public nuisance or in any way so as to violate or breach any law, rule, regulation or ordinance to which the Premises are subject.
- 7. Grantee agrees that it will be responsible for the removal, cleanup and remediation of any hazardous or toxic chemicals which enter the Premises from the Grantee's public right of way at Grantee's sole cost and expense, including but not limited to the cost of obtaining all governmental authorizations, filing all governmental forms, and obtaining all final governmental approval of the remediation.
- 8. All rights to use easement granted hereby shall impose an obligation of reasonableness in such use. Grantee will not unreasonably burden the pond with stormwater and will not cause the pond to violate any permit issued by any governmental agency or to fail to provide adequate retention and detention for the benefit of the Property.

IN WITNESS WHEREOF, the said Grantor has caused this instrument to be executed the day and year first above written.

Signed, sealed and delivered
in the presence of:

William J. Kemener
Print Name: WILLIAM J. KEMENER

Wendy M. Boehm
Print Name: WENDY M. BOEHM

Grantor:

ST. AUGUSTINE RESORTS, INC.,
A FLORIDA CORPORATION

BY: Andre P. Callen
Print Name: Andre P. Callen
Its: President

(corporate seal)

STATE OF FLORIDA

COUNTY OF ST. JOHNS

The foregoing instrument was acknowledged before me this 24th day of June, 2002 by Andre P. Callen, the President of St. Augustine Resorts, Inc., a Florida corporation, who is personally known to me or has produced _____ as identification.



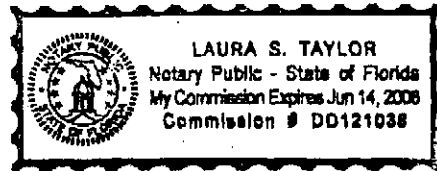
Suzanne M. Frazer
Commission # CC 918045
Expires March 21, 2004
Bonded Through
Atlantic Bonding Co., Inc.

[Signature]
Print Name: _____
Notary Public
My Commission Expires: _____
Commission Number: _____

Accepted on behalf of
St. Johns County, a political subdivision of the State of Florida

Ben W Adams, Jr

[Signature]
County Administrator



OR1806PG1424

STATE OF FLORIDA

COUNTY OF ST. JOHNS

The foregoing instrument was acknowledged before me this 22nd day of Aug, 2002 by Ben W. Adams Jr as, County Administrator St. Johns County, on behalf of the county, who is personally known to me.

Laura S. Taylor
Print Name: _____
Notary Public
My Commission Expires: _____
Commission Number: _____

JAX538233_1



JAX545656_1

Exhibit "A" of Grant of Drainage and Access Easement Between County and St. Augustine Resorts

LEGAL DESCRIPTION OF GRANT OF DRAINAGE AND ACCESS EASEMENT OVER PROPERTY OWNED BY ST. AUGUSTINE RESORTS

A drainage and access easement over the Westerly 275 feet of the following described parcel:

The South 200 feet of the North 400 feet of Lot 5, in Section 3, Township 8 South, Range 30 East, which lies East of a line running parallel with and 50 feet East of the center line of State Road A1A (formally State Road 140) as now located in St. Johns County, Florida, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: The South 200 feet of the North 400 feet of Government Lot 5, Section 3, Township 8 South, Range 30 East, St. Johns County, Florida, being more particularly described as follows: For a point of beginning, commence at a point in the southerly line of the North 400 feet of said Government Lot 5 at its intersection of the easterly right-of-way line of State Road No. A1A, formerly State Road No 140, (a 100 foot right-of-way as now established), said point also being a found iron pipe, thence North $17^{\circ}09'10''$ East along said easterly right-of-way line of State Road No. A1A, a distance of 209.95 feet to a found concrete monument; thence North $89^{\circ}41'58''$ East leaving said easterly right-of-way line of State Road No. A1A, a distance of 923.11 feet to a found concrete monument; thence continue North $89^{\circ}41'58''$ East, a distance of 235.00 feet to the approximate high water line of the Atlantic Ocean; thence south $02^{\circ}20'32''$ East along said approximate high water line, a distance of 200.41 feet; thence South $89^{\circ}41'58''$ West, leaving said approximate high water line, a distance of 213.00 feet to a found concrete monument; thence continue South $89^{\circ}41'58''$ West, a distance of 1015.22 feet to the point of beginning. [This parcel containing 238,972 square feet or 5.486 acres more or less].

Note: This easement covers the Pond Area and also provides for use of the driveway and parking spaces for access to the Pond Area.