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Florida Supreme Court Certified Circuit Civil Mediator

May 16, 2019

Public Service Commission
C/O Mr. Andrew King, Senior Attorney
aking@psc.state.fl.us
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

RE: Docket No: 20190094-EU Petition for variance or waiver of Rule 25-6.049(5) and (6),
FAC, by Calypso Tower III LLC


Dear Mr. King:

In response to your letter dated April 29, 2019, I am responding to the request for information as follows:

1. The prospectus and a complete copy of the Declaration of Condominium will be attached as a separate pdf to this letter.
2. Pursuant to 25-6.049 (8)(b), "Overnight Occupancy" means use of an occupancy unit for a short term such as per day or per week where permanent residency is not established. Pursuant to the Dec. of Condo, Article IX, (D)(1), all (or 100%) of the units are allowed to have a minimum of a 3 night stay. This limitation meets the definition criteria of 25-6.049 (8)(b). As mentioned above, the documentation is attached in a separate pdf.
3. Calypso Tower III will be transient rentals as described above but is not going to be registered as a public lodging facility under F.S. 509.241. The duration of the waiver request remains as stated in the petition, but the public lodging information in the petition regarding this statute should be stricken.
4. The Condominium documents do not authorize a waiver of the 3-night minimum rule.
5. The thirteen commercial units will be used as follows:
 - 1 commercial unit to be a hospitality area.
 - 3 units will be used for as sundress shop and eateries.
 - 9 commercial units will be independent poolside cabanas. These cabanas will be rented to the owners/guests of CTIII exclusively.
6. There is a hospitality area on the first floor. This location will be used by many of the guests to check in and check out. However, owners are not obligated to use this desk to access their individual unit.

7. There is a rental management company that will be the exclusive onsite rental management company for Calypso Tower III. They will be capturing information of the occupant registered for the individual unit, with check in and check out dates. In addition, the individual renter will also have to register with the complex in order to obtain the necessary RFID card for parking in the parking deck, with check in and check out dates.
8. We are working on this information and will update you as soon as can be collected.
9. Calypso Tower III is under construction. In all manner that high efficiency or higher efficiency products could be utilized for construction, these items were selected. As an example, windows and sliding doors were chose for maximum energy efficiency quality. Together with mass metering, which is also more efficient, the combination creates an extra layer of efficiencies in energy usage. Further, we are investigation all options that are available with Gulf Power and will update this filing as this information, if available, is provided.
10. Yes, that document should not have been a part of the application. Please disregard.as it was attached by mistake and I respectfully request it be stricken.

Sincerely,



Richard S. Johnson

RSJ/nm
cc: client

RECEIPT FOR CONDOMINIUM DOCUMENTS

The undersigned acknowledges that the documents checked below have been received or, as to plans and specifications, made available for inspection.

Name of Condominium _____

Address of Condominium _____

Place a check in the column by each document received or, for the plans and specifications, made available for inspection. If a document uses a different name, substitute the correct name or place in parenthesis. If an item does not apply, place "N/A" in the column.

DOCUMENT	RECEIVED BY HARD COPY	RECEIVED BY ALTERNATIVE MEDIA
Prospectus Text		
Declaration of Condominium		
Articles of Incorporation		
Bylaws		
Estimated Operating Budget		
Form of Agreement for Sale or Lease		
Rules & Regulations		
Covenants and Restrictions		
Ground Lease		
Management and Maintenance Contracts for More Than One Year		
Renewable Management Contracts		
Lease of Recreational and Other Facilities to be Used Exclusively by Unit Owners of Subject Condominium(s)		
Lease of Recreational and Other Facilities to be Used by Unit Owners with Other Condominiums		
Declaration of Servitude		
Sales Brochures		
Phase Development Description		
Form of Unit Lease if a Leasehold		
Description of Management for Single Management of Multiple Condominiums		
Conversion Inspection Report		
Conversion Termite Inspection Report		
Plot Plan		
Floor Plan		
Survey of Land and Graphic Description of Improvements		
Frequently Asked Questions & Answers Sheet		
Financial Information		
State or Local Acceptance/Approval of Dock or Marina Facilities		
Evidence of Developer's Ownership, Leasehold or Contractual Interest in the Land Upon Which the Condominium is to be Developed		
Executed Escrow Agreement		
Other Documents (Insert Name of Document)		
Alternative Media Disclosure Statement		
Plans and Specifications		

THE PURCHASE AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF EXECUTION OF THE PURCHASE AGREEMENT BY THE BUYER AND RECEIPT BY THE BUYER OF ALL OF THE DOCUMENTS REQUIRED TO BE DELIVERED TO HIM OR HER BY THE DEVELOPER. THE AGREEMENT IS ALSO VOIDABLE BY THE BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OF MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE BUYER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15 DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE DOCUMENTS REQUIRED. BUYER'S RIGHT TO VOID THE PURCHASE AGREEMENT SHALL TERMINATE AT CLOSING.

Executed this _____ day of _____, 20_____.

Signature of Purchaser or Lessee

Signature of Purchaser or Lessee

ANSWERS TO FREQUENTLY ASKED QUESTIONS

Calypso Towers Resort Condominium Association, Inc.

As of 5-10-2016

Q. What Are My Voting Rights in The Condominium Association?

A. Each Unit in the Condominium is entitled to one (1) vote.

Q. What Restrictions Exist in The Condominium Documents on My Right to Use My Unit?

A: There are restrictions on the sale, lease or transfer of your Unit. There are various restrictions on the use of your unit, and these are summarized in Paragraph 6 of the Prospectus and are set forth in detail in Article IX of the Declaration of Condominium.

Q. What Restrictions Exist in The Condominium Documents on The Leasing of My Unit?

A. Any lease shall cover the entire unit, and be for a minimum of three (3) days. Any tenant, guest or invitee must comply with all Rules and Regulations. See Article IX, Section D(1) of the Declaration.

Q. How Much Are My Assessments to The Condominium Association For My Unit Type And When Are They Due?

A. Assessments are due on a monthly basis. Assessments per unit are as follows:

Q. Do I Have to Be a Member in Any Other Association? If So, What Is The Name of The Association And What Are My Voting Rights in This Association? Also, How Much Are My Assessments?

A. No.

Q. Am I Required to Pay Rent or Land Use Fees For Recreational or Other Commonly Used Facilities? If So, How Much Am I Obligated to Pay Annually?

A. As a member of the Association, you will pay a share of the expenses for operating, maintaining, managing and replacing certain community property. All of these are included in your annual assessment. See the Operating Budget attached as Exhibit "D" to the Prospectus.

Q. Is the Condominium Association or Other Mandatory Membership Association Involved in Any Court Cases in Which it May Face Liability in Excess of \$100,000? If So, Identify Each Such Case.

A. No.

NOTE: THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, EXHIBITS HERETO, THE SALES CONTRACT, AND THE CONDOMINIUM DOCUMENTS.

PROSPECTUS

FOR

CALYPSO TOWERS III,
A CONDOMINIUM

**CALYPSO TOWERS III,
A CONDOMINIUM**

- 1. THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.**
- 2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE BUYER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS AND SALES MATERIALS.**
- 3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS**

**IMPORTANT MATTERS TO BE CONSIDERED IN
ACQUIRING A CONDOMINIUM UNIT**

THIS CONDOMINIUM IS CREATED AND BEING SOLD IN FEE SIMPLE INTERESTS.

See Paragraph 2 of the text of this Prospectus.

UNIT OWNERS ARE REQUIRED TO PAY THEIR SHARE OF THE COSTS AND EXPENSES OF MAINTENANCE, MANAGEMENT, UPKEEP, REPLACEMENT, RENT, AND FEES UNDER THE COMMUNITY PROPERTY AGREEMENT.

See the Community Property Agreement (Exhibit "L" to this Prospectus).

RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION.

See the Community Property Agreement (Exhibit "L" to this Prospectus)

THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.

See Article VII of the Association's By-Laws (Exhibit "C" to this Prospectus).

THE SALE, LEASE OR TRANSFER OF UNITS IS RESTRICTED OR CONTROLLED.

See Article IX of the Declaration of Condominium (Exhibit "A" to this Prospectus).

THIS CONDOMINIUM IS PART OF A MULTICONDOMINIUM DEVELOPMENT IN WHICH OTHER CONDOMINIUMS MAY BE OPERATED BY THE SAME ASSOCIATION.

See Paragraph 7 of this Prospectus, Article XVII of the Declaration of Condominium and the Community Property Agreement (Exhibit "L" of this Prospectus).

THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FROM THE USE, MAINTENANCE, UPKEEP, OR REPAIR OF THE RECREATIONAL OR COMMONLY USED FACILITIES. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.

See Paragraph 3.B.3. of this Prospectus and Paragraph 9 of COVENANTS of the Community Property Agreement (Exhibit "L" of this Prospectus).

THE BUDGET CONTAINED IN THIS OFFERING CIRCULAR HAS BEEN PREPARED IN ACCORDANCE WITH THE CONDOMINIUM ACT AND IS A GOOD FAITH ESTIMATE ONLY AND REPRESENTS AN APPROXIMATION OF FUTURE EXPENSES BASED ON FACTS AND CIRCUMSTANCES EXISTING AT THE TIME OF ITS PREPARATION. ACTUAL COSTS OF SUCH ITEMS MAY EXCEED THE ESTIMATED COSTS. SUCH CHANGES IN COST DO NOT CONSTITUTE MATERIAL ADVERSE CHANGES IN THE OFFERING.

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**PROSPECTUS (OFFERING CIRCLUAR)
FOR
CALYPSO TOWERS III, A CONDOMINIUM**

This Prospectus is submitted by Calypso Tower III, LLC (the "Developer"), in accordance with the disclosure requirements contained in Chapter 718, Florida Statutes (the "Condominium Act").

1. **Description of the Condominium.**

A. The name of the condominium is Calypso Towers III, a Condominium ("Calypso Towers III"). It is located at 15928 Front Beach Road, Panama City Beach, Florida, 32407. The legal description of the land is found in Exhibit "B" to the Declaration (Exhibit "A" to the Prospectus).

B. Calypso Towers III includes one (1) buildings which consists of units as follows:

<u>Unit Type</u>	<u>Number of Units</u>
Unit A (3 bed/3 bath/1,812 sq. ft.)	21
Unit A-1 (3 bed/3 bath/2122 sq. ft.)	21
Unit B (3 bed/2 bath/1,563 sq ft)	82
Unit C (1 bed/1.5 bath/1101 sq. ft.)	42
Unit D (1 bed/2 bath/1,103 sq. ft.)	82
Unit D-1 (1 bed/2 bath/1,235sq. ft.)	2
Retail Unit (4,676 sq. ft.)	1
Reception Desk (120 sq. ft)	1
Snack Bar (1,655 sq. ft)	1
Electrical Closet (65 sq. ft.)	44

Commercial units are entitled to one vote each. Every unit will include an undivided share of the common surplus and common expense based on their respective square footage.

All units are located in a single 22 story tower. The square footage include balconies, if any.

C. The improvements included within Calypso Towers III are more particularly described in Exhibit "E" to the Prospectus.

D. Barring force majeure, the estimated latest date of completion of construction, finishing and equipping of Calypso Towers III is expected to be December 31, 2019.

E. Calypso Resort & Towers is a master-planned development that may be developed in multiple stages consisting of separate condominiums and other forms of development, including retail facilities. Calypso Towers III is the final stage of the Calypso Resort & Towers. Paragraph 8 of this Prospectus describes the Developer's plan in more detail. All the units within the Calypso Resort & Towers may use certain facilities in common. The maximum number of units that may use facilities in common with the condominium, as the project is currently anticipated, is 646 residential units and 49 commercial units.

F. Calypso Towers III is subject to the following easements of record, in addition to the Community Property arrangements described below:

- Drainage Ditch Easement to the State of Florida;
- Easement for a walkway for pedestrian use and travel;
- Easement to Comcast of Panama City, Inc. for cable installation
- Easement to Knology of Panama City, Inc. for cable transmission
- Easements to Gulf Power for electrical service

Copies of the foregoing instruments are attached as Exhibit "N".

2. **Type of Ownership.**

THIS CONDOMINIUM IS CREATED AND BEING SOLD IN FEE SIMPLE INTERESTS.

3. **Commonly-Used Facilities.** Calypso Resort & Towers is proposed to be developed in stages. It includes recreational and other commonly used facilities that are used only by Unit Owners of a particular stage and also includes commonly used facilities that are used by all the owners of all of the stages of Calypso Resort and Towers (the "Community Property"). These two (2) types of commonly used facilities are described in more detail as follows:

A. **Exclusive-Use Facilities.** A description of the recreational and other commonly used facilities that will be used only by Calypso Towers III Unit Owners is attached hereto as Exhibit "I" of the Prospectus. Exhibit "I" includes a description of each room and its intended purposes, location, approximate floor area and the capacity in numbers of people. The Developer does not commit to provide any personal property for the facilities. The Developer anticipates that the facilities will be available no later than December 31, 2019. The approximate location of the recreational and commonly used facilities that will be used only by Calypso Towers III Unit Owners is set forth on Exhibit "D" to the Declaration. Each such room or other facility will be owned by the Unit Owners as a Common Element of Calypso Towers III.

B. **Community Property.**

1. **Description.** A description of the recreational and other commonly used facilities that will be used by both Calypso Towers III Unit Owners and also the owners of units in other stages of the Calypso Resort & Towers is attached hereto as Exhibit "I" and made a part hereof. The Exhibit includes a description of each room and its intended purposes, approximate floor area and capacity in numbers of people. The Developer does not commit to provide any personal property for the facilities. The Developer anticipates that the facilities will be available no later than December 31, 2019. . The Exhibit also includes a description of each swimming pool, and its approximate size and depth, approximate deck size and capacity, and whether it is heated. The Community Property will also include a pedestrian walkover across Highway 98 and a parking garage. Details of these items are included in Exhibit "L". The approximate location of the recreational and commonly used facilities that will be used by all the unit owners within the Calypso Resort and Towers is set forth on Exhibit "E". Each room or other facility that will be used by all of the Unit Owners of Calypso Resort & Towers will be subject to the use rights and privileges granted by the Association for the use and benefit of all of the unit owners of the Calypso Resort & Towers. The maximum number of residential Units that will share the Community Property is 646.

2. **Ownership.** The commonly-used recreational and other facilities identified as Community Property are not "common elements"; rather, they will initially be owned by the Developer subject to the use rights and privileges granted by the Community Property Agreement to the Association in trust for the unit owners of Calypso Resort & Towers. The Community Property will ultimately be conveyed to the Association in trust for the unit owners of Calypso Resort & Towers. For specific terms, conditions, and other information, refer to the Community Property Agreement attached to this Prospectus as Exhibit "L". Upon the expiration of the Community Property Agreement, the Developer is required to convey the Community Property to the Association, and the

Association is required to accept those facilities. During the term of the Community Property Agreement, the Association covenants to pay the Developer, on a monthly basis, the actual cost incurred by the Developer in operating, maintaining, and insuring or improving the Community Property, including any cost as may in the opinion of the Developer be reasonably related thereto, for the purposes for which the Community Property is intended.

3. Costs.

UNIT OWNERS ARE REQUIRED TO PAY THEIR SHARE OF THE COSTS AND EXPENSES OF MAINTENANCE, MANAGEMENT, UPKEEP, REPLACEMENT, RENT, AND FEES UNDER THE COMMUNITY PROPERTY AGREEMENT.

THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FROM THE USE, MAINTENANCE, UPKEEP, OR REPAIR OF THE RECREATIONAL OR COMMONLY USED FACILITIES. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.

The cost paid by the Association to the Developer will be a common expense of the Association and of each of the condominiums operated by it and will ultimately be paid by each unit owner of Calypso Resort & Towers as part of his monthly Association maintenance assessment. Specific types of costs included are set forth in more detail in Paragraph 2 of the Community Property Agreement (attached as Exhibit "L" to this Prospectus). The rights of the Developer with respect to such costs as set forth in Paragraph 9 of the COVENANTS section of the Community Property Agreement. Estimated costs related to Community Property are included within the estimated operating budget of the Association, attached as Exhibit "D".

4. Developer's Right to Increase Recreational Facilities.

RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION.

Pursuant to the Community Property Agreement, the Developer has reserved the right to expand the Community Property provided that such expansion does not result in more than a fifteen percent (15%) increase of an owner's assessment for Community Property above the current budget levels. Further, at any point during the development period for Calypso Resort & Towers, the amount expended by the Developer for improvements to Community Property shall be at least Fifty Dollars (\$50.00) per unit then served by the Community Property.

4. Developer's Marketing Plan. The Developer's marketing plan does not include a program of leasing units rather than selling them, except that the Developer may lease units after their completion and pending their sale; provided, however, no unit will be transferred subject to any lease.

5. Control of the Association.

Control of the Association has already been turned over to the Unit Owners.

6. Restrictions on Sale or Lease of Unit.

THE SALE, LEASE OR TRANSFER OF UNITS IS RESTRICTED OR CONTROLLED.

Restrictions on the sale, lease, and transfer of Units are described in Article IX of the Declaration of Condominium (Exhibit “A” to this Prospectus).

7. **Multi-Condominium.**

THIS CONDOMINIUM IS PART OF A MULTICONDOMINIUM DEVELOPMENT IN WHICH OTHER CONDOMINIUMS ARE OPERATED BY THE SAME ASSOCIATION.

Calypso Towers III will be operated by Calypso Towers Resort Community Association, Inc., a Florida not-for-profit corporation (the “Association”), that will ultimately be composed of all of the unit owners of all the stages of Calypso Resort & Towers. Members of the Association shall consist of all of the record owners of units in such condominiums as may, from time to time, be submitted to the jurisdiction of the Association. The Unit Owners in Calypso Towers III will be included in the membership of the Association. It is currently anticipated that the Association will operate three (3) separate condominiums included within Calypso Resort & Towers. A summary of those condominiums follow:

<u>Stage</u>	<u>Condominium Name</u>	<u>Number of Buildings</u>	<u># Residential Units</u>
1	Calypso Towers I	3	198
2	Calypso Towers II	1	198
3	Calypso Towers III	1	250

The phases described above will not change. Calypso Towers I and Calypso Towers II are each located on approximately 0.333 acres of land, and Calypso Towers III will be located on approximately 0.982 acres of land.

In addition, the Association will operate those parts of Calypso Resort & Towers which are not included within the real property submitted to the Declaration of Condominium for the various condominiums that are part of Calypso Resort & Towers and which are generally referred to as “Community Property” herein, and which are subject to the Community Property Agreement. All Unit Owners will have the right to use recreational or other facilities located or planned to be located within the Community Property.

Each Unit Owner of each condominium will own an undivided share in the property, common elements, and common surplus of its condominium, and will be liable for an equal share of the common expenses of that condominium. In addition, the Association will assess each Unit Owner a share of the expenses associated with the Community Property based on the proportion that each Unit’s square footage is to the total square footage of all Units.

Calypso Towers I and Calypso Towers II are already constructed on the south side of Highway 98, as depicted on the graphical depictions attached hereto. Calypso Towers III is planned for the north side of Highway 98, across from Calypso Towers II. A master plan showing a general description of the location and acreage of the subsequent stages is included in the Community Property Agreement, Exhibit “L” to this Prospectus.

9. **Restrictions on Use of Condominium Units.** The restrictions on the use of units are set forth in Article IX of the Declaration of Condominium, and in the Association rules and regulations, attached as Exhibit “H” hereto. There are no restrictions on children, except for some special pool rules which apply to children, attached as Exhibit “H” hereto. There are no restrictions on pets other than those set forth in Article IX of the Declaration of Condominium and Rule Number 6.

10. **Utility Service.** Utilities and other services and supplied to Calypso Towers III by the following entities or in the following manner:

- A. Sanitary Sewage- City of Panama City Beach
- B. Refuse Collection- Waster Pro, Inc., or a comparable provider
- C. Water Supply- City of Panama City Beach
- D. Storm Drainage- City of Panama City Beach
- E. Electricity- Gulf Power will provide electricity to the condominium building.
The electricity will be distributed to the individual condominium units through a system which will be maintained by the developer or its successor.
- F. The Developer has entered into a 10-year bulk purchasing agreement with AT&T for telephone, television, and internet service. AT&T will install its "U-Verse 200" product which will consist of a fiber-optic cable network installed in every residential unit throughout the Calypso Tower III building. The Developer, or another service provider, will resell the service to the Association, which will be a pass-through expense to each individual unit owner in the Calypso Tower III building at a price point that will be less expensive than standard retail pricing. With the "U-Verse 200" product, each residential unit will get high quality HD television programming with approximately 360 channels (including local channels), sports channels, HD-ready DVRs, internet service, and telephone service. The unit owners will have the ability to add premium movie channels directly from AT&T on a cost per channel basis.

Each Unit Owner will be responsible for setting up its own electricity and telephone service, and for paying all utility connection fees. Water, sanitary sewer, cable service, and refuse collection are included in the assessment.

11. **Apportionment of Common Expenses and Ownership.** The common expenses and the percentage of ownership of the common elements has been apportioned among the units of Calypso Towers III on the basis that the approximate square footage of each unit bears to the approximate square footage of all the units. In Calypso Towers III.

The common expenses of the Community Property will be apportioned among the various condominiums of Calypso Resort & Towers on the basis of the relative square footage of all the units.

12. **Estimated Closing Cost and Title Insurance.** A schedule of the estimated closing costs to be paid by a purchaser is attached hereto as "Exhibit J". An owner's policy of title insurance will be available on or after the closing at Developer's expense. Purchasers shall pay at closing to the Association a sum equal to one (1) monthly maintenance assessment as a capital contribution to the Association. Additionally, a Purchaser will pay the prorated portion of the monthly maintenance payment for the month in which the sale closes from the date of closing to the end of the calendar month.

13. **Identify of Developer.**

Even though Calypso Tower III, LLC has no prior experience in condominium development, one of the strengths of the Calypso Resort and Towers development, located in Panama City Beach, Florida, is the experience of the development team.

William H. Smith - Founded Pelican Real Estate and Development Company and is a strategic principal for Calypso Tower III and as such will co-lead the development team for this Project. In 1995, Smith founded Pelican Real Estate & Development Company with one office in Seagrove Beach and six agents. . In 2017, Pelican Real Estate and Development Company merged with Century 21 Blue Marlin to create Mr. Smith's current firm of Century 21 Blue Marlin Pelican with office located throughout northwest Florida. Dubbed the "Billion Dollar Baby" after sales topped \$1,000,000,000 in 2005, Pelican Real Estate and Development is now considered to be the largest independent real estate firm in all of Northwest Florida. Key developments include:

- Majestic Sun: Took over sales and development of this 288-unit luxurious Gulf front condominium at the construction phase. A Pelican sales office was established onsite that upon the project's completion in 2006 closed over \$60,000,000 in sales volume

- Calypso Resort & Towers I & II: Pelican established an onsite sales office at this 396-unit luxury condominium on Panama City Beach. Ninety percent of the units were under reservation within 90 days of release with Pelican agents closing in excess of \$116,000,000 in sales volume upon the project's completion in 2006.
- Magnolia Cottages By the Sea: Released in July, 2004, this community consisting of 63 coastal-style cottages slated for the highly desirable 30-A area experienced \$23,000,000 in sales volume. Each of the homes feature private courtyards and are separated from one another by thick, wooded vegetation.
- Creek Park: Phase II of Magnolia Cottages: 38 single family lots.
- Forest Lakes: Located mere blocks from the sugar-white sands of the Gulf of Mexico's Emerald Coast, Forest Lakes is a family beach community accessible from a scenic highway that traces Florida's natural coastline. This community consists of 150 single family homesites with a sales volume over \$25,000,000.
- Pointe of View: A 172-unit apartment-condo conversion in Destin released October 15, 2003. In a mere 14 days 172 units were under reservation and a sales volume nearing \$18,000,000 was closed within 90 days. An established company clientele accounted for a fully sold-out project with back-up purchasers waiting in the wings.

Thomas D. Johnson, Jr, Mimosa Co-Founder and Managing Member - Thomas holds a MBA from The University of Alabama and a B.S.B.A. degree from Auburn University at Montgomery. Since August 2013, the majority of Thomas's time has been dedicated as the managing member of Mimosa Capital LLC and its affiliated businesses (the Mimosa Companies). Prior to founding the Mimosa Companies, Thomas joined Triton Management Group in February 2010 and assumed the role of Chief Financial Officer serving in that capacity until December 2013.

Prior to affiliating with Triton, Thomas was an officer at Movie Gallery/Hollywood Entertainment, a \$2.5 billion publicly traded-company, serving as its SVP of Finance and then was promoted to EVP and Chief Financial Officer. Prior to joining Movie Gallery, he had over 20 years of experience as a finance executive at Russell Corporation, Wolverine Tube, Blount International, KinderCare Learning Centers, and the Alabama Securities Commission. In addition, Thomas served as the Vice Chairman of the Board of Directors for Childcare Network, Inc., a portfolio company of Glencoe Capital Partners, from November of 2008 through May of 2014. Since 2008, Thomas has served as the Governor's appointee to the Private Colleges and Universities Facilities Authority for the State of Alabama and currently serves as the Chairman of the Authority for the Governor.

Marc E. Evans, Mimosa Capital Principal - After graduating with a B.S.B.A. degree from Auburn University, Marc joined Triton in a full-time capacity in December 2010. As Junior Product Manager, Marc assisted the executive management team with new product development and implementation. In January 2012, he became Vice President of Finance where he developed and managed Triton's commercial lending portfolio. In June 2013, Marc formed Domus Properties, LLC for the purpose of acquiring, refurbishing, and reselling REO, short sale, wholesale, and foreclosure properties. Today, Marc's time is dedicated as a principal of Mimosa Capital LLC and its affiliated business (the Mimosa Companies).

Recent real estate development projects of the Mimosa Capital include:

- WatersEdge of Niceville, Florida: In December of 2015, the Company formed a special purpose entity to acquire and develop 15± acres of waterfront property in Niceville with deep water access on Rocky Bayou. The primary homebuilder for this project is Randy Wise Homes and the development consists of 30 executive lots with price points ranging: between \$124,000 and \$475,000 depending on the lot's size and waterfront view. With approximately 60% of the lots under contract or sold, the Company believes this project will be concluded by June 2018.

- Sea View Trace LLC: In October of 2014, the Company formed special purpose entity for the specific purpose of acquiring a platted subdivision comprised of 8 executive lots in Inlet Beach located in South Walton County Florida. The subdivision was sold in its entirety in March of 2015 to a private executive home builder concluding the activities of this business unit.
- Grande Pointe at Inlet Beach, Florida: In April of 2014, Inlet Beach Holdings ("IBH"), a wholly-owned subsidiary of the Company, closed on the acquisition of the Inlet Beach

Exhibit “A”
Declaration of Condominium

DECLARATION OF CONDOMINIUM
OF
CALYPSO TOWERS III, A CONDOMINIUM

Developer hereby submits the Property, as hereinafter defined, and the improvements constructed and to be constructed thereon, to condominium ownership in the manner provided by the Act, and makes the following declarations:

DEFINITIONS

The following terms shall have the following meanings when capitalized and used in this Declaration. Capitalized words not defined herein shall have the meaning ascribed to them in the Act.

“Act” - Chapter 718, Florida Statutes, as it existed on the date of recording of this Declaration. This Condominium shall be governed by the Act as it existed on the date of recording of this Declaration.

“Articles of Incorporation” - The Articles of Incorporation of the Association.

“Assessments” - A pro-rata share of the funds which are required for the payment of Common Expenses, including expenses arising from the Community Property Agreement, which from time to time are assessed against the Unit Owners.

“Association” - Calypso Towers Resort Community Association, Inc., a Florida not for profit corporation, and the entity responsible for the operation of Common Elements and the Community Property

“By-Laws” - The By-Laws of the Association.

“Calypso Resort and Towers” - The overall project of the Developer, which Developer currently projects will include five buildings, and which is subject to change without notice.

“Commercial Units” – Units not designed for primarily for permanent or transient residential use.

“Common Elements” - That portion of the Property not included in the Units.

“Common Expenses” - All expenses properly incurred by the Association in the performance of its duties, and shall include expenses of administration, expenses of insurance, expenses of maintenance, operation, repair, replacement, reserves, and betterment of the Common Elements and the portions of the Unit to be maintained by the Association, and expenses declared to be common by the provisions of this Declaration, the By-Laws, the Community Property Agreement, or otherwise.

“Common Surplus” - The excess of all receipts by the Association on account of the Condominium over the Common Expenses.

“Community Property” - Property subject to the Community Property Agreement, attached hereto as **Exhibit “A”**.

Community Property Agreement - That certain agreement attached hereto as **Exhibit “A”**, as it may be amended from time to time.

“Condominium” - The Condominium herein created, known as “Calypso Towers III, a Condominium”.

“Declaration” - This Declaration of Condominium.

“Developer” - Calypso Tower III, LLC, a Florida limited liability company.

“Directors” - Members of the Board of Directors of the Association, acting as the Board of Directors consistent with any provisions of the By-Laws or the Articles.

“Property” - The real property hereby submitted to condominium ownership as more particularly described on **Exhibit “B”** hereto, and all improvements thereon and appurtenances thereto, and easements and other rights related thereto.

“Unit” - That portion of the Property subject to exclusive ownership and designated by the Declaration and the exhibits hereto as a Unit.

“Unit Owner” - The record owner of a Unit.

ARTICLE I

NAME

The Condominium shall be known as “Calypso Towers III, a Condominium”

ARTICLE II

PROPERTY

The Property legally described on **Exhibit “B”** hereto is hereby submitted to condominium ownership.

ARTICLE III

DEVELOPMENT PLAN

The Condominium is described and established as follows:

- A. Survey. The survey of the Property showing the improvements on it is attached as **Exhibit “C”**.
- B. Improvements. Improvements upon the Property are constructed substantially in accordance with the graphic description of the improvements attached hereto as composite **Exhibit “D”**. Exhibit “D” identifies each Unit by unique number.
- C. Easements. The Developer hereby creates and reserves the following certain easements, each of which is a covenant running with the Property and the Condominium, and notwithstanding any of the other provisions of this Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended use and purpose, and shall survive the termination of the Condominium and the exclusion of any lands from the Condominium:
 1. Utility Easements. Easements are reserved through the Property as may be required for utility service or ingress and egress to serve the Condominium adequately and the Developer or Association may grant permits, licenses and easements over, under or upon the Common Elements for utilities, ingress and egress or other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium. Provided, however, such easements to a Unit shall be only according to the plans and specifications for the Property, or as the Property is constructed, unless approved in writing by the Unit Owner, or the Developer during construction.
 2. Cross Easements. Reciprocal easements are hereby created in favor of all

Unit Owners in any condominium associated with the Calypso Resort and Towers which may from time to time be submitted to the governance of the Association, for pedestrian and vehicular ingress and egress, for use of recreational facilities, such as beach access, swimming pools, and for ingress and egress to provide power, electric, telephone, cable, gas, sewer, water and other utility services and lighting facilities, irrigation, television transmission facilities, security service and facilities in connection therewith and other similar purposes; or any one or all of the foregoing. Developer, for itself, its nominee, its assigns and the Association, reserves an easement upon the Common Elements henceforth for any of the foregoing purposes.

3. Easements for Encroachments. The Common Elements of the Condominium may be joined or connected with or may encroach or be encroached upon by the Community Property or Units or portions thereof. In the event of the foregoing, the same is deemed authorized and an easement appurtenant to the extent of any such encroachment and such easement shall exist so long as such encroachment shall exist. Further, all the Property shall be subject to easements for encroachments which now exist or hereafter exist, caused by settlement or movement of a building, or caused by minor inaccuracies in building or rebuilding, which encroachments shall be permitted to remain undisturbed and such shall continue until such encroachments no longer exist. Reconstruction following casualty damage may continue any previously existing encroachment.
4. Ingress and Egress Easement. Each Unit Owner of the Condominium shall have a nonexclusive easement for ingress and egress between said Unit and the private roads and streets serving the Condominium, over the halls, corridors, stairs, walks, driveways, parking areas, covered walkways, exterior access and all other portions of the Common Elements of the Condominium and the Community Property. With respect to Commercial Unit Owners, this right shall extend to all employees, licensees, invitees, tenants, vendors, customers, and all other persons whom the Commercial Unit Owner deems appropriate for the operation of the Commercial Unit.
5. Access to Make Repairs. The Association has an irrevocable right of access to each Unit during reasonable hours, when necessary for maintenance, repair or replacement of any Common Elements or Community Property as necessary to prevent damage to the Common Elements, Community Property or to another Unit. The Association shall have those rights described in Section 718.111(5), F.S. (2016).
6. Structural Support. Every portion of a Unit contributing to the structural support of the Condominium or an adjacent Unit or Community Property shall be burdened with an easement of support for the benefit of all other Units and Common Elements in the Condominium.
7. Perpetual Nonexclusive Easement in Common Elements. The Common Elements shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive easement in favor of all the Unit Owners in the Condominium for their use and the use of their immediate families, guests and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended.
8. Right of Entry into Units in Emergencies. In case of an emergency originating in or threatening any Unit, regardless of whether or not the Unit Owner is present at the time of such emergency, the Association shall have the right to enter such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate and to facilitate entry in the event of any such emergency, each Unit

Owner, if required by the Association, shall deposit under the control of the Association, a key to such Unit. For the purpose of this provision, the term "emergency" shall mean damage to the Common Elements or to a Unit or Units.

9. **Right of Entry for Maintenance of Common Elements.** The Association has the irrevocable right to access each Unit during reasonable hours, when necessary for the maintenance, repair or replacement of any Common Elements or of any portion of a Unit to be maintained by the Association pursuant to the Declaration or as necessary to prevent damage to the Common Elements or to a Unit or Units, and shall have a key for each Unit for that purpose.
10. **Air Space.** An exclusive easement shall exist for the use of the air space occupied by a Unit as it exists at any particular time.
11. **Easements or Encroachments.** Easements for encroachments by the perimeter walls, ceilings and floor surrounding each Unit shall exist.
12. **Easement for Overhangs.** Easement for overhanging troughs or gutters, downspouts, chases, and the discharge therefrom of rainwater and the subsequent flow thereof over Units or any of them, and through chases located therein, shall exist. The area immediately under the overhang of the balconies on the first floor shall be available for the exclusive use of the Commercial Unit Owners adjacent to such area, and the Commercial Unit Owners may place tables, chairs, displays, and other furniture and fixtures in such space.
13. **Party Wall Easement.** In addition to easements provided by the general rule of law regarding party walls there shall be reciprocal appurtenant easements for the maintenance, repair and replacement of any party wall or walls, said easements to extend for a reasonable distance from any point in the common boundary between each Unit for the purpose of completing said maintenance, repair or replacement.
14. **Easement for Emergency Access.** There is hereby created an easement over and across the surface of the Property for access and passage by emergency and public safety, and public utility personnel and vehicles, including, without limitation, police, ambulance, paramedic, firefighting and refuse collection personnel and vehicles on official business. The easement hereby granted shall run to the benefit of the Association and the Unit Owners.
15. **Telephone, Cable, Electricity and Telecommunications Systems.** The Developer reserves unto itself, the exclusive power and authority, but not the obligation, to contract for, construct or install over, through, under, across, and upon any portion of the Property for the use of the Unit Owners and the Developer, its successors and assigns, one or more electrical distribution, telephone, cable, and/or telecommunications receiving and distribution systems, electronic surveillance systems, emergency, medical, or surveillance monitoring or alarm systems, and all associated equipment, lines, antennae, or satellites (hereinafter the "Equipment Systems"), together with the perpetual exclusive right and privilege of (i) unlimited ingress and egress to and upon, and use of, the Property, including Units, for installing, constructing, inspecting, repairing, maintaining, altering, moving, improving, and replacing the Equipment Systems, and (ii) distribution of signals and transmissions of whatever type. The Equipment Systems shall be owned and exclusively controlled by the Developer, its successors and assigns. The Developer, its successors and assigns, shall have a perpetual exclusive easement right and privilege to use portions of the Property for the Equipment Systems as

well as for the services to be provided thereby, in its sole discretion, so long as such use does not unreasonably interfere with the intended use of the Property by the Unit Owners. Services provided through these systems will be available for purchase by the Association or individual unit owners.

16. Easement for Other Sites. The Property is also subject to an easement to the Developer, and its successors and assigns, for the purpose of providing ingress and egress for roadways and utilities, including without limitation to, water, sanitary sewer, electric, gas, cable television, internet and telephone services to parcels of land adjacent to the Condominium and/or Community Property (the "Sites") that are not subject to the Declaration of Condominium.

The easements and other rights created herein for a Unit Owner shall be appurtenant to the Unit of that Unit Owner and all conveyances of title to the Unit shall include a conveyance of the easements and rights as are herein provided, even though no specific reference to such easements and rights appears in any such instrument.

- D. Unit Boundaries. Each Unit shall include that part of the building containing the Unit that lies within the boundaries of the Unit, which boundaries are as follows:

- (1) Upper and Lower Boundaries. The upper and lower boundaries of the Unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

- (a) Upper Boundary. The horizontal plane of the undecorated finished ceiling.

- (b) Lower Boundary. The horizontal plane of the undecorated finished floor.

- (2) Perimetrical Boundaries. The perimetrical boundaries of the Unit shall be the vertical planes of the undecorated finished interior surfaces of the walls bounding the Unit extended to intersections with each other and with the upper and lower boundaries. When there is attached to the building a balcony, deck, patio, canopy, stairway or other portion of the building serving only the Unit being bounded, the perimetrical boundaries shall be extended to include the intersecting vertical plan adjacent to and which include all of such structures and fixtures thereon. In cases where there is no wall separating units, the exhibits to this Declaration shall establish the location and dimension of the Units.

- E. Common Elements. The Common Elements are the portions of the Property not within a Unit.

ARTICLE IV

OWNERSHIP, SURPLUS AND EXPENSE

Each Unit Owner shall own an undivided share in the Property, the Common Elements, and the Common Surplus, and shall be liable for a share of the Common Expenses. The share for each Unit is as set forth on **Exhibit "E"**, attached hereto.

This is the third phase of a multicondominium, multiple condominiums operated by the Association, which shall be a portion of the Calypso Resort and Towers. Unit Owners at each condominium shall own an undivided share in the Property, Common Elements, and the Common Surplus for that condominium, and shall be liable for an equal share of the Common Expenses for such condominium. The Association owns certain facilities, known as "Community Property" which will be used by the Unit Owners of all the condominiums within

the multicondominium. The Association will assess each Unit Owner an equal share for the common expenses associated with the Community Property (i.e., each Unit Owner will be allocated that portion of the common expenses and common surplus associated with the Community Property equal to a fraction, the numerator of which is the square footage of the Unit and the denominator of which is the total square footage of all Units in all condominiums operated by the Association). Such Assessment shall be deemed a Common Expense for all purposes. During the time the Developer owns the Community Property, such Assessment shall be paid out to the Developer for the payment of all costs of operating, maintaining, insuring and improving the Community Property, including any costs as may in the opinion of the Developer be reasonably related thereto, for the purposes for which the Community Property is intended.

ARTICLE V

THE ASSOCIATION

- A. The Association is named "Calypso Towers Resort Community Association, Inc."
- B. Each Unit Owner shall be a member of the Association. Each Unit shall be entitled to one (1) vote, which vote shall be cast by the Unit Owner in the manner prescribed by the By-Laws of the Association. A copy of the Articles of Incorporation for the Association and the By-laws of the Association are attached hereto as **Exhibits "F" and "G"** respectively.
- C. **Limitation Upon Liability of Association.** Notwithstanding the duty of the Association to maintain and repair parts of the Property, the Association shall not be liable to Unit Owners for injury or damage, other than the cost of maintenance and repair, caused by any latent conditions of the property to be maintained and repaired by the Association, or caused by the elements or other Unit Owners or persons. The shares of Unit Owners in the funds, assets and property rights of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.
- D. **Approval or Disapproval of Matters.** Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by written agreement as well as by duly recorded vote and shall, in either event, be expressed by the same person who would cast the vote of the Unit Owner as if in an Association meeting, unless the joinder of record Unit Owners is specifically required by the Declaration.
- E. **Directors.** Directors must be Unit Owners in the Association, except that the Developer may appoint or select non-Unit Owners during the period in which the Developer may appoint Directors.

Section 718.301(1)(a)-(e), Florida Statutes, provides as follows:

"(1) When unit owners other than the developer own 15 percent or more of the units in a condominium that will be operated ultimately by an association, the unit owners other than the developer shall be entitled to elect no less than one-third of the members of the board of administration of the association. Unit owners other than the developer are entitled to elect not less than a majority of the members of the board of administration of an association:

"(a) Three years after 50 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;

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

"(c) When all the units that will be operated ultimately by the association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the developer in the

ordinary course of business;

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

“(e) Seven years after recordation of the declaration of condominium; or, in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to Section 718.403, 7 years after recordation of the declaration creating the initial phase, whichever occurs first. The developer is entitled to elect at least one member of the board of administration of an association as long as the developer holds for sale in the ordinary course of business at least 5 percent, in condominiums with fewer than 500 units, and 2 percent, in condominiums with more than 500 units, of the units in a condominium operated by the association. Following the time the developer relinquishes control of the association, the developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the association or selecting the majority members of the board of administration.”

Except for those matters for which the Condominium Act requires Unit Owner approval, and for those voting rights which the Condominium Act grants to Unit Owners other than the Developer, until required by the Condominium Act including Section 718.301 thereof, or until the Developer or any subsequent developer elects to terminate their control of the Association and the condominiums operated by it, whichever occurs first, the proceedings of all meetings of Unit Owners of the Association shall have no effect unless approved by the Board of Directors. During the time the majority of the directors serving on the Board of Directors are appointees of the Developer, the Developer reserves the right to chair or designate a representative to chair meeting(s) of Unit Owners.

- F. Acquisition, Conveyance of Property. The Association shall be obligated to accept any property designated by the Developer as “Community Property” pursuant to the Community Property Agreement. Subject to the provisions of the Community Property Agreement, the Association may acquire, convey, lease, or manage Association property or make material alterations, modifications or substantial additions to the Common Elements, or to real property owned by the Association by approval of the Directors of the Association at a meeting noticed for that purpose.
- G. In the event any government agency, whether local, state, or federal, determines that the Condominium is a “resort condominium” pursuant to Chapter 509, Florida Statutes, or requires the Developer or the Association to obtain a license as a “resort condominium” for the Condominium, or in the event the Association decides to obtain license to be a “resort condominium”, the Association, at its sole cost and expense, shall apply for and obtain appropriate licensing, and shall take all necessary steps to be in full compliance with the statutes, rules, and other requirements governing such licensing. Unit Owners shall reasonably cooperate with the Association to obtain and maintain such licensing. Unit Owners may live in the residential Units on a full time basis.

ARTICLE VI

ASSESSMENTS

The making and collection of Assessments against Unit Owners for Common Expenses, including Common Expenses incurred pursuant to the Community Property Agreement, shall be pursuant to the By-Laws and subject to the following provisions:

- A. In General. As more particularly provided in the By-Laws, each Unit Owner shall be liable for, and shall be assessed for, a proportionate share of the Common Expenses, such share being as described on **Exhibit "E"**. The Developer hereby specifically incorporates by this reference the provisions of Sections 718.116(1)(a) (liability for Assessments) and 718.116(2) (no waiver), Florida Statutes.
- B. Late Charges. Assessments and installments on such Assessments paid on or before ten (10) days after the date when due shall not bear interest. All sums not paid on or before ten (10) days after the date when due shall bear interest at the maximum legal rate from the date when due until paid. The Association may charge an administrative late fee in addition to such interest, in an amount not to exceed the greater of \$25.00 or five percent (5%) of each installment of the Assessment for each delinquent installment that the payment is late. Any payment received by the Association shall be applied first to any interest accrued by the Association, then to any costs and reasonable attorneys fees incurred in collection, and then to the delinquent Assessment.
- C. Liability of Developer. If the Developer is offering Units for sale, it shall be excused from payment of Assessments against those unsold Units for a period no later than the first day of the fourth calendar month following the month in which the first closing occurs of a purchase contract for a Unit. However, the Developer must pay Common Expenses incurred during such period which exceed regular periodic Assessments against other Unit Owners. So long as the Association has maintained all insurance coverage required by Section 718.111(11)(a), Florida Statutes, Common Expenses incurred during the above period resulting from a natural disaster or an act of God occurring during such period, which are not covered by proceeds from insurance maintained by the Association, may be assessed against all Unit Owners owning Units on the date of such natural disaster or act of God, and their respective successors and assigns, including the Developer with respect to Units owned by the Developer. In the event of such an Assessment, all Units shall be assessed in accordance with the provisions of Article VI(A).

Only regular periodic Assessments for Common Expenses as provided for herein and in the Prospectus and disclosed in Exhibit "D" of the Prospectus shall be used for payment of Common Expenses during any period in which the Developer is excused. No other funds which are receivable from Unit Owners and payable to the Association, including the capital contribution made pursuant to Article VI(D), may be used for payment of such Common Expenses.

- D. Operating Capital. Each purchaser of a Unit from the Developer will pay to the Association at closing a sum equal to one month's maintenance fee on his Unit as a contribution towards operating capital of the Association.
- E. Lien for Assessments. The Association has a lien on each Unit to secure the payment of Assessments, late charges and interest thereon, and the reasonable cost of collection. The lien is effective from and shall relate back to the recording of this Declaration. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien in the Public Records of Bay County, Florida in accordance with law. The Association shall have a lien on each Unit for any unpaid Assessments together with interest thereon, against such Unit Owner. Reasonable attorney's fees incurred by the Association incident to the collection of such Assessment or the enforcement of such lien, shall be payable by the Unit Owner and secured by such lien. The Association's liens shall also include those sums advanced on behalf of each Unit Owner in payment of his obligation for Common Expenses incurred pursuant to the Community Property Agreement or other use charges and operation costs designated by this Declaration as Common Expenses.

- F. **Collection and Foreclosure.** The Association may take such action as it deems necessary to collect Assessments of the Association by personal action or by enforcing and foreclosing the Association's lien, and may settle and compromise same, if in the best interest of the Association. The Association's lien shall be effective as and in the manner provided for by the Condominium Act, and shall have the priorities established by the Condominium Act. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an Assessment lien, and to apply as a cash credit against its bid, all sums due the Association covered by the lien enforced. In case of such foreclosure, the court may require the Unit Owner to pay a reasonable rental for the Unit. If the Unit is leased during the pendency of the foreclosure action, the association is entitled to the appointment of a receiver to collect the rent. The expenses of the receiver shall be paid by the party which does not prevail in the foreclosure action.
- G. **Liability of Mortgagee.** A first mortgagee acquiring title to a Unit as a result of foreclosure, or a deed in lieu of foreclosure, may not, during the period of its ownership of such parcel, whether or not such Unit is unoccupied, be excused from the payment of all or some of the Common Expenses coming due during the period of such ownership. However, the liability of a first mortgagee or its successor or assignees who acquire title to a Unit by foreclosure or by deed in lieu of foreclosure for the unpaid Assessments that became due prior to the mortgagee's acquisition of title is limited to the lessor of:
- (1) The Unit's unpaid Common Expenses and regular periodic Assessments which accrued or came due during the twelve (12) months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or
 - (2) One percent of the original mortgage debt.

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

- H. **Special Assessments.** The Association shall have the right to levy and collect Special Assessments, as more particularly described in the By-Laws. The Special Assessments shall be liens on the Unit.

ARTICLE VII

INSURANCE

The insurance requirements of the Association and the Unit Owners shall be as follows, with the insurance other than title insurance that shall be carried on the Property and the Community Property and the property of the Unit Owners shall be governed by the following provisions:

- A. **Authority to Purchase.** The Association shall maintain at all times such insurance policies as are required by law. Provisions shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of Unit Owners. Such policies shall provide that payment by the insurer for losses shall be made to the Association, or if required by the holder of a first mortgage on one of the Units, an insurance trustee designated by the Association, and all policies and their endorsements shall be deposited with the Association in an interest-bearing account or, if applicable, the insurance trustee. Unit Owners shall obtain coverage at their own expense upon their personal property and for their personal liability and living expense.
- B. **Coverage.**

- (1) Casualty. The Association shall maintain such casualty insurance as is required by law.
 - (2) Liability. Public liability in such amounts and with such coverage as shall be required by the Directors of the Association.
 - (3) Workmen's Compensation. Workmen's compensation policy, if required to meet the requirements of law.
 - (4) Association Insurance. The Association shall purchase fidelity insurance or bond, and may purchase such other insurance as the Directors of the Association, in their sole discretion, may determine from time to time to be in the best interest of the Association and the Unit Owners, including directors' liability insurance. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the Association. The Association shall bear the cost of bonding.
 - (5) Other. Such other insurance as the Directors of the Association shall determine from time to time to be desirable.
- C. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense of this Condominium.
- D. Insurance Trustees; Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees as their interest may appear, and shall provide that all proceeds covering property losses shall be paid to the Association or to such bank located in the State of Florida with trust powers as may be designated as insurance trustee by the Directors of the Association, which trustee is referred to in this instrument as the "insurance trustee." The insurance trustee shall not be liable for payment of premiums, nor the renewal of the sufficiency of policies, nor for the failure to collect any insurance proceeds. The duty of the insurance trustee, or the Association if no insurance trustee is designated, shall be to receive such proceeds as are paid and to hold the proceeds in trust for the purpose elsewhere stated in this instrument and for the benefit of the Unit Owners and their mortgagees in the following shares but which shares need not be set forth on the records of the insurance trustee:
- (1) Unit Owners. An undivided share for such Unit Owner; such share being the same as the undivided share in the Common Elements appurtenant to his Unit.
 - (2) Mortgages. In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interest may appear; provided, however, except as otherwise provided, no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the unit owner and mortgagee pursuant to the provisions of this Declaration.
- E. Distribution of Proceeds. Proceeds of insurance policies received by the Association or the insurance trustee shall be distributed to or for the beneficial

owners in the manner herein provided for in “Reconstruction or Repair After Casualty.”

- F. Association as Agent. The Association is irrevocably appointed agent for each Unit Owner and for each owner of a mortgage or other lien upon a Unit and for each owner of any other interest in the Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claim.

ARTICLE VIII

RECONSTRUCTION OR REPAIR AFTER CASUALTY/CONDEMNATION

- A. Determination to Reconstruct or Repair. If any part of the Property or Community Property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:
- (1) Common Element. If the damaged improvement is a Common Element or Community Property, other than a building housing Units (the “Unit Building”), the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the Condominium shall be terminated.
 - (2) Unit Building.
 - (a) Lesser Damage. If the damaged improvement is a Unit Building and if at least one-third of the Units in the Unit Building are found by the Directors to be tenantable, the damaged property shall be reconstructed or repaired by the Association with all due diligence, unless within sixty (60) days after the casualty it is determined by agreement in the manner elsewhere provided that the Condominium shall be terminated.
 - (b) Major Damage. If the damaged improvement is a Unit Building and if less than one-third of the Units in the Unit Building are found by the Directors to be tenantable, then the damaged property will be reconstructed or repaired by the Association with all due diligence, unless within sixty (60) days after the casualty the Unit Owners of three-fourths (3/4) of the Units and the mortgagee holding the greatest number of recorded mortgages on all Units consents in writing to terminate the Condominium, notwithstanding the provisions of Article XVIII.
 - (3) Certificate. The insurance trustee may rely upon a certificate of the Association made by its president and secretary to determine whether or not the damaged property is to be reconstructed or repaired.
- B. Plans and Specifications. Subject to any code, statute or regulation, any reconstruction or repair must be substantially in accordance with the plans and specifications on file with the architect; or if not, then according to plans and specifications approved by the Directors, and if the damaged property is the Unit Building, by the Unit Owners, which approval shall not be unreasonably withheld.
- C. Responsibility. Responsibility for the cost of repair and replacement of any portion of the Condominium Property shall be determined by law.
- D. Estimates of Costs. Immediately after a determination is made to rebuild or repair damage to property for which the Association has the responsibility for reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

- E. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair by the Association, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, Assessment shall be made against all Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such Assessments shall be in proportion to the Unit Owner's share in the Common Elements.
- F. Construction Funds. The funds for payment of the costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Association or the insurance trustee and funds collected by the Association from Assessments against Unit Owners shall be disbursed in payment of the costs in the following manner:
- (1) Association. If the total construction funds held by the Association in order to provide funds for payment of costs of reconstruction and repair that is in the responsibility of the Association is more than Ten Thousand Dollars (\$10,000.00), then the sums paid upon such Assessments shall be deposited by the Association into an FDIC-insured, interest-bearing account with the insurance trustee if one has been designated. In all other cases, the Association shall hold the sums paid upon such Assessments and disburse them in payment of the costs of reconstruction and repair.
 - (2) Construction Fund. The proceeds of insurance collected on account of a casualty, and the proceeds from collections of Assessments against Unit Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:
 - (a) Association Lesser Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is less than Ten Thousand Dollars (\$10,000.00), then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request of a mortgagee that is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such funds shall be disbursed in the manner provided for the reconstruction and repair of major damage.
 - (b) Association Major Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is more than Ten Thousand Dollars (\$10,000.00), then the construction fund shall be disbursed in payment of such costs in the manner required by the Directors of the Association upon approval by an architect qualified to practice in Florida and employed by the Association to supervise the work.
 - (c) Unit Owner. Notwithstanding whether the construction fund remains in the possession of an insurance trustee or the Association Directors no Unit Owner shall be entitled to possession of said funds, or any part thereof, for the purpose of effecting his or her own Unit repairs so long as the insurance trustee or Association Directors undertakes to effect said repairs and replace the damaged Property, including common Elements and Units, with property of like kind and quality to that which existed prior to the casualty for which said proceeds were received. Neither the Association nor the insurance trustee shall be under any obligation to expend any part of the construction funds received for casualty claims arising under insurance policies purchased by the Association as

designated in any adjustment report for said claim or casualty, so long as the Association undertakes to effect repairs to provide the Unit Owners with Property, including Common Elements and Units, of like kind and quality to that which existed prior to the casualty, for which said proceeds were received.

- (d) **Surplus.** It shall be presumed that the first monies disbursed in payment of costs for reconstruction and repair shall be from insurance proceeds. If there is a balance in construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated; except, however, that any mortgagee shall receive at most the lessor of (1) the part of the distribution that is in excess of Assessments paid by the Owner into the construction fund, if any, or (2) the outstanding principal balance of the mortgage.
 - (e) **Certificate.** Notwithstanding the provisions of this instrument, the insurance trustee shall not be required to determine whether or not sums paid by the Unit Owners upon Assessments shall be deposited by the Association with the insurance trustee, nor to determine whether the disbursement is to be made from the construction fund nor to determine the payee nor the amount to be paid. Instead, the insurance trustee may rely upon a certificate of the Association made by its president and secretary as to any or all, of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when a mortgagee is required in this instrument to be a named payee, the insurance trustee shall also name the mortgagee as a payee of any distribution of insurance proceeds to a Unit Owner; and further provided that when the Association, or a mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund so requires, the approval of an architect named by the Association shall be obtained prior to disbursements in payment of costs of reconstruction and repair.
- G. **Condemnation.** If all or any part of the Common Elements shall be taken by eminent domain, each Unit Owner shall be entitled to notice of such taking and to participate through the Association in all condemnation and other proceedings. Any damages shall be for the taking as a whole, and shall be collected by the Association and distributed by it among Unit Owners in proportion to their respective undivided interests in the Common Elements so taken, except that such funds as are deemed by the Association necessary or appropriate to be applied to the repair or restoration of property so injured or destroyed may be so applied. Any decision by the Association to terminate the Condominium due to any taking by eminent domain must be agreed upon as elsewhere provided herein.

ARTICLE IX

USE RESTRICTIONS/UNIT MAINTENANCE OBLIGATIONS

- A. **Inquiry Obligation.** Any first priority Institutional Mortgagee making a mortgage loan for the purpose of financing the purchase of a Unit shall not be required to inquire whether or not its mortgagor's grantor complied with the provisions of this Article, and any failure of such mortgagor's grantor to so comply will not operate to affect the validity or priority of such mortgage.
- B. **Common Elements.** The Common Elements shall be used only for the purpose for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

- C. Regulations. The Association may adopt reasonable rules and regulations concerning the use of the Units and the Common Elements from time to time in the manner provided in the Articles of Incorporation and the By-laws. The Developer declares that the initial set of Rules and Regulations included in the Prospectus are within the reasonable authority of the Association. Notwithstanding the foregoing, rules and regulations for the Commercial Units require an amendment to this Declaration.
- D. Mandatory Provisions. Notwithstanding any contrary provision in the Rules and Regulations adopted by the Association from time to time, the following regulations shall be in full force and effect. The restrictions on Units may be strengthened but not weakened without an amendment to the Declaration. Notwithstanding the foregoing, the restrictions on Commercial Units may not be modified without an amendment to this Declaration.
1. Except for Commercial Units, All Units shall be used and occupied only as a permanent or temporary residence by the Unit Owner and Unit Owner's guests, tenants and invitees. A Unit Owner may lease or rent his or her Unit but only for periods of at least three (3) nights each. Any tenant or lessee of the Unit shall abide by, and be subject to, all of the terms and conditions of this Declaration and all the Rules and Regulations of the Association.
 2. No Unit may be divided or subdivided into a smaller unit nor any portion thereof sold or otherwise transferred, except that the Commercial Units may be divided or subdivided into smaller spaces for the purpose of renting such space to an individual tenant thereof.
 3. Nothing shall be hung, displayed or placed on the exterior walls or windows of the Units (other than the Commercial Units) or the Condominium without the prior written consent of the Association. Provided however, that nothing in this section shall be construed to prohibit the display of one, portable, removable United States Flag in a respectful manner by a Unit Owner, or on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veteran's Day, a portable, removable official flag, not larger than 4 ½ feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard. A written request by a Unit Owner to install a doorbell, door lock, tinted windows, or hurricane shutters shall not be unreasonably denied by the Association, but the Association may mandate particular colors, styles or models to insure uniformity. Commercial Unit Owners may hang, display, or place on the exterior walls of the Commercial Unit or the portion of the Condominium immediately adjacent thereto such signage as may be permitted by applicable local signage laws.
 4. No Unit Owner shall make, allow or cause to be made, any structural addition to or alteration of Unit Owner's Unit or the Common Elements without the prior written consent of the Association and by amendment to this Declaration if such amendment is required under Article XVII hereof. Nothing herein shall prevent the Commercial Unit Owners from dividing such Unit into multiple areas for the purpose of renting or operating in such space.
 5. The Common Elements shall be used only for the purpose for which they are intended.
 6. No nuisances shall be allowed on the Property nor any use or practice which interferes with the peaceful possession and proper use of the Property by its Unit Owners. All parts of the Property shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage shall be

allowed to accumulate or any fire hazard allowed to exist thereon. No Unit Owner shall permit any use of Unit Owner's Unit or of the Common Elements which will increase the rate of insurance upon the Property.

7. No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof, and all applicable valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed and complied with. The responsibility for meeting the requirements of governmental bodies which require maintenance, modification or repair of the Property shall be the same as the responsibility for the maintenance and repair of the Property.
8. No sign, advertisement or notice of any type or nature whatsoever shall be erected or displayed upon any Unit or upon any of the Common Elements, except where express prior written approval of the size, shape, content and location thereof has been obtained from the Association. The Association is under no obligation to approve any such sign. Notwithstanding the foregoing, during the period of time set forth in Article 9(E) hereof, the Developer or designated agent shall be permitted to post and display advertising signs on the Property.
9. Vehicles, the length or width of which prohibits the vehicle from fitting into a designated parking space, as shown on **Exhibit "D"**, shall not be permitted to park temporarily or permanently upon the Common Elements. Vehicles with more than four (4) wheels shall not be permitted to park temporarily or permanently upon the Common Elements. In the event that an inoperable vehicle or a vehicle with an expired license tag shall remain upon any portion of the Common Elements for more than twenty-four (24) hours, the Association shall have the right, without further notice to the owner of such vehicle, to have it removed at such owner's expense. Boats, trailers of any sort, recreational/camper-type vehicles, personal watercraft and commercial vehicles may not be stored, or parked, permanently or temporarily, or left standing on any portion of the Common Elements, unless prior approval is secured from the Association. Nothing herein shall prohibit delivery trucks or similar vehicles from temporarily parking upon the Property or Common Elements in the normal course.
10. Subject to the provisions of Section 163.04, Florida Statutes, no clothesline, or other clothes-drying facility shall be permitted to be located upon the Property. Towels and clothes shall not be permitted to be hung from balconies.
11. All garbage and trash containers must be placed and maintained in accordance with rules and regulations adopted by the Association. The Association shall use reasonable efforts to promulgate rules and regulations which insure that all garbage and trash is properly disposed of and that no garbage or trash originating from the Property is littered upon or contaminates the grounds of any nearby properties. No garbage or trash shall be placed anywhere except as aforesaid and no portion of the Property or adjacent properties shall be used for dumping refuse.
12. Unless prior written approval has been obtained from the Association, no exterior radio or television aerials, satellite dishes or other receiving or transmitting devices for reception of private or commercial radio, television, cable, telephone or telecommunications broadcast of any kind shall be permitted upon the Property, Units or Common Elements. Notwithstanding the foregoing, this restriction is not intended to prohibit the smallest and least obtrusive facility which would be required to be allowed by Rule 1.4000 of Chapter 47 of the Code of Federal Regulations, provided that such facility remain entirely within the Owner's Unit.

13. No structure of a temporary character, trailer, tent, shack, barn, shed or other outbuilding shall be permitted on any of the Property at any time, except temporary structures installed by the Developer during construction, or temporary structures installed by the Developer or the Association and necessitated by the approved maintenance or repairs, and except for any portable facility which may be used by the Developer or its assignee or successor for providing food, beverages, or beach-related services or goods on the Community Property and in accordance with the Community Property Agreement.
14. No fuel or gas storage tanks, except in connection with maintenance of the Common Elements, shall be permitted on any part of the Property, except for the Commercial Units, and except for any portable facility which may be used by the Developer or its assignee or successor for providing food or beverages on the Property.
15. Except as may be provided by the Association, no mailbox or paper box or any other receptacle of any kind for the use and delivery of mail, newspapers, magazines or similar materials shall be erected or located on any Unit or the Common Elements.
16. One pet per Unit may be kept by a Unit Owner in Unit Owner's Unit, but only if such pet does not cause a disturbance or annoyance on the Property or to other Unit Owners or does not pose any danger to rare or endangered or indigenous species of animals, if any, whose habitat may be near the Property. The Association, in its discretion, may approve the having of more than one pet in a Unit. All pets must be held, or kept leashed and attended at all times that they are in the Common Elements, or otherwise out-of-doors on the grounds of the Property, and all owners of pets shall be held strictly responsible to immediately collect and properly dispose of the wastes and litter of his or her pets. The Association reserves the right to designate specific areas within the Common Elements where pets may be walked on leashes by their owners. No Unit Owner may walk a pet on the beach or dunes. No pet weighing more than 25 pounds shall be kept within the Condominium. The Association further reserves the right to demand that a Unit Owner permanently remove from the Property any and all pets which create disturbances and annoyances which are to the reasonable displeasure of neighbors orF other Owners or cause danger to rare or endangered or indigenous species of animals, if any. Without limiting the generality of the foregoing sentence, the Association reserves the right to demand that a Unit Owner remove from the Property any and all pets which have or have attempted to bite or attack a human or another animal, or which barks, whines, howls, or otherwise produces any noise in an excessive, continuous, or untimely fashion, or which causes or emits an offensive odor which can be detected outside the Unit Owner's Unit, or which is kept in a manner which causes a breeding place for flies, lice, fleas, other vermin, or disease. The Association shall strictly regulate the keeping of pets by Unit Owners so as to insure the protection of rare, endangered or indigenous species of animals whose habitat may be around or near the Property. Each Unit Owner maintaining a pet or pets in the Unit Owner's Unit hereby agrees to indemnify the Association and hold it harmless against any and all claims, demands, judgments, losses or liability of any kind whatsoever arising from, or in connection with a Unit Owner's having or maintaining a pet.

The keeping of a dog at the Condominium is a conditional license. The conditional license is subject to the following conditions: (i) a dog must be on leash at all times when outside of the Unit Owner's Unit; (ii) a dog must not be curbed at any place on the property of the Condominium except such places which may be from time to time designated for such

purposes (if any); (iii) pets are never to be left unattended in any public area; (iv) Unit Owners must clean up after their pet; (v) no pit bulldogs, part-pit bulldogs, Rottweilers or part-Rottweilers are allowed on the premises; (vi) no dogs are allowed that have had attack training, even if law enforcement or military, and even if deprogrammed. For the purpose of this provision, a "pit bull" is defined as any canine which is, or appears to be, at least twenty five (25%) American Staffordshire Terrier, Staffordshire Terrier, American Pit Bull Terrier, Bull Terrier, Miniature Bull Terrier or Staffordshire Bull Terrier, and a Rottweiler is any canine which is, or appears to be, at least twenty five (25%) Rottweiler.

17. The Common Elements shall be used only for the purpose for which they are intended which are generally as follows:
 - A. For the furnishing and providing of services and amenities to the Unit Owners;
 - B. To provide to the Unit Owners, their guests and invitees recreational areas for their use;
 - C. To provide to the Unit Owners, their guests and invitees, open space for their use.
- E. Proviso. Notwithstanding any other provision herein, until the Developer has completed all of the contemplated improvements of the Calypso Resort and Towers and closed the sales of all of the Units and other improvements in all portions of the Calypso Resort and Towers, neither the Unit Owners nor the Association nor their use of the Property shall interfere with the completion of all contemplated improvements and the sale of all Units, and the Developer may make such use of the unsold Units and Common Elements to facilitate such completion and sale, including, but not limited to, maintenance of a sales office, showing of the Property and the display of signs. Without limitation, the Developer or its authorized agent shall be entitled to use one or more Units as "model Units" for the purpose of showing and marketing Units to prospective purchasers.
- F. Maintenance of Units. Responsibility for the maintenance for the Units, and restrictions upon its alterations and improvements shall be as follows:
 - (1) By the Association. The Association shall maintain, repair and replace as a common expense of this Condominium:
 - (a) All portions of a Unit contributing to the support of the Condominium, which portion shall include but not be limited to the outside walls of the Condominium and all fixtures on its exterior, those portions of the boundary walls of Units, floor and ceiling decking not part of a Unit, load bearing columns and load bearing walls and all balconies, porches, patios, or similar facilities serving the Unit;
 - (b) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the portion of a Unit maintained by the Association; and all such facilities contained within a Unit that service part or parts of the Condominium other than the Unit within which contained;
 - (c) All portions of a Unit which are damaged as a result of a casualty for which the Association has secured insurance coverage;
 - (d) All incidental damage caused to a Unit by such work shall be repaired promptly at the expense of the Association.

- (e) Notwithstanding the foregoing, the Association shall have the authority to require Unit Owners, at their expense, to maintain, repair and replace all windows, all exterior doors, including sliding glass doors, all screens and glass for windows or doors and all air conditioning and heating equipment, stoves, refrigerators, microwaves, fans and other appliances and equipment, including pipes, wiring, ducts, fixtures or other facilities, required to provide utilities (including HVAC services) to a Unit, when any or all of the foregoing shall serve only one (1) Unit.
- (2) By the Unit Owner. The responsibility of the Unit Owner shall be as follows:
- (a) To keep and maintain the Unit Owner's Unit, its equipment and fixtures in good order, condition and repair and to perform promptly all maintenance and repair work within the Unit which, if omitted, would affect the Condominium in its entirety or in a part belonging to others. Each Unit Owner is expressly responsible for the damages and liability caused by the failure of the Unit Owner to comply with this paragraph. Notwithstanding anything contained in this Declaration, each Unit Owner shall be liable and responsible for the maintenance, repair and replacement as the case may be, of all air conditioning and heating equipment which is contained in the Unit Owner's Unit, and all stoves, refrigerators, microwaves, fans and other appliances and equipment, including pipes, wiring, ducts, fixtures and their connection required to provide water, light, power, air conditioning and heating, telephone, cable, sewage and sanitary service to Unit Owner's Unit which may now or hereafter be situated in Unit Owner's Unit.
 - (b) To maintain, repair and replace any and all walls, ceilings and floor interior surfaces, painting, decorating and furnishings, and all other accessories which such Unit Owner may desire to place and maintain in Unit Owner's Unit.
 - (c) To promptly report to the Association any defect or need for repairs for which the Association is responsible.
 - (d) To pay for plumbing and electrical repairs to fixtures and equipment located within Unit Owner's Unit and exclusively servicing Unit Owner's Unit.
 - (e) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the Unit, Condominium or Property. The Association shall not unreasonably deny a request to install a doorbell, door lock, window tinting, or hurricane shutters, but may mandate particular colors, styles or models to insure uniformity.
- (3) Alteration and Improvement. Except as elsewhere reserved to Developer, neither any Unit Owner nor the Association shall make any alteration in the portions of any Condominium that are to be maintained by the Association, or remove any portion of such, or make any additions to them, or to do anything that would jeopardize the safety or soundness of any such Condominium, or impair any easement, without first obtaining approval in writing of all Unit Owners in whose Units such work is to be done and the approval of the Association. The Association may require that a copy of plans of all such work prepared by an architect licensed to practice in this state shall be filed with the Association prior to the start of work.

ARTICLE X

MAINTENANCE, ALTERATION AND IMPROVEMENT OF COMMON ELEMENTS

Responsibility for the maintenance for the Property, and restrictions upon its alterations and improvements shall be as follows:

- (1) By the Association. The maintenance and operation of the Common Elements shall be the responsibility of the Association and a Common Expense of this Condominium.
- (2) Alteration and Improvement. After the completion of the improvements included in the Common Elements contemplated by this Declaration, there shall be no material alteration nor further substantial additions to the Common Elements or to the real property which is Association property without prior approval by the Unit Owners of not less than two-thirds of the Units within this Condominium. No such alteration or improvement shall materially interfere with the rights of any Unit Owner without his consent. This provision is intended to operate instead of the restrictions on material alterations and substantial additions contained in Section 718.113(2), Florida Statutes.

RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION.

- (3) Enlargement. Land or other property interests acquired by the Association, including but not limited to the Community Property, may be added to the Property or other property interests submitted to Condominium ownership hereby. This may be done by an amendment to this Declaration that includes the description of the interests in the property being added to the Common Elements, submit same to the Declaration and shall vest title to the property added to the Common Elements in the Unit Owners as a part of the Common Elements, without naming them and without further conveyance, in the same proportion as the undivided shares in the Common Elements that are appurtenant to the Units owned by them. Such enlargement of the Common Elements shall be effective upon the recording in the Public Records of Bay County, Florida, of a certificate of the Association certifying that the amendment was adopted, which certificate shall be executed by the officers of the Association with the formalities of a deed. Notwithstanding other provisions hereof, the Developer may add such land or other property interests without the necessity of consent by the Unit Owners or the Association. This provision is intended to operate instead of the restrictions on material alterations and substantial additions contained in Section 718.113(2), Florida Statutes.
- (4) Land Not Incorporated. Except as otherwise provided in the Community Property Agreement, any land acquired by the Association that is not incorporated as a part of the Common Elements by amendment of this Declaration, may be sold, mortgaged, or otherwise disposed of by the Association with the prior approval of the Directors without the approval of the Unit Owners. This approval shall be evidenced by a certificate stating that the approval was duly given, which certificate shall be executed by the officers of the Association with the formalities of a deed and delivered to a purchaser of mortgagee of such land.
- (5) Personal Property. Any personal property acquired by the Association may be sold, mortgaged or otherwise disposed of by appropriate vote of

the Association without approval of the Unit Owners.

ARTICLE XI

COMMUNITY PROPERTY AGREEMENT

The Association has entered into the Community Property Agreement with the Developer, pursuant to the Condominium Act, specifically including but not necessarily limited to Section 718.114, Florida Statutes. This Agreement is intended to provide for the enjoyment, recreation and other use or benefit of the Unit Owners and the expenses of operation, replacements and other undertakings in connection therewith, as set forth in more detail therein, and are hereby declared to be Common Expenses of the Condominium. Additionally, the Community Property Agreement includes covenants and restrictions concerning use by Unit Owners as well as other provisions, all of which are set forth in more detail in the Community Property Agreement, attached as **Exhibit "A"** and made a part hereof.

ARTICLE XII

NOTIFICATION OF TRANSFER OF INTEREST

The transfer of fee ownership or other interest in Units in the Condominium by sale, lease, gift, devise, inheritance, foreclosure or other method, shall not be subject to the prior approval of the Association; however, both the transferor and the transferee shall notify the Association of the transfer unless same is a lease or rental for a term of less than one (1) month, at least ten (10) days prior to the date of the transfer, together with such other information concerning the transferee as the Association may reasonably require.

ARTICLE XIII

COMPLIANCE AND DEFAULT

Each Unit Owner shall be governed by and shall comply with the terms of this Declaration, the Articles of Incorporation and By-Laws and rules and regulations adopted pursuant to those documents, and all of such as they may be amended from time to time. Failure of a Unit Owner to comply with such documents and regulations shall entitle the Association or to the following relief in addition to the remedies provided by the Condominium Act:

- A. **Negligence.** A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association.
- B. **Fines.** The Directors may upon reasonable notice and opportunity for hearing before a committee of other Unit Owners appointed by the Association, impose a fine for an infraction by a Unit Owner, or its occupant, licensee, or invitee to comply with any provisions of this Declaration, By-Laws or the reasonable rules and regulations of the Association. The Association may levy a fine on the basis of each day of continuing violation provided that no such fine shall exceed \$100 per violation, or in the aggregate exceed \$1,000.00. No fine shall constitute a lien against the Unit. If the committee of Unit Owners does not agree with the fine, the fine may not be levied.
- C. **Costs and Attorney's Fees.** In any proceeding, including alternative dispute resolution, arising because of an alleged failure of a Unit Owner or the Association to comply with the terms of the Declaration, Articles of Incorporation of the Association, the By-Laws or the regulations adopted pursuant to them, and

the documents and regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court or other dispute resolution process.

- D. No Waiver of Rights. The failure of the Association or any Unit Owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation of the Association, or the By-Laws shall not constitute a waiver of the right to do so thereafter.

ARTICLE XIV

SPECIFIC RIGHTS OF INSTITUTIONAL MORTGAGEES

In addition to the rights and privileges expressly granted to business entities holding mortgages of Units in other Articles of this Declaration of Condominium ("Institutional Mortgagee"), each and every Institutional Mortgagee shall have the following rights and entitlements:

- A. Upon written request to the Association, the Association shall make available to Institutional Mortgagees current copies of the Declaration of Condominium and its Exhibits including but not necessarily limited to the By-Laws and rules of the Association, and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.
- B. An Institutional Mortgagee shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year of the Association.
- C. Upon written request to the Association identifying the name and address of the Institutional Mortgagee, such Institutional Mortgagee will be entitled to timely written notice of the following:
- (1) Any condemnation, loss or other casualty loss which affects a material portion of the Condominium or any Unit which is encumbered by a mortgage held by the Institutional Mortgagee;
 - (2) Any delinquency in the payment of Assessments or Common Expenses owed by Unit Owner subject to a mortgage held by an Institutional Mortgagee, which remains uncured for a period of sixty (60) days;
 - (3) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
 - (4) Any proposed action which would require the consent of a specified percentage of mortgage holders.

ARTICLE XV

AMENDMENTS

Except as elsewhere provided otherwise, this Declaration of Condominium may be amended in the following manner:

- A. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.
- B. Adoption. A resolution for the adoption of a proposed amendment may be proposed by either the Directors of the Association or by the members of the Association, at a meeting called for this purpose. Except as elsewhere provided, such approval must be either by:

- (1) Approval by two-thirds (2/3) of the Unit Owners of this Condominium; or
 - (2) Until the first election of Directors, only by all of the Directors, provided the amendment does not increase the number of Units nor alter the boundaries of the Common Elements, nor create timeshare entities, nor change the configuration, size, or appearance of Units, nor make any other change which would require the consent of Unit Owners.
 - (3) If there is an omission or error in this Declaration or in other documents required by law to establish the Condominium, or any part thereof, the Association may correct the error or omission by an amendment to the Declaration, or the other documents required to create the Condominium and such amendment need only be approved by a majority of the Unit Owners when proposed by the members of the Association. This procedure for amendment cannot be used if such an amendment would materially or adversely affect property rights of Unit Owners, unless the affected Unit Owners consent in writing. This subsection does not restrict the powers of the Association to otherwise amend the Declaration, or other documentation, but authorizes a simple process of amendment requiring a lesser vote for the purpose of curing defects, errors, or omissions when the property rights of Unit Owners are not materially or adversely affected.
- C. Proviso. Provided, however, notwithstanding the foregoing, any amendment changing any Unit or the share in the Common Elements appurtenant to it, or increasing a Unit Owner's share of the Common Expenses, shall require the approval of the such Unit Owner, all record owners of mortgages on such Unit, and at least a majority of the Unit Owners. An amendment making any change in the section entitled "Reconstruction or Repair After Casualty" shall require the consent of the record owners of all mortgages upon the Condominium. Any consent or joinder of mortgage holder may not be unreasonably withheld. Any amendment restricting unit owner's rights relating to the rental of units shall apply only to unit owners who consent to such amendment and to unit owners who purchase their units after the effective date of that amendment.
- D. Special Amendments. In addition to any other method of amending this Declaration provided for elsewhere herein, Developer reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Unit Ownerships, (iii) to bring this Declaration into compliance with the Florida Condominium Act, (iv) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any amendment thereto or (v) to make any other nonmaterial change in this Declaration or any Exhibit hereto or any amendment thereto. In furtherance of the foregoing, an irrevocable power coupled with an interest is hereby reserved and granted to the Developer to make or consent to a Special Amendment on behalf of each Unit Owner, mortgagee or other lienholder. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Developer to make, execute and record Special Amendments.

Furthermore, notwithstanding any other provision hereof, the Developer reserves the right, at any time, without the approval of the Association or any Unit Owner,

to correct a scrivener's error pursuant to Section 718.110(5), Florida Statutes, or to correct an error or omission pursuant to Section 718.110(9), Florida Statutes.

The reserved rights of the Developer under this Article shall terminate upon transfer of control of the Association to Unit Owners other than the Developer.

- E Execution and Recording. A copy of each amendment shall be attached to or incorporated in a certificate certifying that the amendment was adopted, which certificate shall be executed by the Association with the formalities of a deed. The amendment shall be effective when such amendment is recorded in the Public Records of Bay County, Florida.

ARTICLE XVI MERGER OF CONDOMINIUM

- A. Single Complex. This Condominium is one of several proposed Condominiums that make up a single complex and form a development known as Calypso Resort and Towers. A number of separate Condominiums may be developed as a part of Calypso Resort and Towers. All of the separate Condominiums which form a part of Calypso Resort and Towers are operated by a single condominium Association. One or more of the separate Condominiums may desire to merge with one or more of the other Condominiums in Calypso Resort and Towers in order to achieve certain additional operating efficiencies, to reduce expenses and to reduce the workload of the Directors of the Association with respect to the preparation of separate operating budgets for the separate Condominiums operated by the Association. When the Directors intend to merge the Condominium, the Board shall notify the Division of Florida Condominiums, Timeshares, and Mobile Homes (the "Division") before taking any action to merge the Condominium or the Association.
- B. Merger Procedure. The merger of this Condominium with any one or more of the other condominiums in Calypso Resort and Towers shall occur upon the following conditions:
1. The issue of merger shall be determined upon the approval of one hundred percent (100%) of all of the Unit Owners of each condominium to be merged and of all record holders of liens; and
 2. A new or amended declaration of condominium for the merged condominium(s) shall be adopted and recorded upon the approval of one hundred percent (100%) of all of the Unit Owners of each condominium to be merged and of all record holders of liens. Upon recordation of the instrument evidencing consent of all of the Unit Owners to merge the Condominium, the Association within 30 business days shall notify the Division of the termination and the date the document was recorded, the county where the document was recorded, and the book and page number of the Public Records where the document was recorded, and shall provide the Division a copy of the recorded termination notice certified by the clerk; and
 3. The new or amended declaration of condominium for the merged condominium(s) shall provide that the fractional share of the Common Elements to be owned by the Unit Owners and the fractional share of the Common Expenses and Common Surplus to be shared by the Unit Owners shall be derived by either of the following two formulas: (a) the numerator shall be 1 and the denominator shall be the total number of Units in the merged condominium(s); or (b) the numerator shall be the square footage of a Unit as determined by the Association and the denominator shall be the total square footage of all of the Units in the merged condominium(s) as determined by the Directors of the Association. The issue of which of the two formulas shall be used shall be determined upon the approval of

one hundred percent (100%) of all the Unit Owners of each condominium to be merged and of all record holders of liens.

- C. Construction. The terms and provisions of this Article XVI entitled "MERGER OF CONDOMINIUM" shall supersede and take precedence over any other provision contained in this Declaration of Condominium which may be contrary or inconsistent herewith.

ARTICLE XVII TERMINATION

Pursuant to Section 718.117, F.S., in addition to the manners provided by the Condominium Act as it existed on the date of recording this Declaration, in the event the circumstances described in Section 718.117(2)(a)(1) or (3) apply, the Condominium may be terminated by the consent to a plan of termination approved by eighty percent (80%) of the voting interests of the Unit Owners.

ARTICLE XIX DISPUTE RESOLUTION

Any disputes between the Unit Owners, or between a Unit Owner and the Association, arising out of this Declaration, or related to the Condominium, if not resolved informally, shall be submitted to alternative dispute resolution as provided in the Bylaws of the Association.

ARTICLE XX GENDER

Whenever the context of this Declaration reasonably allows the same, the singular shall include the plural and the plural the singular and the masculine shall include the feminine and the neuter.

ARTICLE XXI NOTICE

Any notice, payment, request, instruction, or other document to be delivered hereunder shall be deemed sufficient given if in writing, and (a) hand delivered to any party, or (b) sent by Federal Express or other nationally-recognized guaranteed overnight courier service to the address of such party set forth below, and if hand-delivered shall be deemed delivered upon receipt, and if sent by Federal Express or other nationally-recognized guaranteed overnight courier service, shall be deemed delivered one day after have been properly and timely deposited with the courier service if designated for next day delivery and addressed as follows:

- A. If to Developer, to:

Calypso Tower, III, LLC
15900 Front Beach Rd., Unit #102
Panama City Beach, FL 32413

With a copy to:

Bryan J. Kiefer, Esq.
Kiefer Law Group, PLLC
327 South County Highway 393, Suite 202
Santa Rosa Beach, FL 32459

B. If to Association:

Calypso Towers Resort Community Association, Inc.
15817 Front Beach Rd.
Panama City Beach, FL 32407

IN WITNESS WHEREOF the Developer has executed this Declaration the day and year first above written.

Signed, sealed and delivered
in the presence of:

Calypso Tower III, LLC
a Florida limited liability company

Print Name: _____

By: _____
Its: _____

Print Name: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____ as _____ of Calypso Tower III, LLC, a Florida limited liability company (notary **must** check applicable box)

_____ is personally known to me

_____ produced a current _____ driver's license as identification

_____ produced _____ as identification

(SEAL)

Print Name: _____
Notary Public
Serial # _____
My Commission Expires: _____

THIS INSTRUMENT PREPARED BY:

Bryan J. Kiefer, Esq.
Kiefer Law Group, PLLC
327 South County Hwy. 393, Suite 202
Santa Rosa Beach, FL 32459

EXHIBIT “A”
Community Property

SEE EXHIBIT “L” TO PROSPECTUS

EXHIBIT “B”
Legal Description

A PARCEL OF LAND BEING ALL OF LOT 12, A PORTION OF LOTS 10, 11, 56, AND 57 AND A PORTION OF PALMETTO STREET, FA BLACK’S ORIGINAL PLAT, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGE 36 IN THE OFFICE OF THE CLERK OF BAY COUNTY, FLORIDA, AND A PARCEL OF LAND BEING A PORTION OF THE NORTH ONE-HALF OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 16 WEST, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF BEGINNING, COMMENC E AT THE SOUTHWESTERLY CORNER OF SAID LOT 12, FA BLACK’S ORIGINAL PLAT; THENCE NORTH 32 DEGREES 04 MINUTES 53 SECONDS EAST, ALONG THE NORTHWESTERLY LINE OF SAID LOT 12, AND ITS EXTENSION ACROSS SAID PALMETTO STREET, AND ALONG THE NORTHWESTERLY LINE OF SAID LOT 56, 393.000 FEET; THENCE SOUTH 57 DEGREES 55 MINUTES 07 SECONDS EAST PARALLEL TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 98A (100.00 FOOT WIDE RIGHT-OF-WAY), 111.52 FEET; THENCE SOUTH 12 DEGREES 08 MINUTES 12 SECONDS WEST, 418.07 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID U.S. HIGHWAY NO. 98A; THENCE NORTH 57 DEGREES 55 MINUTES 07 SECONDS WEST ALONG THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID U.S HIGHWAY NO. 98A, 254.13 FEET TO THE SOUTHWESTERLY CORNER OF SAID LOT 12 AND THE POINT OF BEGINNING.

EXHIBIT “C”
Survey

[TO BE ADDED AS AN AMENDMENT]

EXHIBIT “D”
Plot Plan and Unit Floor Plan

SEE EXHIBIT “E” TO PROSPECTUS

EXHIBIT “E”
Schedule of Shares

SEE EXHIBIT “K” TO PROSPECTUS

EXHIBIT “F”
Articles of Incorporation

SEE EXHIBIT “B” TO PROSPECTUS

EXHIBIT “G”
By-Laws

SEE EXHIBIT “C” TO PROSPECTUS

Exhibit “B”
Articles of Incorporation

**ARTICLES OF INCORPORATION
OF
CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.**

The undersigned, acting as incorporator of a Corporation under the Florida Not for Profit Corporation Act, adopts the following Articles of Incorporation for such corporation:

1. **Name.** The name of this corporation is Calypso Towers Resort Community Association, Inc. (the "Corporation").
2. **Purpose.** This Corporation is organized for the purpose of operating and governing such condominiums as are submitted to its jurisdiction, and to do all such other things as may be permitted by law. A condominium is submitted to the jurisdiction of the Corporation if the Declaration of Condominium provides that the operation of the condominium shall be by the Corporation.
3. **Powers.** This Corporation shall have all such powers of a Corporation not for profit not in conflict with the terms of the Declaration of Condominium for any condominium submitted to the jurisdiction of the Corporation.
4. **Members.** The qualification of members and the manner of their admission shall be as regulated by the By-Laws of the Corporation. All unit owners of any condominium submitted to the jurisdiction of the Corporation must be members of the Corporation. All members of the Corporation must pay dues or assessments. A portion of the money collected from dues or assessments must be used, in part, for the operation and maintenance of the stormwater management facility.
5. **Initial Principal Office and Registered Agent.** The street address of the initial principal office of the corporation in the State of Florida is 220 McKenzie Avenue, Panama City, FL 32401, and the name of the initial registered agent is J. Robert Hughes, Esq., whose address is 220 McKenzie Avenue, Panama City, Florida, 32401.

Prepared by:
Brian D. Leebrock, Esq.
Florida Bar No. 172634
Barron, Redding, Hughes, Fite,
Fensom, Sanborn & Kiehn, P. A.
220 McKenzie Avenue
Panama City, FL 32401

SECRETARY OF STATE
TALLAHASSEE, FLORIDA
2002 MAR 29 AM 6:20

FILED

03-28-2002 05:00PM FROM BARRON & REDDING

TO 18502050381 P.03
Fax Audit #H02000067886 0

6. **Board of Directors.** The election or appointment of the Board of Directors shall be regulated by a method of election as stated in the By-Laws of the Corporation. The first Board of Directors is as follows:

<u>NAME</u>	<u>ADDRESS</u>
Robert E. Blackerby	3750 Claridge Road North Mobile, AL 36608
Diane Butcher	22 St. Charles Place Daphen, AL 36526
Mary Mock	7000 Ponce de Leon Drive Spanish Fort, AL 36527

7. **Term of Existence.** This corporation is to exist perpetually.
8. **Incorporator.** The name of the person signing these Articles is J. Robert Hughes, whose address is 220 McKenzie Avenue, Panama City, Florida 32401.

IN WITNESS WHEREOF, the undersigned subscriber has executed these Articles of Incorporation this 28th day of March, 2002.

J. Robert Hughes
J. Robert Hughes

STATE OF FLORIDA
COUNTY OF BAY

The foregoing Articles of Incorporation of Calypso Towers Resort Community Association, Inc., was acknowledged before me this 28th day of March, 2002, by J. Robert Hughes, who is personally known to me.



Carolyn M. Mirek
(Print Name)

Notary Public
Commission # DD 081602

My Commission Expires: 1/2/06

Fax Audit #H02000067886 0

03-28-2002 05:02PM FROM BARRON & REDDING

TO

185022050381 P.04

Fax Audit #H02000067886 0

**ACCEPTANCE OF DESIGNATION OF REGISTERED AGENT
OF
CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.**

Having been named to accept service of process for the above-named corporation,
at the place designated in the Articles of Incorporation, I hereby accept to act in this
capacity, and agree to comply with the provisions of the Florida Business Corporation
Act relative to keeping open said office.

Dated this 28th day of MARCH, 2002.


J. Robert Hughes, Esq.
Registered Agent

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Fax Audit #H02000067886 0

TOTAL P.04

Jan 12 04 11:15a

Barron and Redding

850 785 2599

p.2

Fax Audit No. H03000341199 3

**ARTICLES OF AMENDMENT OF THE
ARTICLES OF INCORPORATION OF
CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.**

Pursuant to the provisions of FSA § 607.1006, the undersigned Florida nonprofit corporation adopts the following articles of amendment to its articles of incorporation:

I. The following article is hereby amended and adopted as follows:

6. Board of Directors. The election or appointment of the Board of Directors shall be regulated by a method of election as stated in the By-Laws of the Corporation. The name and address of the Board of Directors are as follows:

NAME	ADDRESS
Alan O'Neal	1390 Sunset Beach Drive Niceville, FL 32578
Michael Heidelberg	781 Larson Street Jackson MS 39202
William Smith	4039 E. Cty Hwy 30-A Seagrove Beach, FL 32459

- II. The date of adoption for this amendment was on August 27, 2003:
- III. Each amendment was adopted by: The members and the number of votes cast for the amendment was sufficient for approval.
- IV. These amendments will be effective on the date of filing.

Date: December 31, 2003

By: Alan M. O'Neal
Its: Authorized Agent / President

FILED
04 JAN 12 PM 12:53
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Jan 12 04 11:15a

Barron and Redding

850 785 2998

P.3

Fax Audit No. H03000341199 3

STATE OF ~~FLORIDA~~ ^{Georgia}
COUNTY OF ~~Sumter~~ ^{Gwinnett}

The foregoing instrument was acknowledged before me this 31 day of December, 2003, by Alan M. Neal as President of Calypso Towers Resort Community Association, Inc., a Florida non-profit corporation, on behalf of the corporation, who: (notary must check applicable line)

☒ is personally known to me.
☐ produced a current Florida driver's license as identification.
☐ produced _____ as identification.

James T. Whitney
Notary Public
My Commission Expires: 7-16-07



THIS INSTRUMENT PREPARED BY:
Brian D. Leebrick, Esq.
Fla. Bar No. 0172634
BARRON, REDDING, HUGHES, FITE,
BASSETT, FENSOM & SANBORN, P.A.
220 McKenzie Avenue
Panama City, FL 32401

Articles of Amendment
to
Articles of Incorporation
of

Calypto Towers Resort Community Association, Inc.

(Name of Corporation as currently filed with the Florida Dept. of State)

N 02000002296

(Document Number of Corporation (if known))

Pursuant to the provisions of section 607.1006, Florida Statutes, this *Florida Profit Corporation* adopts the following amendment(s) to its Articles of Incorporation:

A. If amending name, enter the new name of the corporation:

The new name must be distinguishable and contain the word "corporation," "company," or "incorporated" or the abbreviation "Corp.," "Inc.," or "Co.," or the designation "Corp.," "Inc.," or "Co.". A professional corporation name must contain the word "chartered," "professional association," or the abbreviation "P.A."

B. Enter new principal office address, if applicable:

(Principal office address **MUST BE A STREET ADDRESS**)

C. Enter new mailing address, if applicable:

(Mailing address **MAY BE A POST OFFICE BOX**)

D. If amending the registered agent and/or registered office address in Florida, enter the name of the new registered agent and/or the new registered office address:

Name of New Registered Agent:

New Registered Office Address:

(Florida street address)

(City)

Florida

(Zip Code)

New Registered Agent's Signature, if changing Registered Agent:

I hereby accept the appointment as registered agent. I am familiar with and accept the obligations of the position.

Signature of New Registered Agent, if changing

09 NOV 23 PM 12:11
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

APPROVED
AND
FILED

If amending the Officers and/or Directors, enter the title and name of each officer/director being removed and title, name, and address of each Officer and/or Director being added:
 (Attach additional sheets, if necessary)

Title	Name	Address	Type of Action
Pres	Allen Fox	5701 W Orkney Circle Broken Arrow, OK 74011	<input type="checkbox"/> Add <input checked="" type="checkbox"/> Remove
Pres	Felicia Crouch	226 Jamerson Farm Rd Collierville, TN 38017	<input checked="" type="checkbox"/> Add <input type="checkbox"/> Remove
Sec	Bill Smith	42 Business Center Dr #106 Deston, FL 32551	<input type="checkbox"/> Add <input checked="" type="checkbox"/> Remove

E. If amending or adding additional Articles, enter change(s) here:
 (attach additional sheets, if necessary). (Be specific)

F. If an amendment provides for an exchange, reclassification, or cancellation of issued shares, provisions for implementing the amendment if not contained in the amendment itself:
 (if not applicable, indicate N/A)

If amending the Officers and/or Directors, enter the title and name of each officer/director being removed and title, name, and address of each Officer and/or Director being added:
 (Attach additional sheets, if necessary)

<u>Title</u>	<u>Name</u>	<u>Address</u>	<u>Type of Action</u>
Sec	Fred Hayes	5641 Barrington Co. Dallenton, TN 37013	<input checked="" type="checkbox"/> Add <input type="checkbox"/> Remove
Dir	David Kelley	41601 Brennan Hwy Mishawaka, IN 46544	<input checked="" type="checkbox"/> Add <input type="checkbox"/> Remove
			<input type="checkbox"/> Add <input type="checkbox"/> Remove

E. If amending or adding additional Articles, enter change(s) here:
 (attach additional sheets, if necessary). (Be specific)

F. If an amendment provides for an exchange, reclassification, or cancellation of issued shares, provisions for implementing the amendment if not contained in the amendment itself:
 (if not applicable, indicate N/A)

The date of each amendment(s) adoption: 11-07-09
(date of adoption is required)
Effective date if applicable: 11-07-09
(no more than 90 days after amendment file date)

Adoption of Amendment(s) (CHECK ONE)

- ☐ The amendment(s) was/were adopted by the shareholders. The number of votes cast for the amendment(s) by the shareholders was/were sufficient for approval.
- ☐ The amendment(s) was/were approved by the shareholders through voting groups. The following statement must be separately provided for each voting group entitled to vote separately on the amendment(s):

"The number of votes cast for the amendment(s) was/were sufficient for approval

by _____"
(voting group)

- ☒ The amendment(s) was/were adopted by the board of directors without shareholder action and shareholder action was not required.
- ☐ The amendment(s) was/were adopted by the incorporators without shareholder action and shareholder action was not required.

Dated 11/16/09

Signature Connie Lang, CAM, As Agent for the BOA of the Assoc.
(By a director, president or other officer - if directors or officers have not been selected, by an incorporator - if in the hands of a receiver, trustee, or other court appointed fiduciary by that fiduciary)

Connie Lang - Sec. of Association
(Typed or printed name of person signing)

Connie Lang, CAM
(Title of person signing)

Exhibit “C”
By-Laws

BY-LAWS
OF
CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.

a corporation not-for-profit
under the laws of the State of Florida

ARTICLE I

NAME

The name of the Association is "Calypso Towers Resort Community Association, Inc." (the "Association").

ARTICLE II

PURPOSE

These are the By-Laws of Calypso Towers Resort Community Association, Inc., a corporation not-for-profit formed under the laws of the State of Florida. The Association has been organized for the purpose of (a) providing for the operation, management, maintenance, control and administration of such one or more condominiums of the planned development known as Calypso Resort and Towers (including, without limitation Calypso Towers I, a Condominium and Calypso Towers II, a Condominium), as from time to time be submitted to the jurisdiction of the Association, and with regard to such condominiums, the legal entity created pursuant to Chapter 718, Florida Statutes (the "Act"), and (b) providing an entity to operate, manage, maintain, control and administer all or such parts thereof of the real property located in Bay County, Florida described as Community Property in the Community Property Agreement together with the recreational, greenspace, ingress and egress, parking and related amenities as may be from time to time constructed thereon. The Community Property Agreement may be amended from time to time and is Exhibit "A" to the Declaration of Condominium of Calypso Towers I, a Condominium and Calypso Towers II, a Condominium. Pursuant to any Community Property Agreement entered into by and between the Association and The Calypso Developers I LLC; Calypso Developers II LLC; Calypso Developers III LLC; and The Calypso Group LLC (collectively the "Developer"), and upon the termination of the Community Property Agreement, the Association will receive fee simple title to the Community Property from the Developer subject to and pursuant to the covenants and agreements of the Community Property Agreement.

ARTICLE III

OFFICES

The initial office of the Association shall be at 15817 Front Beach Road, Panama City Beach, FL 32407. The Association Board of Directors may from time to time designate a different location for the Association office.

ARTICLE IV

FISCAL YEAR

The fiscal year of the Association shall be the calendar year.

ARTICLE V

SEAL

The seal of the corporation shall bear the name of the Association, the word "Florida" and the words "corporation not-for-profit," and the year of incorporation, "2002," an impression of which is as follows:

ARTICLE VI

PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation or these By-Laws.

ARTICLE VII

MANAGEMENT

A. Board of Directors.

1. In General; Number of Directors. The affairs of the Association shall be managed by a Board of Directors of three (3) directors. All of the powers and duties of the Association existing under the Act, the Declaration of Condominium of any condominium operated by the Association, the Articles of Incorporation of the Association and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees subject only to the approval by the Unit Owners when such approval is specifically required. Notwithstanding any other provision hereof, Directors must be Unit Owners, except that the Developer may appoint Directors who are not Unit Owners during the period in which it can select Directors.
2. Director's Term. The two (2) directors receiving the greatest number of votes during the first election in which Unit Owners other than the Developer elect a majority of the Board of Directors shall serve a term of two (2) years and the other director elected at that election shall serve a term of one (1) year. Thereafter, the terms of each director's service shall be for two (2) years and shall extend thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.
3. Meetings of the Board of Directors.
 - (a) Board of Director's Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected.
 - (b) Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time, by a majority of the Board of Directors, but no less regularly than quarterly. Notice of regular meetings shall be given to each director, personally by mail, telephone, telegraph or electronic means, at least three (3) days prior to the day named for such meeting.
 - (c) Special Meeting. Special meetings of the Board of Directors may be called by the President and must be called by the Secretary at the written request of a majority of the directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone, telegraph or electronic means, which notice shall state the time, place and purpose of the meeting.
 - (d) Notice of Meetings of the Board of Directors. Adequate notice of all meetings, which notice shall specifically incorporate an identification of

agenda items, shall be posted conspicuously on the condominium property at least 48 continuous hours preceding the meeting except in an emergency. Written notice of any meeting at which *non-emergency* special assessments, or at which an amendment to rules regarding use of Units will be proposed, discussed or approved, shall be mailed, delivered, or electronically transmitted to the Unit Owners and posted conspicuously on the condominium property not less than 14 days prior to the meeting. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the secretary and filed among the official records of the Association. Notice of any meeting in which regular assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessment.

- (e) **Open Meetings and Records.** Meetings of the Board of Directors shall be open to all Unit Owners. Minutes of all meetings of the members or the Board of Directors shall be kept in a book available for inspection by Unit Owners or their authorized representatives, and Board members at any reasonable time. Said minutes shall be retained for a period of not less than seven (7) years.
- (f) **Waiver of Notice.** Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.
- (g) **Quorum.** A quorum at director's meetings shall consist of a majority of the entire Board of Directors, which may include persons appearing telephonically in accordance with law. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors as required by the Declaration of Condominium of any condominium operated by the Association, the Articles of Incorporation of the Association and these By-Laws.
- (h) **Adjourned Meetings.** If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present and after notice has been provided.
- (i) **Director Action.**
 - (i) A member of the board of administration or a committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.
 - (ii) A director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. Directors may not vote by proxy or by secret ballot at Board of Directors meetings. A vote or abstention for each member present shall be recorded in the minutes.
- (j) **Presiding Officer.** The presiding officer of the Board of Directors meetings shall be the chairman of the Board of Directors if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer, the Board of Directors present shall designate one of their number to preside.

- (k) Order of Business. The order of business at a Board of Directors meeting shall be: calling of roll; proof of due notice of meeting; reading and disposal of any unapproved minutes; report of officers and committees; election of officers (if appropriate); unfinished business; new business; adjournment.
- 4. Board of Directors Compensation. The Board of Directors shall receive no fees or other compensation for their services.
- 5. Election of Board of Directors. Election of the Board of Directors shall be conducted in the following manner:
 - (a) Timing. Election of the Board of Directors shall be held at the annual meeting of the Members of the Association.
 - (b) Manner. The election shall be by secret ballot and by plurality of the Unit Owners. The owner of each Unit shall be entitled to cast a vote for each of as many candidates as there are vacancies to be filled. There shall be no cumulative voting. Proxies shall in no event be used in electing the Board of Directors, either in general elections or elections to fill vacancies caused by resignation. To the extent permitted by law, Unit Owners other than the Developer may vote, in person or by limited proxy, to fill a vacancy on the Board of Directors previously occupied by a member of the Board of Directors elected by Unit Owners other than the Developer. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors. No Unit Owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. A Unit Owner who needs assistance in casting the ballot for the reasons stated in Section 101.051, Florida Statutes, may obtain assistance in casting the ballot. Any Unit Owner violating this provision may be fined by the Association in accordance with Section 718.303 of the Act. The regular election shall occur on the date of the annual meeting. Notwithstanding the provisions of this Subparagraph, an election and balloting are not required unless more candidates file notices of intent to run than vacancies exist on the Board of Directors.
 - (c) Notice and Nominations. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing, delivery, or transmission including regularly published newsletters, to each Unit Owner entitled to a vote, a first notice of the date of the election. Any Unit Owner or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the Association not less than 40 days before a scheduled election. Upon request of a candidate, the Association shall include an information sheet, no larger than 8 ¼ inches by 11 inches which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot, with the costs of mailing, delivery, or transmission and copying to be borne by the Association. However, the Association has no liability for the contents of the information sheets prepared by the candidates. In order to reduce costs, the Association may print or duplicate the information sheets on both sides of the paper. Together with the written notice and agenda as set forth in Article VIII(D) of these Bylaws, the Association shall mail, deliver, or electronically transmit a second notice of the election meeting to all Unit Owners entitled to vote therein not less than thirty (30) days prior to the election meeting, together with a ballot which shall list all candidates.
 - (d) Subject to the provisions of Section 718.301 of the Act, any member of the Board of Directors may be recalled and removed from office with or without

cause by the vote or agreement in writing by a majority of all the Unit Owners. A special meeting of the Unit Owners to recall a member or members of the Board of Directors may be called by ten (10%) percent of the Unit Owners giving notice of the meeting as required for a meeting of Unit Owners, and the notice shall state the purpose of the meeting. Electronic transmission may not be used as a method of giving notice of a meeting called in whole or in part for this purpose.

- (i) If the recall is approved by a majority of all Unit Owners by a vote at a meeting, the recall shall be effective as provided herein. The Board of Directors shall duly notice and held a Board of Directors meeting within five (5) full business days of the adjournment of the Unit Owner meeting to recall one or more Board of Directors members. At the meeting, the Board of Directors shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the Board of Directors within five (5) full business days any and all records and property of the Association in their possession, or shall proceed as described in subparagraph (iii).
 - (ii) If the proposed recall is by an agreement in writing by a majority of all Unit Owners, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized by chapter 48 of the Florida Rules of Civil Procedure. The Board of Directors shall duly notice and hold a meeting of the Board of Directors within five (5) full business days after receipt of the agreement in writing. At the meeting, the Board of Directors shall either certify the written agreement to recall a member or members of the Board of Directors, in which case such member or members shall be recalled effective immediately and shall turn over to the Board of Directors within five (5) full business days any and all records and property of the Association in their possession, or proceed as described in subparagraph (iii).
 - (iii) If the Board of Directors determines not to certify the written agreement to recall a member or members of the Board of Directors, or does not certify the recall by a vote at a meeting, the Board of Directors shall, within five (5) business days after the meeting, file with the Division of Florida Condominiums, Timeshares and Mobile Homes (the "Division") a petition for arbitration pursuant to the procedures of Section 718.1255 of the Act. For purposes of this section, the Unit Owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the Board of Directors, the recall will be effective upon mailing of the final order of arbitration upon the Association. If the Association fails to comply with the order of the arbitrator, the Division may take action pursuant to Section 718.501 of the Act. Any member or members so recalled shall deliver to the Board of Directors any and all records of the Association in their possession within 5 full business days of the effective date of the recall.
- (e) Notwithstanding any of the foregoing, turnover of the Association by the Developer will be governed by Section 718.301(1)(a)-(e), which provides as follows:
- “(1) When unit owners other than the developer own 15 percent or more of the units in a condominium that will be operated ultimately by an association, the unit owners other than the developer shall be entitled to elect no less than

one-third of the members of the board of administration of the association. Unit owners other than the developer are entitled to elect not less than a majority of the members of the board of administration of an association:

“(a) Three years after 50 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;

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

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

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

“(e) Seven years after recordation of the declaration of condominium; or, in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to Section 718.403, 7 years after recordation of the declaration creating the initial phase, whichever occurs first. The developer is entitled to elect at least one member of the board of administration of an association as long as the developer holds for sale in the ordinary course of business at least 5 percent, in condominiums with fewer than 500 units, and 2 percent, in condominiums with more than 500 units, of the units in a condominium operated by the association. Following the time the developer relinquishes control of the association, the developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the association or selecting the majority members of the board of administration.”

Until required by the Act including Section 718.301 of the Act, or until the Developer or any subsequent developer elects to terminate their control of the Association and the condominiums operated by it, whichever occurs first, the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors. During the time the majority of the persons serving on the Board of Directors are appointees of the Developer, the Developer reserves the right to chair or designate a representative to chair meeting(s) of members.

- B. **Officers.** The executive officers of the Association shall be a President, who shall be a director, a Vice President, who shall be director, a Treasurer, a Secretary, and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Board of Directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be the Secretary or an Assistant Secretary. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board of Directors shall find to be necessary or convenient to manage the affairs of the Association.

1. Titles and Duties of Officers.

- (a) **President.** The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the

office of President of an Association, including but not limited to the power to appoint committees from among the members from time to time, as he in his discretion may determine appropriate, to assist in the conduct of the affairs of the Association. After transfer of control of the Association to Unit Owners other than the Developer has occurred, the President shall appoint standing budget committees for each condominium included in the Calypso Resort and Towers, the majority of the membership of which shall be comprised of owners of Units in the development for the particular budget committee. The President, on behalf of the Board of Directors, shall provide each budget committee a copy of the annual budget (or any amendment thereto or any special assessment proposal made in addition to the annual budget) proposed or to be proposed for adoption and shall solicit the budget committee's comments and recommendations regarding the budget; such comments and recommendations shall be submitted for consideration along with the budget itself to the Board of Directors or membership, as the case may be, when the budget is voted on for approval.

- (b) Vice President. The Vice President in the absence or disability of the President shall exercise the powers and perform the duties of the President. He also shall assist the President generally and exercise such other power and perform such other duties as shall be prescribed by the Board of Directors.
- (c) Secretary. The Secretary shall keep the minutes of all proceedings of the Board of Directors and the members in a businesslike manner and available for inspection by Unit Owners and the Board of Directors at all reasonable times. He shall attend to the giving and serving of all notices to the members and Board of Directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the Board of Directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.
- (d) Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; he shall submit treasurer's reports to the Board of Directors at reasonable intervals, not less than monthly; he shall prepare a budget; he shall make the treasurer's records available for inspection by the Board of Directors or Members at reasonable times; and he shall perform all other duties incident to the office of treasurer.

The Association may, with the approval of the Board of Directors, retain a management company to perform all or some of the duties of the officers.

ARTICLE VIII

MEMBERS

- A. In General. Each Unit Owner shall be a Member of the Association, with the right to vote on any matter for which a Unit Owner is entitled to vote. At any meeting of the members, the Unit Owner of each Unit shall be entitled to cast one (1) vote for each Unit he owns, which shall not be cumulative.

If a Unit is owned by one (1) person or entity, the right to vote on behalf of such Unit shall be established by the record title to the Unit. If a Unit is owned by more than one (1) person, the person or entity entitled to cast the vote for the Unit shall be designated by a voting certificate signed by all of the record owners of the Unit and filed with the Secretary of the

Association. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or a change in the ownership of the Unit concerned. A certificate designating a person entitled to cast the vote of a Unit may be revoked by any owner of a Unit. If such a certificate is not on file, the vote of such owner shall not be considered in determining the requirement for a quorum nor for any other purpose.

Notwithstanding the foregoing, whenever any Unit is owned by a husband and wife they may, but shall not be required to, designate a Voting Member. In the event a Voting Certificate designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote:

1. Where both husband and wife are present at a meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Unit owned by them. In the event they are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.
 2. Where only one (1) spouse is present at a meeting the spouse present may cast their vote without establishing the concurrence of the other spouse, absent any prior written notice to the contrary to the Association by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, their vote shall not be considered.
 3. Where neither spouse is present, the person designated in a proxy or Voting Certificate signed by either spouse may cast the vote, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different Voting Member by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different Voting Member by the other spouse, the vote shall not be considered.
- B. Members Meetings. The annual Members meeting shall be held each year at the office of the corporation on a date during the month of November as from time to time determined by the Board of Directors. The Members may transact at the annual members meeting any business authorized to be transacted by the Members.
- C. Special Meetings. Special meetings of the Members shall be held whenever allowed by the Act or called by the President.
- D. Notice. Notice of all members meetings stating the time and place and identifying each agenda item for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be posted at a conspicuous place designated by the Board of Directors on the condominium property at least thirty (30) continuous days preceding the meeting and shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed, delivered, or electronically transmitted not less than thirty (30) days nor more than thirty four (34) days prior to the date of the meeting. An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed, hand delivered, or electronically transmitted in accordance with this provision, to each Unit Owner at the address last furnished to the Association. Notice of meeting may be waived before the meetings.
- E. Quorum. A quorum of members meetings shall consist of persons holding one-third of the Unit Owners of the entire membership. The acts approved by a majority of the Unit Owners present at a meeting at which a quorum is present shall constitute the act of the members, except when approval by a greater number of Unit Owners is required by the Declaration of Condominium of any condominium operated by the Association, the Articles of

Incorporation of the Association or these By-Laws. In determining whether a quorum is present, proxies may be counted as Unit Owners, present.

- F. Proxies. Votes may be cast in person or by proxy subject to the provisions of this Paragraph. A proxy may be made or revoked by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting, provided that in no event shall a proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given.

Unit Owners may vote by limited proxy, and not general proxy, in the following instances: (1) to waive the financial reporting requirements of Section 718.111(13), Florida Statutes, (2) to waive or reduce reserves, (3) to amend the Declaration, Articles of Incorporation or the By-Laws, (4) to fill a vacancy caused by a recall of a Board member as provided in Rule 61B-23.0026, F.A.C., (5) to vote to forego retrofitting fire sprinkler systems or other engineered life safety systems, and (6) for any other matter which requires or permits a vote of the Unit Owners. Limited proxies must conform substantially to forms adopted by the Division.

Unit Owners may not vote by limited or general proxy in the election of members of the Board of Directors.

General proxies may be used only for matters for which limited proxies are not required and may also be used in voting for non-substantial changes to items for which a limited proxy is required and given.

- G. Lack of Quorum. If any meeting of members cannot be organized because a quorum is not present, the Unit Owners who are present, either in person, or by proxy, may adjourn the meeting from time to time until a quorum is present.
- H. Order of Business. The order of business at annual meetings and as far as practical at other members meetings shall be: (1) Collection of election ballots; (2) Election of chairman at meeting; (3) Call of the roll and certifying of proxies; (4) Proof of notice of meeting or waiver of notice; (5) Reading and disposal of any unapproved minutes; (6) Report of officers; (7) Report of committees; (8) Election of inspectors of an election; (9) Election of the Board of Directors; (10) Unfinished business; (11) New business; (12) Adjournment.

ARTICLE IX

FINANCIAL MANAGEMENT

Provisions for fiscal management of the Association as set forth in the Declaration of Condominium of each of the condominiums operated by the Association, the Articles of Incorporation, the Community Property Agreement and the Act shall be supplemented by the following provisions:

- A. Classification of Receipts and Expenditures. The receipts and expenditures of the Association shall be divided into two (2) general classifications. One general classification shall be for receipts and expenditures arising out of the use, ownership or maintenance of the Community Property or other similar receipts or expenditures received or incurred for the benefit of all owners served by the Community Property or for the benefit of all members of the Association. The second general classification shall be for receipts and expenditures specific to one of the condominiums or other developments served by the Association, such as the maintenance, repair or replacement of the common elements or limited common elements of a condominium. The second general classification shall be further divided into separate classifications, one such classification for each of the condominiums or other developments served by the Association. Any decision by the Board of Directors determining the classification of a particular receipt or expenditure shall be final.

B. Budgets.

1. The Board of Directors shall adopt a budget for each fiscal year for each condominium or other development served by the Association and for the Association. The budget for the Association shall include the estimated receipts and expenditures arising out of the use, ownership, operation and maintenance of the Common Elements, Limited Common Elements and the Community Property as set forth in the Community Property Agreement.
2. All budgets adopted by the Board of Directors shall include the estimated funds required to defray the common expenses and to provide and maintain funds according to good accounting practices by accounts and expense classifications including, if applicable, but not limited to the following: (1) Administration of the Association; (2) Management fee; (3) Maintenance; (4) Community Property expense for recreational and other commonly used facilities; (5) Taxes upon Association Property; (6) Taxes upon leased area; (7) Insurance; (8) Security Provisions; (9) Other expenses; (10) Operating Capital; (11) Reserves; (12) Fees payable to Division, if any; (13) Betterments (Betterments shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be a part of the common elements of the condominium or the property of the Association); (14) Operations. The cost of the Limited Common elements shall be borne by the Unit Owners having rights to such Limited Common elements, as provided in Paragraph 9.C.1 of these Bylaws.
3. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which deferred maintenance expense or replacement cost exceeds Ten Thousand Dollars (\$10,000). The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. This subsection shall not apply to budgets in which the members of the Association have, by a majority vote at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection. However, prior to transfer of control of the Association by the Developer to Unit Owners other than the Developer pursuant to Section 718.301 of the Act, the Developer may vote to waive the reserves or reduce the funding of reserves for the first two years of the operation of the Association, after which time reserves may only be waived or reduced upon vote of a majority of the Unit Owners other than the Developer present at a duly called meeting of the Association. If a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and no such result is attained or a quorum is not attained, the reserves as included in the budget shall go into effect.

Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the Unit Owners, voting in person or by limited proxy at a duly called meeting of the Association. Prior to turnover of control of the Association by the Developer to Unit Owners other than the Developer under Section 718.301 of the Act, the Developer-controlled Association shall not vote to use reserves for purposes other than that for which they were

intended without the approval of a majority of all Unit Owners other than the Developer, voting in person or by limited proxy at a duly called meeting of the Association.

If a meeting of the Unit Owners affected by a budget has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect.

4. For the purpose of the Budget, "Operations" shall include the gross revenues, if any, from the use of the common elements or other property owned by the Association and only the additional direct expense required by the revenue producing operation. Any surplus from such operations shall be used to reduce the assessments in the year following the year in which the surplus is realized. Any losses from such operation shall be met by assessments in the year following the year in which the loss is realized, unless funds cannot be adequately and timely raised in such fashion, in which event the required funds shall be provided by special assessment.
5. Adoption of Budgets. A copy of the proposed annual budget of common expenses shall be mailed to the Unit Owners affected by the budget not less than fourteen (14) days prior to the meeting at which the budget will be considered, together with a notice of that meeting. The Unit Owner shall be given written notice of the time and place at which such meeting of the Board of Directors to consider the budget shall be held, and such meeting shall be open to the Unit Owners. If an adopted budget requires assessment against the Unit Owners in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of the assessments for the preceding year, and if the Board of Directors receives, within twenty one (21) days after adoption of the annual budget, a written request from at least ten percent (10%) of the Unit Owners affected by the budget, the Board of Directors shall conduct a special meeting of the Unit Owners to consider a substitute budget. The special meeting shall be held within sixty (60) days after adoption of the annual budget. At least fourteen (14) days prior to such special meeting, the Board of Directors shall hand deliver to each Unit Owner affected by the budget, or mail to each such Unit Owner at the mailing address last furnished to the Association, a notice of the meeting.

In any event, the Board of Directors may propose a budget to the Unit Owners at a meeting of the members, and if the budget or proposed budget is approved by the Unit Owners affected by the budget at the meeting; the budget so approved shall be adopted. If a meeting of the Unit Owners affected by a budget has been called and a quorum of those Unit Owners affected by the budget in question is not attained or a substitute budget is not adopted, the budget adopted by the Board of Directors shall go into effect as scheduled.

In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium or development property, as the case may be, anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the condominium or development property, as the case may be, shall be excluded from the computation. However, as long as the Developer is in control of the Board of Directors, the Board of Directors shall not impose an assessment for any year greater than one hundred fifteen (115%) of the prior fiscal or calendar year's assessment without approval of a majority of the Unit Owners.

C. Assessments.

1. The Board of Directors shall make assessments against each Unit for its share of the items of each budget in an amount not less than required to provide funds in advance for payment of all the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. The costs of maintenance of the limited common elements shall be apportioned equally among those entitled to use such limited common elements, which costs shall be charged in the same manner as an assessment.
2. The assessments shall be made quarterly in advance and shall be due in equal, quarterly installments on the first day of each quarter for which the assessments are made.
3. If a quarterly assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and such quarterly assessments shall be due on the first day of each quarter of each quarter until changed by an amended assessment.
4. In the event the quarterly assessment shall be insufficient in the judgment of the Board of Directors, the Board of Directors shall amend each budget and shall make amended assessments for the balance of the quarter in sufficient amounts to meet the expenses for the quarter; provided, however, that any account of an amended budget that exceeds the limit upon increases shall be subject to approval of membership of the Association affected by that particular budget as previously required in these By-Laws.
5. Assessments for common expenses that cannot be paid from the annual assessment for common expenses shall be made only after notice of the need for such is given to the Unit Owners concerned. After such notice, Special Assessments may be made in one of two ways, depending on the purpose of the Special Assessment. When the purpose of the Special Assessment is limited to the payment of costs of reconstruction and repair immediately necessary to avoid damage to the condominium, it may be made by the Board of Directors, without approval of the Unit Owners or their mortgagees, upon a two-thirds (2/3) vote of the Board of Directors, a quorum being present. Such assessment shall be effective and paid as determined by the Board of Directors and indicated in the notice of assessment. All other Special Assessments must be approved in writing by persons entitled to cast more than three-fourths (3/4) of the Unit Owners, and thereupon the assessment shall become effective, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of assessment.

D. Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Directors and in which the monies from such accounts shall be withdrawn only by checks signed by such persons as are authorized by the Board of Directors.

E. Annual Financial Report. Within 90 days after the end of the fiscal year, or annually on a date provided in the Bylaws, the Association shall prepare and complete, or cause to be prepared and completed by a third party, a financial report for the preceding fiscal year. Within 21 days after the financial report is completed or received by the Association from the third party, the Association shall mail to each Unit Owner at the address last furnished to the Association by the Unit Owner, or hand deliver to each Unit Owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the Unit Owner, without charge, upon receipt of a written request from the Unit Owner.

ARTICLE X

DISPUTE RESOLUTION

Disputes, as defined in Section 718.1255, F.S., shall be submitted for mediation or arbitration as provided therein.

ARTICLE XI

OFFICIAL RECORDS

- A. From the inception of the Association, the Association shall maintain a copy of each document described in Section 718.111(12)(a) of the Act, and any other document required to be maintained in the State of Florida by the Association in accordance with all applicable laws.
- B. The official records of the Association are open to inspection by any Association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies at the reasonable expense, if any, of the Association member. The Association may adopt reasonable rules regarding the frequency, time, location, notice and manner of record inspection and copying. However, in no event shall the Association fail to provide the records within five (5) working days after receipt of a written request. A Unit Owner who is denied access to official records is entitled to such damages and remedies as are provided in Section 718.111(12)(c), Florida Statutes. The Association shall maintain an adequate number of copies of the Declaration, Articles of Incorporation, By-Laws, and rules, and all amendments to each of the foregoing, as well as the Question and Answer Sheet provided for in Section 718.504, Florida Statutes, on the condominium property to ensure their availability to Unit Owners and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the same.
- C. The Association shall prepare a Question and Answer Sheet as described in Section 718.504 of the Act, and shall update it annually.
- D. Notwithstanding any of the foregoing, the Association is not required to provide a prospective purchaser or lienholder with information about the condominium or the association other than information or documents required by Florida law or to be made available or disclosed. The association or its authorized agent may charge a reasonable fee to the prospective purchaser, lienholder, or the current unit owner for providing good faith responses to requests for information by or on behalf of a prospective purchaser or lienholder, other than that required by law, if the fee does not exceed \$150 plus the reasonable cost of photocopying and any attorney's fees incurred by the Association in connection with the response. The Association and its authorized agent are not liable for providing such information in good faith pursuant to a written request if the person providing the information includes a written statement in substantially the following form: "The responses herein are made in good faith and to the best of my ability as to their accuracy."

ARTICLE XII

FINES

In addition to all remedies provided in the Declaration of Condominium of any condominium operated by the Association, the Articles or these By-Laws, the Board of Directors of the Association may, upon reasonable notice of not less than 14 days and an opportunity for hearing, fine and charge any offending member a sum not to exceed One Hundred Dollars \$100.00 for each infraction of the provisions of said Declaration, Articles, By-Laws or reasonable rules and regulations of the Association. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000.00. No fine may be levied except after giving reasonable notice and opportunity for a hearing to the Unit Owner and, if applicable, its licensee or invitee. The hearing must be held before a committee of Unit Owners. If the committee does not agree with the fine, the fine may not be levied.

The Notice shall include the following:

- a. Statement of date, time and place of hearing.
- b. Statement of provisions allegedly violated (Declaration, By-Laws, Rules) and
- c. Short and plain statement of the matters asserted by the Association.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence and to provide written or oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the committee, if the committee agrees with the fine, the Board of Directors shall receive the report of the committee and if the Board approves the recommendation of the committee, the Board of Directors may levy the fine. No fines shall become a lien against the Unit. The provisions of this paragraph shall not apply to unoccupied units.

ARTICLE XIII

TRANSFER FEE

No fee shall be charged by the Association in connection with a transfer, lease, sale or sublease of a Unit.

ARTICLE XIV

AMENDMENTS

In addition to any other method provided under the Declaration or Articles of Incorporation, these By-Laws may be amended in the following manner:

- A. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
- B. Approval. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the Unit Owners of the Association. Except as elsewhere provided, such approvals must be either by:
 1. Not less than two-thirds (2/3) of the Unit Owners of the Association.
 2. Two-thirds (2/3) of the Board of Directors, until the transfer of control from the Developer to the Unit Owners.
 3. No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text underlined, and the 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 By-Law. See By-Law ___ for present text."

Non-material errors or omissions in the By-Law process shall not invalidate an otherwise properly promulgated amendment.
- C. Execution and Recording. A copy of each amendment shall be attached to or incorporated in a certificate certifying that the amendment was duly adopted as an

amendment of the Declaration and By-Laws, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be valid and effective when such certificate, with a copy of the amendment attached thereto or incorporated therein, is recorded in the public records of Bay County, Florida.

ARTICLE XV

INTERPRETATION

These By-Laws shall be deemed to include any mandatory provision of Section 718.112(2) of the Act as if fully restated herein. Whenever the context requires the same, the singular shall include the plural and the plural the singular and the masculine shall include the feminine and the neuter. Any reference to the "Developer" shall mean any of the Developers identified herein and each of their successors and assigns. The Developer may exercise the powers hereby granted in any manner agreeable among such entities. To the extent allowed by law, any notice or document which must or can be mailed or otherwise delivered to a Unit Owner pursuant to these By-Laws may be sent, at the option of the Unit Owner, by electronic mail to such address provided to the Association by the Unit Owner, or, at the option of the Unit Owner, may be posted on a website controlled by the Association with an appropriate notice to the Unit Owner of such new content.

ARTICLE XVI

OTHER PROVISIONS

- A. **Certificate of Compliance.** A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board of Directors as evidence of compliance of the Units to the applicable fire and life safety code. Notwithstanding the provisions of Chapter 633, Florida Statutes, or of any other code, statute, ordinance, administrative rule, or regulation, or any interpretation of the foregoing, the Association, Condominium, or Unit Owner is not obligated to retrofit the Units of the Condominium with a fire sprinkler system or other engineered life safety system in the Condominium, if the Unit Owners have voted to forego such retrofitting and engineered life safety system by the affirmative vote of two-thirds of all voting interests in the Condominium. A vote to forego retrofitting may be obtained by limited proxy or by a ballot personally cast at a duly called Unit Owner meeting, or by execution of a written consent by the Unit Owner, and shall be effective upon the recording of a certificate attesting to such vote in the public records of Bay County, Florida. The Association shall mail, hand deliver, or electronically transmit to each Unit Owner written notice at least fourteen (14) days prior to such membership meeting at which the vote to forego retrofitting of the required fire sprinkler system is to take place. Within thirty (30) days after the Association's opt-out vote, notice of the results of the opt-out vote shall be mailed, hand delivered, or electronically transmitted to all Unit Owners. Evidence of compliance with this 30-day notice shall be made by affidavit executed by the person providing the notice and filed among the official records of the Association. After such notice is provided to each Unit Owner, a copy of such notice shall be provided by the current owner to a new owner prior to closing and shall be provided by a unit owner to a renter prior to signing a lease.
- B. **Conveyances to Condemning Authorities.** The Association is hereby granted a limited power to convey a portion of the Common Elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion, or other public purposes, whether negotiated or as the result of eminent domain proceedings.
- C. **Written Inquiries.** When a Unit Owner files a written inquiry by certified mail with the Board of Directors, the Board of Directors shall respond as provided in Section 718.112(2)(a)(2), F.S., and failure to comply with the provisions of such Section shall have the consequences identified therein. The Board of Directors shall adopt reasonable rules and regulations regarding the frequency and manner of responding to such inquiries.

The foregoing was adopted as the By-Laws of Calypso Towers Resort Community 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 ____ day of _____, 2003.

President

Exhibit “D”
Estimated Operating Budget

Calypso Towers and Resort Community Association Tower 3 Association Budget - Estimate
01/01/2018 to 12/31/2018
(For period beginning with the recordation of the declaration and ending on the last day
of the fiscal year which the declaration was recorded)

Income	Annual Budget	Monthly Budget
*45000.1 Quarterly Assessments Tower 1	N/A	N/A
*45000.2 Quarterly Assessments Tower 2	N/A	N/A
*45000.3 Quarterly Assessments Tower 3	1,011,308.59	84,275.72
*45005.1 Parking Assessments	N/A	N/A
*45010.3 Community Prop Assessments	N/A	N/A
*45010.3 Community Prop Assessment-Dev	N/A	N/A
*45025.1 Late Fees T1	N/A	N/A
*45025.2 Late Fees T2	N/A	N/A
*45025.3 Late Fees T 3	2,120.00	176.67
*45026 Estoppel Fees	62,500.00	5,208.33
*45035.1 Transfer Fees T1	N/A	N/A
*45035.2 Transfer Fees T2	N/A	N/A
*45035.3 Transfer Fees T3	N/A	N/A
*45037.1 Rent for Recreational and other commonly used facilities	N/A	N/A
*45040.1 Interest Income	290.00	24.17
*45065.1 Vending Machine	2,492.00	207.67
*45067.1 Armband	69,153.00	5,762.75
*45069.1 Comercial Space Assessments	17,591.00	1,465.92
*45080.1 Insurance Claim Income	N/A	N/A
*45085.4 Settlement Income	N/A	N/A
*45090.1 Miscellaneous Income	N/A	N/A
*45095.1 Collection Fees 1	N/A	N/A
*45095.2 Collection Fees 2	N/A	N/A
*45095.3 Collection Fees 3	2,500.00	208.33
*45096.3 Sprinkler Head Repair	N/A	N/A
*45096.3 Commercial Revenue	N/A	N/A
*45097.3 Cell Tower Income	16,500.00	1,375.00
45098.3 Tower 3-Initial Capital Contribution		
Operating Capital	88,397.08	7,366.42
Registration Fees	N/A	N/A
Total Income	1,272,851.67	106,070.98

Calypso Towers and Resort Community Association Tower 3 Association Budget - Estimate
01/01/2018 to 12/31/2018

General & Administrative		Annual Budget	Monthly Budget
*50005.1	Accounting Professional Fees	20,800.00	1,733.34
*50006.1	Accounting Collection Costs	N/A	N/A
*50013.1	Annual Meeting	1,500.00	125.00
*50014.1	Legal fees General Matters	N/A	N/A
*50015.1	Fees to Division	1,000.00	83.33
*50017.1	Water Coolers	1,500.00	125.00
*50020.1	Office Supplies and Expenses	6,500.00	541.66
*50021.1	Armbands	2,500.00	208.34
*50022.1	Printing	2,500.00	208.34
*50025.1	Employee Uniforms	1,000.00	83.33
*50030.1	Permits & Licenses	2,300.00	191.67
*50032.1	FL Condo Fee	1,000.00	83.34
*50035.1	Bank Charges	200.00	16.67
*50042.1	Taxes Expense	N/A	N/A
Total Administrative		40,800.00	3,400.00
Repairs & Maintenance			
*52010.1	Grounds & Palms	N/A	N/A
*52015.1	Elevator- Maintenance	492.00	41.67
*52022.1	Building Repairs	7,500.00	625.00
*52035.1	Fire System Maintenance	500.00	41.67
*52045.1	Furniture & Fixture Repair	2,000.00	167.00
*52055.1	Maintenance Supplies/Equip	5,500.00	458.34
*52056.1	Maint Supplies- Parking	N/A	N/A
*52057.1	Mait-Parking LCE	N/A	N/A
*52060.1	Cleaning Supplies	8,550.00	712.50
*52065.1	Generator Maintenance	1,500.00	125.00
*52070.1	Parking Garage (NORTH)	N/A	N/A
*52075.1	HVAC	N/A	N/A
*52080.1	Sky-Bridge	N/A	N/A
*52085.1	Security Cameras	20,000.00	1,666.67
*52090.1	Plumbing	N/A	N/A
*52091.1	Swimming Pool	9,500.00	792.00
*52095.1	Misc Maint Expense	N/A	N/A
Total Repairs & Maintenance		55,542.00	4,629.85

Calypso Towers and Resort Community Association Tower 3 Association Budget - Estimate
01/01/2018 to 12/31/2018

	Contracts	Annual Budget	Monthly Budget
*56000.1	Elevator-Contract	42,500	3,541.67
*56025.1	Pest Control-Contract	3,000	250.00
*56030.1	Lawn-Contract	7,500	625.00
*56040.1	Pool- Contract	N/A	N/A
*56050.1	Fire Alarm Systems	7,000	581.98
*56060.1	GAB Insurance Appr.	N/A	N/A
*56070.1	Garbage	35,000	2,916.67
*56075.1	Mat Service	N/A	N/A
*56096.1	Website	N/A	N/A
*56080.1	HVAC	6,000	500.00
*56095.1	Office Copier/Fax	900	75.00
	Total Contracts	101,900	8,491.67
	Insurance		0.00
*56005.1	Insurance Expense	192,250	16,020.83
*56006.1	Workmans Comp Ins	15,000	1,250.00
*56010.1	Insurance Interest	516	43.00
*56015.1	Insurance Refund	N/A	N/A
	Total Insurance	207,766	17,313.83
	Salaries & Benefits		0.00
* 57010.1	Salaries-Maintenace	68,250.00	5,687.50
*57012.1	Salaries-Management	65,500.00	5,458.33
*57013.1	Salaries-Administration of Association	N/A	N/A
*57015.1	Salaries- Grounds	76,960.00	6,413.33
*57020.1	Salaries- Seasonal	20,820.00	1,735.00
*57025.1	Payroll-Admin Fee	310.00	25.83
*57026.1	Taxes upon leased areas	N/A	N/A
*57027.1	Taxes upon Association Property	N/A	N/A
*57040.1	Payroll- Taxes	31,000.00	2,583.33
*57060.1	Salaries Courtesy Patrol	17,166.00	1,430.50
*57061.1	Employee Benefits	N/A	N/A
*57065.1	Temp Security	35,106.00	2,925.50
	Total Salaries & Benefits	315,112.00	26,259.33
	Utilities		
*55005.1	Natural Gas	18,000.00	1,500.00
*55015.1	Telephone	5,340.00	445.00
*55020.2	Water/Sewer	146,000.00	12,166.67
*55025.1	Cable	48,000.00	4,000.00
*55026.1	Internet	47,475.00	3,956.25
*55030.2	Electricity	113,950.00	9,495.83
	Total Utilities	378,765.00	31,563.75

Calypso Towers and Resort Community Association Tower 3 Association Budget - Estimate
01/01/2018 to 12/31/2018

	Reserves	Annual Budget	Monthly Budget
*59000.1	Reserves Tower 1	N/A	N/A
*59000.2	Reserves Tower 2	N/A	N/A
*59000.3	Reserves Tower 3	172,966.67	14,413.89
*59000.5	Reserves Parking	N/A	N/A
	Total Reserves	172,966.67	14,413.89
	Other		
*58040	Insurance Claims	N/A	N/A
*58041	Owner Expense: rent for unit if subject to a lease	N/A	N/A
*58042	Owner Expense: Rent payable by unit owner directly to the lessor or agent under any recreational lease or lease for the use of the commonly used facilities, which use and payment is a mandatory condition of ownership and is not included in the common expenses for assessments for common maintenance paid by unit owners to the Association	N/A	N/A
*58050.1	Bad Debt	N/A	N/A
*58060.1	Construction Legal & Professional	N/A	N/A
*58075.3	Limited Parking Assess Expense	N/A	N/A
*58100.3	Facility Improvements	N/A	N/A
*58101.1	Other Expense	N/A	N/A
	Total Other	0.00	0.00
	Total Expenses	1,272,851.67	106,072.32
	Net Income	0.00	0.00
	Total Expenses (W/O Reserve Funding)	1,099,885	91,657.08
	Net Income	0	0

THE BUDGET CONTAINED IN THIS OFFERING CIRCULAR HAS BEEN PREPARED IN ACCORDANCE WITH THE CONDOMINIUM ACT AND IS AN ESTIMATE ONLY AND REPRESENTS AN APPROXIMATION OF FUTURE EXPENSES BASED ON CURRENT CIRCUMSTANCES AND COSTS AT THE TIME OF PREPARATION. ACTUAL COSTS MAY EXCEED THE ESTIMATES. SUCH CHANGES IN COSTS DO NOT CONSTITUTE MATERIAL CHANGES IN THE OFFERING

(FOR PERIOD BEGINNING WITH RECORDATION OF DECLARATION AND ENDING THE LAST DAY OF THE FISCAL YEAR DURING WHICH THE DECLARATION WAS RECORDED)

Calypso Towers and Resort Community Association
01/01/2018 to 12/31/2018
Tower -3 Square Footage Estimates

Plans	Number Units	Square Footage	Total Sq. Footage
Type A	21	1809	37989
Type A-1	21	2117	44457
Type B	82	1563	128166
Type C	42	1074	45108
Type D	82	1103	90446
Type D-1	2	1182	2364
Retail Unit	1	2776	2776
Reception Desk	1	166	166
Snack Bar	1	1077	1077
Electrical Closet	44	65	2860
Total	297		355409

Calypso Towers and Resort Community Association
01/01/2018 to 12/31/2018
Tower -3 Unit Assessmentswith Reserve Funding Estimates

Assessments	Monthly	Quarterly	Annually	(Reserve Funding)
Type A	428.96	1286.87	5147.47	Estimated
Type A-1	501.99	1505.97	6023.88	Estimated
Type B	370.62	1111.87	4447.48	Estimated
Type C	254.67	764.01	3056.04	Estimated
Type D	261.55	784.64	3138.56	Estimated
Type D-1	280.28	840.84	3363.36	Estimated
Retail Unit	658.25	1974.76	7899.05	Estimated
Reception Desk	39.36	118.09	472.35	Estimated
Snack Bar	255.38	766.15	3064.58	Estimated
Electrical Closet	15.41	46.24	184.96	Estimated

Calypso Towers and Resort Community Association
01/01/2018 to 12/31/2018
Tower -3 Unit Assessments without Reserve Funding Estimates

Assessments	Monthly	Quarterly	Annually	(Without Reserve Funding)
Type A	355.59	1,066.77	4,267.08	Estimated
Type A-1	416.13	1,248.40	4,993.60	Estimated
Type B	307.23	921.70	3,686.82	Estimated
Type C	211.11	633.34	2,533.36	Estimated
Type D	216.81	650.44	2,601.77	Estimated
Type D-1	232.34	697.03	2,788.11	Estimated
Retail Unit	545.67	1,637.01	6,548.05	Estimated
Reception Desk	32.63	97.89	391.56	Estimated
Snack Bar	211.70	635.11	2,540.44	Estimated
Electrical Closet	12.78	38.33	153.32	Estimated

CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.

Approved Operating Budget

January 1 through December 31, 2018

	Annual Budget 2018	Projected Jan-Dec 17	Jan - Aug 17	Annual Budget 2017
Income				
45000.1 · Quarterly Assessments Tower 1	1,217,820.52	1,217,820.52	811,792.95	1,217,820.52
45000.2 · Quarterly Assessments Tower 2	1,195,716.48	1,195,716.48	797,056.96	1,195,716.48
45005.1 · Parking Assessments	3,005.00	3,005.00	2,053.58	3,005.00
45010.3 · Community Prop Assessment-Dev.	13,680.00	13,680.00	10,260.00	13,680.00
45025.1 · Late Fees T1	4,000.00	5,500.00	4,978.80	4,000.00
45025.2 · Late Fees T2	4,000.00	6,500.00	5,946.86	4,000.00
45035.1 · Transfer Fees T1	1,250.00	3,000.00	2,870.00	1,250.00
45035.2 · Transfer Fees T2	1,250.00	2,500.00	2,440.00	1,250.00
45040.1 · Interest Income	1,250.00	1,500.00	861.92	1,250.00
45065.1 · Vending Machine	1,500.00	1,500.00	837.84	1,500.00
45067.1 · Armband	15,000.00	20,000.00	17,883.67	12,000.00
45080.1 · Insurance Claim Income	0.00	3,400.00	3,335.00	0.00
45085.4 · Settlement Income	0.00	1,000.00	1,000.00	0.00
45090.1 · Miscellaneous Income	500.00	700.00	629.01	500.00
45095.1 · Collection Fees T1	750.00	750.00	640.44	1,000.00
45095.2 · Collection Fees T2	1,000.00	1,000.00	853.92	1,000.00
45096.3 · Sprinkler Head Repair	0.00	2,900.00	2,886.00	0.00
45097.3 · Cell Tower Income	50,000.00	36,000.00	21,582.62	50,000.00
Registration Fees	20,000.00	0.00	0.00	0.00
45100.1 · Application of PY Fund Balance	140,000.00	150,000.00	0.00	150,000.00
Total Income	2,670,722.00	2,666,472.00	1,687,909.57	2,657,972.00
Expense				
ADMINISTRATIVE				
50005.1 · Accounting Professional Fees	38,000.00	37,000.00	27,401.00	37,000.00
50006.1 · Accounting Collection Costs	600.00	600.00	500.00	1,000.00
50013.1 · Annual Meeting	1,500.00	1,500.00	447.24	1,500.00
50014.1 · Legal- General Matters	50,000.00	150,000.00	133,432.21	40,000.00
50017.1 · Water Coolers	1,200.00	1,200.00	876.37	1,500.00
50020.1 · Office Supplies and Expenses	3,700.00	3,700.00	2,331.62	3,500.00
50021.1 · Armbands	4,000.00	4,000.00	0.00	5,500.00
50022.1 · Printing	2,000.00	500.00	0.00	3,000.00
50025.1 · Employee Uniforms	2,000.00	2,000.00	1,887.39	2,000.00
50030.1 · Permits & Licenses	5,600.00	1,575.00	1,575.00	1,500.00
50032.1 · FL Condo Fee	1,650.00	1,650.00	61.25	1,650.00
50035.1 · Bank Charges	50.00	50.00	50.00	300.00
50042.1 · Taxes Expense	9,000.00	6,500.00	6,480.00	2,000.00
Total ADMINISTRATIVE	119,300.00	210,275.00	175,042.08	100,450.00
MAINTENANCE & REPAIRS				
52010.1 · Grounds & Palms	5,000.00	5,000.00	1,405.82	6,000.00
52015.1 · Elevator-Maintenance	7,000.00	2,500.00	1,750.33	3,500.00
52022.1 · Building Repairs	35,000.00	35,000.00	19,070.13	35,000.00
52035.1 · Fire System Maintenance	12,000.00	16,000.00	12,434.12	15,000.00
52045.1 · Furniture & Fixture Repair	2,000.00	2,000.00	1,875.57	1,500.00
52055.1 · Maintenance Supplies/Equip	11,500.00	11,200.00	9,859.28	9,000.00
52056.1 · Maint Supplies - Parking	250.00	200.00	103.92	250.00
52057.1 · Maint-Parking LCE	750.00	800.00	759.60	750.00
52060.1 · Cleaning Supplies	18,000.00	18,000.00	13,709.11	18,000.00
52065.1 · Generator Maintenance	6,500.00	6,500.00	6,420.19	3,000.00
52070.1 · Parking Garage	2,500.00	1,000.00	522.32	5,000.00
52075.1 · HVAC	17,000.00	17,000.00	9,137.43	25,000.00
52080.1 · Sky-bridge	0.00	0.00	0.00	1,500.00
52085.1 · Security Cameras	5,000.00	5,000.00	4,973.52	2,000.00
52090.1 · Plumbing	5,000.00	5,000.00	3,863.68	6,000.00
52091.1 · Swimming Pool	8,500.00	8,500.00	5,918.96	4,000.00
52095.1 · Misc Maint Expense	500.00	500.00	205.08	1,500.00
Total MAINTENANCE & REPAIRS	136,500.00	134,200.00	92,009.06	137,000.00

CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.

Approved Operating Budget January 1 through December 31, 2018

	Annual Budget 2018	Projected Jan-Dec 17	Jan - Aug 17	Annual Budget 2017
CONTRACTS				
56000.1 · Elevator-Contract	38,000.00	38,000.00	22,990.00	38,000.00
56025.1 · Pest Control- Contract	6,000.00	16,500.00	15,009.28	11,000.00
56030.1 · Lawn-Contract	19,000.00	19,000.00	12,380.00	19,000.00
56040.1 · Pool Contract	42,000.00	40,000.00	26,800.00	40,000.00
56050.1 · Fire Alarm Systems	10,000.00	10,000.00	3,034.29	11,000.00
56060.1 · GAB Insurance & Reserve Appr.	3,500.00	450.00	450.00	450.00
56070.1 · Garbage	42,000.00	42,000.00	32,073.04	40,000.00
56075.1 · Mat Service	21,000.00	21,000.00	14,380.77	20,000.00
56080.1 · HVAC	12,000.00	12,000.00	5,767.50	15,000.00
56095.1 · Office Copier/Fax	3,100.00	3,100.00	1,876.36	2,500.00
56096.1 · Website	950.00	950.00	918.00	950.00
Total CONTRACTS	197,550.00	203,000.00	135,679.24	197,900.00
INSURANCE				
56005.1 · Insurance Expense	348,000.00	331,000.00	221,321.84	369,000.00
56006.1 · Workmans Comp Ins	34,000.00	34,000.00	22,493.36	17,000.00
56010.1 · Insurance Interest & Fees	1,550.00	1,550.00	1,507.58	2,500.00
Total INSURANCE	383,550.00	366,550.00	245,322.78	388,500.00
SALARIES & BENEFITS				
57010.1 · Salaries- Maintenance	136,500.00	95,000.00	64,895.67	124,000.00
57012.1 · Salaries-Admin	142,000.00	122,000.00	78,206.22	120,000.00
57015.1 · Salaries- Grounds	210,000.00	237,000.00	148,176.52	204,000.00
57020.1 · Salaries- Seasonal	36,000.00	15,000.00	14,545.19	39,000.00
57025.1 · Payroll Fee	650.00	650.00	470.75	750.00
57040.1 · Payroll Taxes	60,000.00	46,000.00	30,980.71	59,000.00
57060.1 · Salaries-Courtesy Patrol	64,000.00	61,000.00	38,631.53	62,000.00
57061.1 · Employee Benefits	58,500.00	8,000.00	5,066.70	10,500.00
57065.1 · Temp Security	121,000.00	120,000.00	91,069.62	121,000.00
Total SALARIES & BENEFITS	828,650.00	704,650.00	472,042.91	740,250.00
UTILITIES				
55005.1 · Natural Gas	11,000.00	11,000.00	7,922.12	12,000.00
55015.1 · Telephone	11,500.00	9,500.00	6,190.85	10,000.00
55020.1 · Water/Sewer	230,000.00	225,000.00	166,161.69	230,000.00
55025.1 · Cable	90,000.00	90,000.00	64,741.87	93,000.00
55026.1 · Internet	75,000.00	32,000.00	7,191.59	91,000.00
55030.1 · Electricity	175,000.00	170,000.00	110,093.92	188,000.00
Total UTILITIES	592,500.00	537,500.00	362,302.04	624,000.00
RESERVE FUNDING				
59000.1 · Reserves Tower 1	45,645.00	42,408.00	28,272.00	42,408.00
59000.2 · Reserves Tower 2	46,200.00	45,103.00	30,068.64	45,103.00
59000.3 · Reserves CP	211,350.00	209,150.00	139,433.36	209,150.00
59000.5 · Reserves Parking	2,255.00	2,255.00	1,503.36	2,255.00
Total RESERVE FUNDING	305,450.00	298,916.00	199,277.36	298,916.00
OTHER				
58050.1 · Bad Debt	5,000.00	5,000.00	0.00	30,000.00
58060.1 · Engineering Fees	10,000.00	8,000.00	5,719.44	25,000.00
58075.3 · Limited Parking Assess Expense	0.00	50.00	27.99	48.00
Registration Fee Software & Equipment	80,500.00	0.00	0.00	0.00
58100.3 · Facility Improvements	11,722.00	34,000.00	8,886.35	115,908.00
Total OTHER	107,222.00	47,050.00	14,633.78	170,956.00
Total Expense	2,670,722.00	2,502,141.00	1,696,309.25	2,657,972.00
Net Income	0.00	164,331.00	-8,399.68	0.00

Calypso Resort & Towers
Tower 3
Reserves for Capital Expenditures and Deferred Maintenance
For Fiscal Year:
January 01, 2018 - December 31, 2018

Asset	Estimated Life	Estimated Remaining Life (YRS)	Replacement Cost	Estimated Balance (01/01/18)	2018 Expenses	Remaining Funding Requirement	2018 Annual Funding Requirement
1.1 Building Painting	10	10	850,000.00	-	-	850,000.00	85,000.00
2.1 Roof Replacement	20	20	85,000.00	-	-	85,000.00	4,250.00
3.1 Paving	10	10	58,000.00	-	-	58,000.00	5,800.00
4.1 HVAC	12	12	240,000.00	-	-	240,000.00	20,000.00
5.1 Elevator Repairs/Replacement	20	20	440,000.00	-	-	440,000.00	22,000.00
6.1 Alarms and Controls	15	15	193,000.00	-	-	193,000.00	12,866.67
7.1 Swimming Pool Resurfacing	12	12	66,000.00	-	-	66,000.00	5,500.00
8.1 Signage	10	10	19,000.00	-	-	19,000.00	1,900.00
9.1 Balcony Railings	20	20	313,000.00	-	-	313,000.00	15,650.00
Total			2,264,000.00	-	-	2,264,000.00	172,966.67

Total Units	250
Contributions (Yearly)	172,966.67
Contributions (Monthly)	14,413.89

LEVEL III REPORT
RESERVE STUDY UPDATE WITHOUT SITE INSPECTION

Calypso Resort & Towers: Tower 3

**For Fiscal Year:
January 01, 2018 - December 31, 2018**

MAY 17, 2018

Introduction

Common interest developments (CIDs) are defined by shared property and restrictions in the deed on use of the property. A CID is governed by a mandatory association which administers the property and enforces its restrictions. The association is responsible for repairing, replacing, or maintaining the common areas. The owner of each separate interest is responsible for maintaining that separate interest and any exclusive use common area appurtenant to the separate interest.

Importance of Reserve Studies

A reserve study provides a current estimate of the costs of repairing and replacing major common area components (such as roofs or pavement) over the long term. Ideally, all major repair and replacement costs will be covered by funds set aside by the association as reserves, so that funds are there when needed. This requires:

- examination of the association's repair and replacement obligations;
- determination of costs and timing of replacement;
- determination of the availability of necessary (reserve) cash resources.

Because the board has a fiduciary duty to manage association funds and property, a replacement reserve budget is very important. Not only does this information supplement the annual pro forma operating budget in providing owners with financial information; the reserve study is also an important management information tool as the association strives to balance and optimize long-term property values and costs for the membership.

How Do Reserves Fit into the Overall Financial Plan?

The reserves are an important part of the association's annual pro forma operating budget. The replacement reserves relate to association budgeting in two important ways:

- The pro forma operating budget will include planned replacement reserve funding and the accrual-basis expense for the year.
- The reserve estimates depend on assumptions about the association's maintenance program, and maintenance expense is a part of the operations budget.

It is important that association members understand the difference between operations and replacement reserve activities. Boards should establish policy to distinguish between reserve expenses (funded from the replacement reserve account) and operating expenses (funded through the non-reserve operating budget).

In common interest developments, the following division of maintenance and replacement responsibility is typical, although actual items included in each category will vary according to each association's physical plan and governing documents:

- individual responsibility for maintenance;
- association responsibility for day-to-day maintenance of common area;
- association responsibility for non-annual maintenance and replacement of common area; and
- association responsibility for improvements.

Steps to Providing Adequate Reserves



Figure 1: Reserve Study Flowchart

Important Reserve Study Terminology

Cash Flow Method – A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component – The individual line items in the reserve study developed or updated in the physical analysis. These elements form the building blocks for the reserve study. Components typically are: 1) association responsibility; 2) with limited useful life expectancies; 3) predictable remaining useful life expectancies; 4) above a minimum threshold cost; 5) as required by local codes.

Component Assessment and Valuation – The task of estimating useful life, remaining useful life, and repair or replacement costs for the reserve components. This task is accomplished either with or without on-site visual observations, based on the level of service selected by the client.

Component Inventory – The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of established association precedents and discussion with appropriate association representative(s) of the association or cooperative.

Component Method – A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for individual components. See “cash flow method”.

Condition Assessment – The task of evaluating the current condition of the component based on observed or reported characteristics.

Deficit – An actual (or projected) reserve balance less than the fully funded balance. The opposite would be a “surplus”.

Field Inspection – A site visit which includes a visual inspection of all components. In cases where plans of the property are unavailable, it would also include the quantity survey.

Financial Analysis – The portion of a reserve study where current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (reserve funding plan) are derived and the projected reserve income and expense over time is presented. The financial analysis is one of the two parts of a reserve study.

Fully Funded Balance (FBB) – Total accrued depreciation. An indicator against which actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life “used up” of the current repair or replacement cost. This number is calculated for each component and summed together for an association total.

$$FFB = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$$

Fund Status – The status of the reserve fund as compared to an established benchmark such as percent funding.

Funding Goals – Independent of methodology utilized, the following represent the basic categories of funding plan goals:

- **Baseline Funding** – Establishing a reserve funding goal of keeping the reserve cash balance above zero.
- **Full Funding** – Setting a reserve funding goal of attaining and maintaining reserves at or near 100% funded.
- **Statutory Funding** – Establishing a reserve funding goal of setting aside the specific minimum amount of reserves required by local statutes.
- **Threshold Funding** – Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold, this may be more or less conservative than “fully funding”.

Percent Funded – The ratio, at a particular point of time (typically the beginning of the fiscal year), of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage.

Physical Analysis – The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

Remaining Useful Life (RUL) – Also referred to as “remaining life” (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have “zero” remaining useful life.

Replacement Cost – The cost of replacing, repairing, or restoring a reserve component to its original functional condition. The current replacement cost would be the cost to replace, repair, or restore the component during that particular year.

Reserve Balance – Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as reserves, reserve accounts, cash reserves. Based upon information provided and not audited.

Special Assessment – An assessment levied on the members of an association in addition to regular assessments. Special assessments are often regulated by governing documents or local statutes.

Surplus – An actual (or projected) reserve balance greater than the fully funded balance. See “deficit”.

Useful Life (UL) – Total useful life or depreciable life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

Disclaimer

The information contained in this report is a PROJECTION GOOD FOR ONE (1) YEAR ONLY. The “component list”, “useful life”, “remaining useful life”, “beginning balance”, “projection of inflation”, and “interest (all inputs) have all been provided to FJStrategic Solutions Inc. to prepare this report. FJStrategic Solutions Inc. assumes no responsibility to the accuracy of any of information provided to prepare this report.

Calypso Resort & Towers: Tower 3

Because the reserve study is a projection, the estimated lives and costs of components will more than likely change over time depending on a variety of factors such as:

- (i) future inflation rates;
- (ii) levels of maintenance applied by future boards;
- (iii) unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement while others may cost more. For this reason, these variables make it possible to project exactly how much a given component will cost to replace in the future, or exactly how much a given community association should be funding annually.

Budget Assumptions and Recommendations

Starting info

- Period Start: **January 01, 2018**
- Period End: **December 31, 2018**
- Number of units: **250**
- Report Level: **D.I.Y. Reserve Study**

Report Parameters

- Current Reserve Contribution: **\$172,967**
- Projected Starting Balance: **\$0**
- Interest Projection: **1.50 %**
- Inflation Projection: **3.50 %**
- Fully Funded Balance: **\$0**

Current Percent Funded



Recommendations

- Recommended Next Years Reserve Contribution: **\$195,729**
- Special assessments recommended for Fiscal Year 2018-01-01 - 2018-12-31: **\$0**

Table 1: Planned and recommended Special Assessments

Year	Amount	Purpose	Year	Amount	Purpose
2018	\$0	NA	2033	\$0	NA
2019	\$0	NA	2034	\$0	NA
2020	\$0	NA	2035	\$0	NA
2021	\$0	NA	2036	\$0	NA
2022	\$0	None	2037	\$0	NA
2023	\$0	NA	2038	\$0	NA
2024	\$0	NA	2039	\$0	NA
2025	\$0	NA	2040	\$0	NA
2026	\$0	NA	2041	\$0	NA
2027	\$0	NA	2042	\$0	NA
2028	\$0	NA	2043	\$0	NA
2029	\$0	NA	2044	\$0	NA
2030	\$0	NA	2045	\$0	NA
2031	\$0	NA	2046	\$0	NA
2032	\$0	NA	2047	\$0	NA

Thirty Years Cash Flow Projection

Current Funding Plan

Table 2: Current Funding Plan

Year	Starting Balance	Reserve Contribution	Percent Change	Special Assessments	Interest Earned	Expenditures	Ending Balance	Fully Funded Balance	Percent Funded
2018	\$0	\$172,967	0.00 %	\$0	\$1,306	\$0	\$174,273	\$0	100.00 %
2019	\$174,273	\$179,020	3.50 %	\$0	\$3,984	\$0	\$357,277	\$179,020	97.35 %
2020	\$357,277	\$185,286	3.50 %	\$0	\$6,795	\$0	\$549,359	\$370,572	96.41 %
2021	\$549,359	\$191,771	3.50 %	\$0	\$9,745	\$0	\$750,876	\$575,314	95.49 %
2022	\$750,876	\$198,483	3.50 %	\$0	\$12,840	\$0	\$962,199	\$793,933	94.58 %
2023	\$962,199	\$205,430	3.50 %	\$0	\$16,084	\$0	\$1,183,713	\$1,027,151	93.68 %
2024	\$1,183,713	\$212,620	3.50 %	\$0	\$19,484	\$0	\$1,415,817	\$1,275,721	92.79 %
2025	\$1,415,817	\$220,062	3.50 %	\$0	\$23,046	\$0	\$1,658,925	\$1,540,433	91.91 %
2026	\$1,658,925	\$227,764	3.50 %	\$0	\$26,776	\$0	\$1,913,464	\$1,822,113	91.04 %
2027	\$1,913,464	\$235,736	3.50 %	\$0	\$30,680	\$0	\$2,179,880	\$2,121,622	90.19 %
2028	\$2,179,880	\$243,987	3.50 %	\$0	\$24,892	\$1,307,625	\$1,141,133	\$2,439,866	89.34 %
2029	\$1,141,133	\$252,526	3.50 %	\$0	\$19,142	\$0	\$1,412,802	\$1,424,395	80.11 %
2030	\$1,412,802	\$261,364	3.50 %	\$0	\$19,820	\$462,387	\$1,231,599	\$1,735,614	81.40 %
2031	\$1,231,599	\$270,512	3.50 %	\$0	\$20,644	\$0	\$1,522,756	\$1,588,302	77.54 %
2032	\$1,522,756	\$279,980	3.50 %	\$0	\$25,113	\$0	\$1,827,849	\$1,923,872	79.15 %
2033	\$1,827,849	\$289,779	3.50 %	\$0	\$27,354	\$323,342	\$1,821,640	\$2,280,987	80.13 %
2034	\$1,821,640	\$299,922	3.50 %	\$0	\$29,778	\$0	\$2,151,340	\$2,326,085	78.31 %
2035	\$2,151,340	\$310,419	3.50 %	\$0	\$34,837	\$0	\$2,496,596	\$2,717,917	79.15 %
2036	\$2,496,596	\$321,284	3.50 %	\$0	\$40,134	\$0	\$2,858,013	\$3,134,327	79.65 %
2037	\$2,858,013	\$332,529	3.50 %	\$0	\$45,677	\$0	\$3,236,219	\$3,576,557	79.91 %
2038	\$3,236,219	\$344,167	3.50 %	\$0	\$24,956	\$3,511,977	\$93,365	\$4,045,904	79.99 %
2039	\$93,365	\$356,213	3.50 %	\$0	\$4,100	\$0	\$453,678	\$908,827	10.27 %
2040	\$453,678	\$368,680	3.50 %	\$0	\$9,636	\$0	\$831,994	\$1,309,317	34.65 %
2041	\$831,994	\$381,584	3.50 %	\$0	\$15,448	\$0	\$1,229,026	\$1,736,727	47.91 %
2042	\$1,229,026	\$394,940	3.50 %	\$0	\$16,269	\$698,699	\$941,536	\$2,192,452	56.06 %
2043	\$941,536	\$408,762	3.50 %	\$0	\$17,307	\$0	\$1,367,606	\$1,954,798	48.17 %
2044	\$1,367,606	\$423,069	3.50 %	\$0	\$23,851	\$0	\$1,814,525	\$2,446,285	55.91 %
2045	\$1,814,525	\$437,877	3.50 %	\$0	\$30,713	\$0	\$2,283,114	\$2,969,781	61.10 %
2046	\$2,283,114	\$453,202	3.50 %	\$0	\$37,906	\$0	\$2,774,222	\$3,526,926	64.73 %
2047	\$2,774,222	\$469,064	3.50 %	\$0	\$45,443	\$0	\$3,288,729	\$4,119,433	67.34 %

Calypso Resort & Towers: Tower 3

Threshold Funding Plan

Table 3: Threshold Funding Plan

Year	Starting Balance	Reserve Contribution	Percent Change	Special Assessments	Interest Earned	Expenditures	Ending Balance	Fully Funded Balance	Percent Funded
2018	\$0	\$180,811	4.53 %	\$0	\$1,365	\$0	\$182,176	\$0	100.00 %
2019	\$182,176	\$187,139	3.50 %	\$0	\$4,165	\$0	\$373,480	\$179,020	101.76 %
2020	\$373,480	\$193,689	3.50 %	\$0	\$7,104	\$0	\$574,272	\$370,572	100.78 %
2021	\$574,272	\$200,468	3.50 %	\$0	\$10,187	\$0	\$784,928	\$575,314	99.82 %
2022	\$784,928	\$207,484	3.50 %	\$0	\$13,422	\$0	\$1,005,834	\$793,933	98.87 %
2023	\$1,005,834	\$214,746	3.50 %	\$0	\$16,813	\$0	\$1,237,394	\$1,027,151	97.92 %
2024	\$1,237,394	\$222,262	3.50 %	\$0	\$20,368	\$0	\$1,480,024	\$1,275,721	97.00 %
2025	\$1,480,024	\$230,042	3.50 %	\$0	\$24,091	\$0	\$1,734,157	\$1,540,433	96.08 %
2026	\$1,734,157	\$238,093	3.50 %	\$0	\$27,990	\$0	\$2,000,240	\$1,822,113	95.17 %
2027	\$2,000,240	\$246,426	3.50 %	\$0	\$32,072	\$0	\$2,278,738	\$2,121,622	94.28 %
2028	\$2,278,738	\$255,051	3.50 %	\$0	\$26,468	\$1,307,625	\$1,252,632	\$2,439,866	93.40 %
2029	\$1,252,632	\$263,978	3.50 %	\$0	\$20,913	\$0	\$1,537,523	\$1,424,395	87.94 %
2030	\$1,537,523	\$273,217	3.50 %	\$0	\$21,793	\$462,387	\$1,370,147	\$1,735,614	88.59 %
2031	\$1,370,147	\$282,780	3.50 %	\$0	\$22,830	\$0	\$1,675,756	\$1,588,302	86.26 %
2032	\$1,675,756	\$292,677	3.50 %	\$0	\$27,520	\$0	\$1,995,954	\$1,923,872	87.10 %
2033	\$1,995,954	\$302,921	3.50 %	\$0	\$29,992	\$323,342	\$2,005,524	\$2,280,987	87.50 %
2034	\$2,005,524	\$313,523	3.50 %	\$0	\$32,658	\$0	\$2,351,705	\$2,326,085	86.22 %
2035	\$2,351,705	\$324,496	3.50 %	\$0	\$37,970	\$0	\$2,714,171	\$2,717,917	86.53 %
2036	\$2,714,171	\$335,854	3.50 %	\$0	\$43,530	\$0	\$3,093,555	\$3,134,327	86.60 %
2037	\$3,093,555	\$347,609	3.50 %	\$0	\$49,349	\$0	\$3,490,513	\$3,576,557	86.50 %
2038	\$3,490,513	\$359,775	3.50 %	\$0	\$28,914	\$3,511,977	\$367,225	\$4,045,904	86.27 %
2039	\$367,225	\$372,367	3.50 %	\$0	\$8,358	\$0	\$747,950	\$908,827	40.41 %
2040	\$747,950	\$385,400	3.50 %	\$0	\$14,207	\$0	\$1,147,557	\$1,309,317	57.13 %
2041	\$1,147,557	\$398,889	3.50 %	\$0	\$20,345	\$0	\$1,566,791	\$1,736,727	66.08 %
2042	\$1,566,791	\$412,850	3.50 %	\$0	\$21,505	\$698,699	\$1,302,448	\$2,192,452	71.46 %
2043	\$1,302,448	\$427,300	3.50 %	\$0	\$22,898	\$0	\$1,752,646	\$1,954,798	66.63 %
2044	\$1,752,646	\$442,255	3.50 %	\$0	\$29,811	\$0	\$2,224,712	\$2,446,285	71.65 %
2045	\$2,224,712	\$457,734	3.50 %	\$0	\$37,058	\$0	\$2,719,504	\$2,969,781	74.91 %
2046	\$2,719,504	\$473,755	3.50 %	\$0	\$44,652	\$0	\$3,237,911	\$3,526,926	77.11 %
2047	\$3,237,911	\$490,336	3.50 %	\$0	\$52,607	\$0	\$3,780,854	\$4,119,433	78.60 %

Calypso Resort & Towers: Tower 3

Full Funding Plan

Table 4: Full Funding Plan

Year	Starting Balance	Reserve Contribution	Percent Change	Special Assessments	Interest Earned	Expenditures	Ending Balance	Fully Funded Balance	Percent Funded
2018	\$0	\$195,729	13.16 %	\$0	\$1,478	\$0	\$197,207	\$0	100.00 %
2019	\$197,207	\$202,580	3.50 %	\$0	\$4,508	\$0	\$404,295	\$179,020	110.16 %
2020	\$404,295	\$209,670	3.50 %	\$0	\$7,690	\$0	\$621,655	\$370,572	109.10 %
2021	\$621,655	\$217,008	3.50 %	\$0	\$11,028	\$0	\$849,691	\$575,314	108.05 %
2022	\$849,691	\$224,604	3.50 %	\$0	\$14,530	\$0	\$1,088,824	\$793,933	107.02 %
2023	\$1,088,824	\$232,465	3.50 %	\$0	\$18,201	\$0	\$1,339,489	\$1,027,151	106.00 %
2024	\$1,339,489	\$240,601	3.50 %	\$0	\$22,048	\$0	\$1,602,138	\$1,275,721	105.00 %
2025	\$1,602,138	\$249,022	3.50 %	\$0	\$26,079	\$0	\$1,877,239	\$1,540,433	104.01 %
2026	\$1,877,239	\$257,738	3.50 %	\$0	\$30,299	\$0	\$2,165,276	\$1,822,113	103.03 %
2027	\$2,165,276	\$266,759	3.50 %	\$0	\$34,718	\$0	\$2,466,753	\$2,121,622	102.06 %
2028	\$2,466,753	\$276,095	3.50 %	\$0	\$29,467	\$1,307,625	\$1,464,690	\$2,439,866	101.10 %
2029	\$1,464,690	\$285,758	3.50 %	\$0	\$24,280	\$0	\$1,774,728	\$1,424,395	102.83 %
2030	\$1,774,728	\$295,760	3.50 %	\$0	\$25,546	\$462,387	\$1,633,647	\$1,735,614	102.25 %
2031	\$1,633,647	\$306,112	3.50 %	\$0	\$26,986	\$0	\$1,966,745	\$1,588,302	102.85 %
2032	\$1,966,745	\$316,826	3.50 %	\$0	\$32,097	\$0	\$2,315,668	\$1,923,872	102.23 %
2033	\$2,315,668	\$327,914	3.50 %	\$0	\$35,009	\$323,342	\$2,355,249	\$2,280,987	101.52 %
2034	\$2,355,249	\$339,391	3.50 %	\$0	\$38,136	\$0	\$2,732,776	\$2,326,085	101.25 %
2035	\$2,732,776	\$351,270	3.50 %	\$0	\$43,927	\$0	\$3,127,973	\$2,717,917	100.55 %
2036	\$3,127,973	\$363,565	3.50 %	\$0	\$49,989	\$0	\$3,541,527	\$3,134,327	99.80 %
2037	\$3,541,527	\$376,289	3.50 %	\$0	\$56,331	\$0	\$3,974,148	\$3,576,557	99.02 %
2038	\$3,974,148	\$389,459	3.50 %	\$0	\$36,443	\$3,511,977	\$888,073	\$4,045,904	98.23 %
2039	\$888,073	\$403,090	3.50 %	\$0	\$16,457	\$0	\$1,307,620	\$908,827	97.72 %
2040	\$1,307,620	\$417,199	3.50 %	\$0	\$22,900	\$0	\$1,747,719	\$1,309,317	99.87 %
2041	\$1,747,719	\$431,801	3.50 %	\$0	\$29,658	\$0	\$2,209,178	\$1,736,727	100.63 %
2042	\$2,209,178	\$446,914	3.50 %	\$0	\$31,465	\$698,699	\$1,988,858	\$2,192,452	100.76 %
2043	\$1,988,858	\$462,556	3.50 %	\$0	\$33,532	\$0	\$2,484,945	\$1,954,798	101.74 %
2044	\$2,484,945	\$478,745	3.50 %	\$0	\$41,147	\$0	\$3,004,837	\$2,446,285	101.58 %
2045	\$3,004,837	\$495,501	3.50 %	\$0	\$49,126	\$0	\$3,549,464	\$2,969,781	101.18 %
2046	\$3,549,464	\$512,844	3.50 %	\$0	\$57,482	\$0	\$4,119,790	\$3,526,926	100.64 %
2047	\$4,119,790	\$530,793	3.50 %	\$0	\$66,232	\$0	\$4,716,815	\$4,119,433	100.01 %

Summary

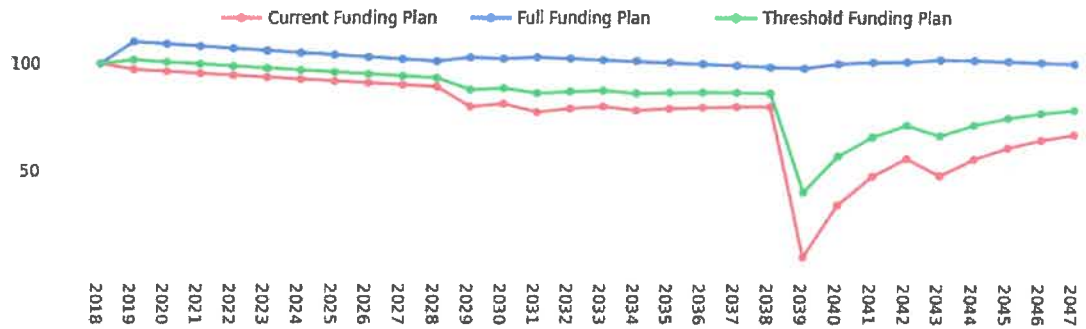


Figure 2: Current Percent Funded (%)

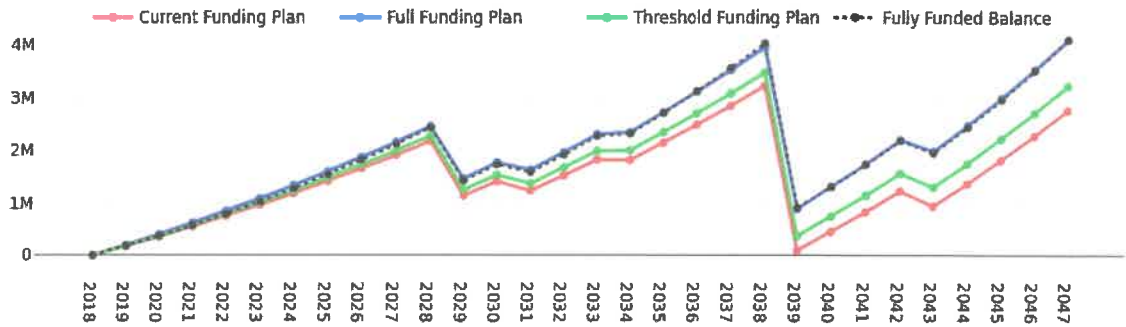


Figure 3: Projected Starting Balance VS Fully Funded Balance (\$)

Units, Components, Loans and other Expenditures

Description

Table 5: Funded Components

Component Title	Description	Useful Life (years)	Remaining Useful Life (years)	Current Replacement Cost	Assessment Notes
1 Painting					
1 1.1 Painting	Painting	10	10	\$850,000	Fixed
2 Roofs					
2 2.1 Roof	Roof	20	20	\$85,000	Fixed
3 Pavement					
3 3.1 Paving	Paving	10	10	\$58,000	Fixed
4 HVAC					
4 4.1 HVAC	HVAC	12	12	\$240,000	Fixed
5 Elevators					
5 5.1 Elevators	Elevators	20	20	\$440,000	Fixed
6 Fire Safety Systems					
6 6.1 Fire Protection	Fire Protection	15	15	\$193,000	Fixed
7 Pool & Spa					
7 7.1 Swimming Pools	Swimming Pools	12	12	\$66,000	Fixed
8 Signage					
8 8.1 Signage	Signage	10	10	\$19,000	Fixed
9 Railings					
9 9.1 Balcony Railings	Balcony Railings	20	20	\$313,000	Fixed

Contribution and Fund Breakdown

Table 6: Assessment Calculations by individual components

Component Title	FFB	Yearly Cost	Current Funding Plan		Threshold Funding Plan		Full Funding Plan	
			FB	RC	FB	RC	FB	RC
1 1.1 Painting	\$0	\$87,975	\$0	\$85,000	\$0	\$88,855	\$0	\$96,186
2 2.1 Roof	\$0	\$4,399	\$0	\$4,250	\$0	\$4,443	\$0	\$4,809
3 3.1 Paving	\$0	\$6,003	\$0	\$5,800	\$0	\$6,063	\$0	\$6,563
4 4.1 HVAC	\$0	\$20,700	\$0	\$20,000	\$0	\$20,907	\$0	\$22,632
5 5.1 Elevators	\$0	\$22,770	\$0	\$22,000	\$0	\$22,998	\$0	\$24,895
6 6.1 Fire Protection	\$0	\$13,317	\$0	\$12,867	\$0	\$13,450	\$0	\$14,560
7 7.1 Swimming Pools	\$0	\$5,692	\$0	\$5,500	\$0	\$5,749	\$0	\$6,224
8 8.1 Signage	\$0	\$1,966	\$0	\$1,900	\$0	\$1,986	\$0	\$2,150
9 9.1 Balcony Railings	\$0	\$16,198	\$0	\$15,650	\$0	\$16,360	\$0	\$17,710
Total	\$0		\$0	\$172,967	\$0	\$180,811	\$0	\$195,729

Notes:

FFB: Fully Funded Balance

FB (Funded Balance): Distribution of Starting Balance over Components

RC (Reserve Contribution): Distribution of Yearly Reserve Contribution + Special Assessments over Components

Calypso Resort & Towers: Tower 3

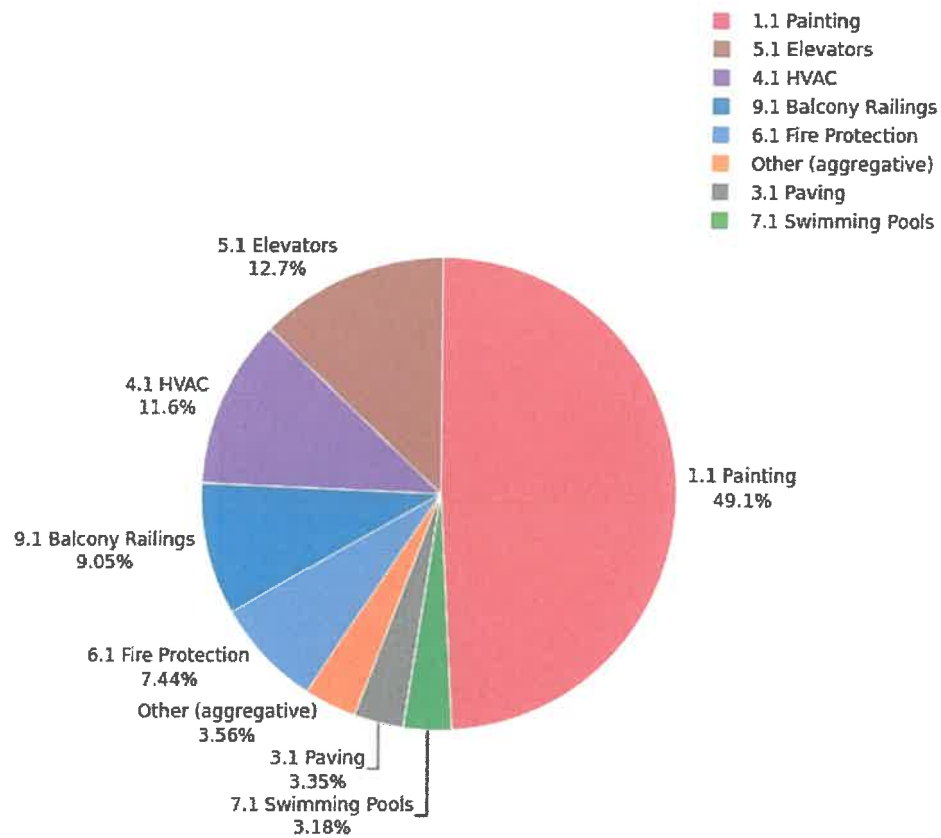


Figure 4: Costs segmentation by individual components

Table 7: Assessment Calculations by main components category

Category	FFB	Yearly Cost	Current Funding Plan		Threshold Funding Plan		Full Funding Plan	
			FB	RC	FB	RC	FB	RC
1 1 Painting	\$0	\$87,975	\$0	\$85,000	\$0	\$88,855	\$0	\$96,186
2 2 Roofs	\$0	\$4,399	\$0	\$4,250	\$0	\$4,443	\$0	\$4,809
3 3 Pavement	\$0	\$6,003	\$0	\$5,800	\$0	\$6,063	\$0	\$6,563
4 4 HVAC	\$0	\$20,700	\$0	\$20,000	\$0	\$20,907	\$0	\$22,632
5 5 Elevators	\$0	\$22,770	\$0	\$22,000	\$0	\$22,998	\$0	\$24,895
6 6 Fire Safety Systems	\$0	\$13,317	\$0	\$12,867	\$0	\$13,450	\$0	\$14,560
7 7 Pool & Spa	\$0	\$5,692	\$0	\$5,500	\$0	\$5,749	\$0	\$6,224
8 8 Signage	\$0	\$1,966	\$0	\$1,900	\$0	\$1,986	\$0	\$2,150
9 9 Railings	\$0	\$16,198	\$0	\$15,650	\$0	\$16,360	\$0	\$17,710
Total	\$0		\$0	\$172,967	\$0	\$180,811	\$0	\$195,729

Calypso Resort & Towers: Tower 3

Table 7: Assessment Calculations by main components category (continued)

Category	FFB	Yearly Cost	Current Funding Plan		Threshold Funding Plan		Full Funding Plan	
			FB	RC	FB	RC	FB	RC

Notes:

FFB: Fully Funded Balance

FB (Funded Balance): Distribution of Starting Balance over Components

RC (Reserve Contribution): Distribution of Yearly Reserve Contribution + Special Assessments over Components

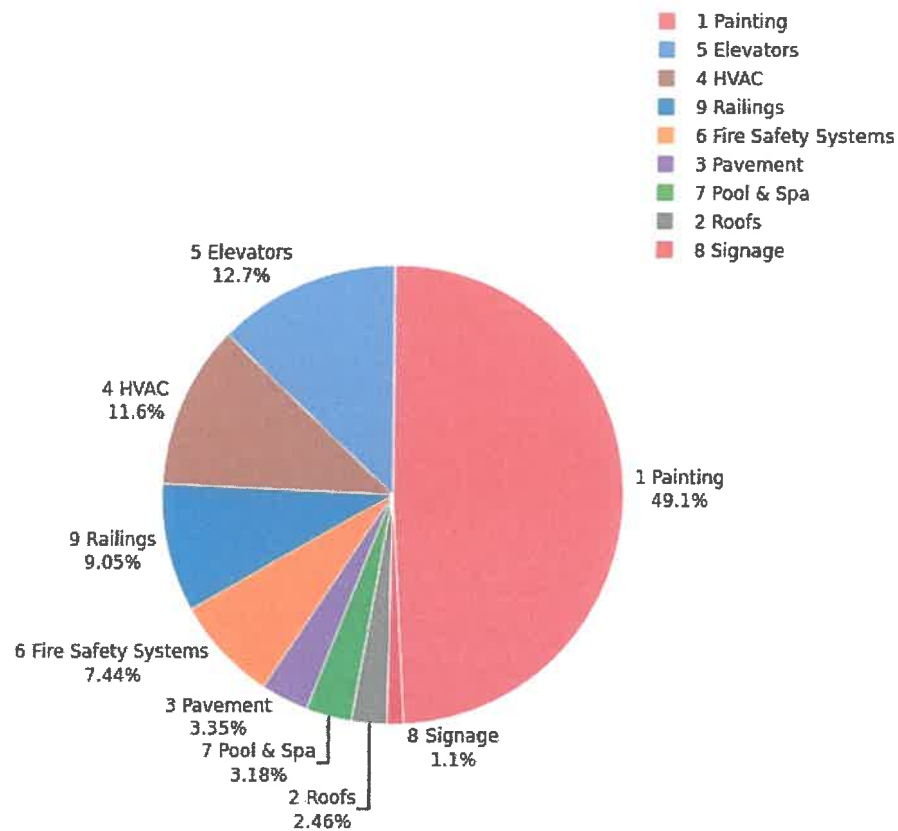


Figure 5: Costs segmentation by main components category

Table 8: Assessment Calculations by Units

Number of Units	Current Funding Plan		Threshold Funding Plan		Full Funding Plan	
	RC per Unit	Total RC	RC per Unit	Total RC	RC per Unit	Total RC
250	\$692	\$172,967	\$723	\$180,811	\$783	\$195,729

Calypso Resort & Towers: Tower 3

Table 8: Assessment Calculations by Units (continued)

Number of Units	Current Funding Plan		Threshold Funding Plan		Full Funding Plan	
	RC per Unit	Total RC	RC per Unit	Total RC	RC per Unit	Total RC

Notes:

RC per Unit: Fixed Reserve Contribution per Unit

Total RC: Total Fixed Reserve Contribution (according to the corresponding Funding Plan)

Anticipated Expenditures: years 2018 - 2027

Table 9: Anticipated Expenditures: years 2018 - 2027

Component	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1 Painting										
1.1 Painting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 Roofs										
2.1 Roof	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Pavement										
3.1 Paving	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 HVAC										
4.1 HVAC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 Elevators										
5.1 Elevators	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Fire Safety Systems										
6.1 Fire Protection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 Pool & Spa										
7.1 Swimming Pools	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Signage										
8.1 Signage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Railings										
9.1 Balcony Railings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Anticipated Expenditures: years 2028 - 2037

Table 10: Anticipated Expenditures: years 2028 - 2037

Component	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
1 Painting										
1.1 Painting	\$1,199,009	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 Roofs										
2.1 Roof	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Pavement										
3.1 Paving	\$81,815	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 HVAC										
4.1 HVAC	\$0	\$0	\$362,656	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 Elevators										
5.1 Elevators	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Fire Safety Systems										
6.1 Fire Protection	\$0	\$0	\$0	\$0	\$0	\$323,342	\$0	\$0	\$0	\$0
7 Pool & Spa										
7.1 Swimming Pools	\$0	\$0	\$99,731	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Signage										
8.1 Signage	\$26,801	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Railings										
9.1 Balcony Railings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$1,307,625	\$0	\$462,387	\$0	\$0	\$323,342	\$0	\$0	\$0	\$0

Anticipated Expenditures: years 2038 - 2047

Table 11: Anticipated Expenditures: years 2038 - 2047

Component	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
1 Painting										
1.1 Painting	\$1,691,321	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 Roofs										
2.1 Roof	\$169,132	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Pavement										
3.1 Paving	\$115,408	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 HVAC										
4.1 HVAC	\$0	\$0	\$0	\$0	\$547,999	\$0	\$0	\$0	\$0	\$0
5 Elevators										
5.1 Elevators	\$875,507	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Fire Safety Systems										
6.1 Fire Protection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 Pool & Spa										
7.1 Swimming Pools	\$0	\$0	\$0	\$0	\$150,700	\$0	\$0	\$0	\$0	\$0
8 Signage										
8.1 Signage	\$37,806	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Railings										
9.1 Balcony Railings	\$622,804	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$3,511,978	\$0	\$0	\$0	\$698,699	\$0	\$0	\$0	\$0	\$0

Thirty Year Expenditure

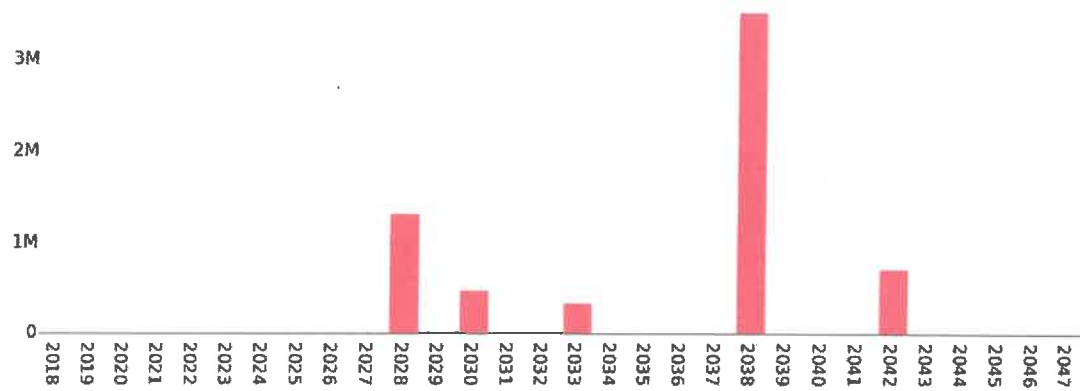


Figure 6: Thirty Year Expenditure (\$)

Exhibit “F”
Plot Plan and Unit Floor Plan

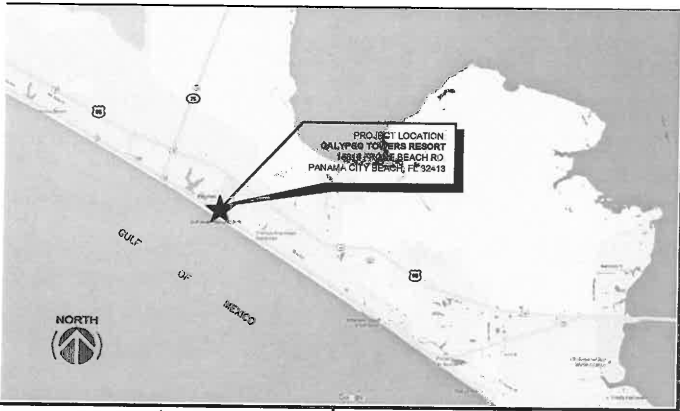
CALYPSO TOWERS & RESORT
-TOWER 3-

AT
15817 FRONT BEACH RD.
PANAMA CITY BEACH, FLORIDA 32413



CALYPSO TOWERS III,
PROPOSED CONDOMINIUM

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DOCUMENTS



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Date: 2/28/16

Project No.: -

Drawing Title:

COVER SHEET

Drawing No.: A001

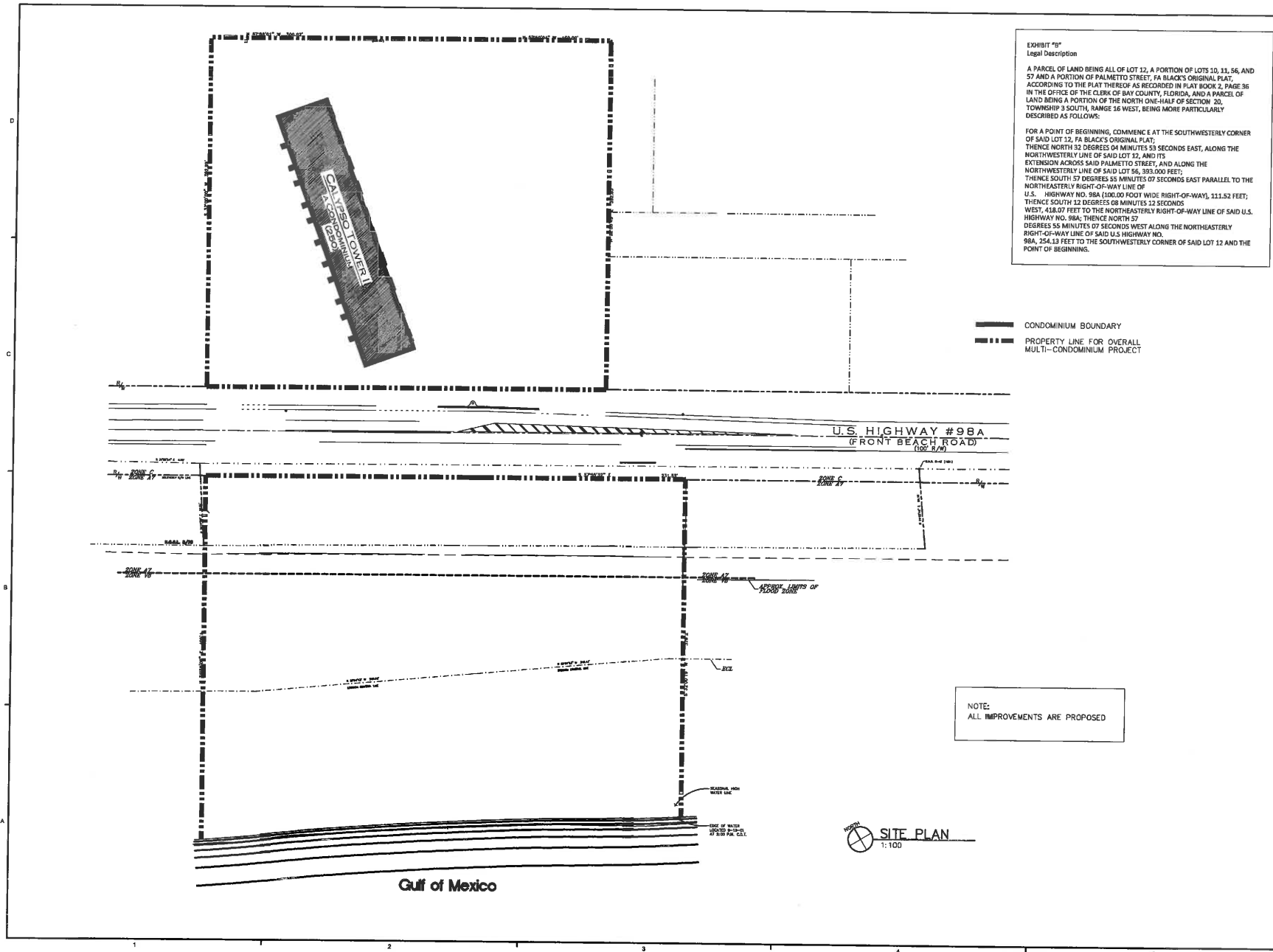


EXHIBIT "B"
Legal Description

A PARCEL OF LAND BEING ALL OF LOT 12, A PORTION OF LOTS 10, 11, 56, AND 57 AND A PORTION OF PALMETTO STREET; FA BLACK'S ORIGINAL PLAT, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGE 36 IN THE OFFICE OF THE CLERK OF BAY COUNTY, FLORIDA, AND A PARCEL OF LAND BEING A PORTION OF THE NORTH ONE-HALF OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 16 WEST, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF BEGINNING, COMMENCE AT THE SOUTHWESTERLY CORNER OF SAID LOT 12, FA BLACK'S ORIGINAL PLAT;

THENCE NORTH 32 DEGREES 04 MINUTES 53 SECONDS EAST, ALONG THE NORTHWESTERLY LINE OF SAID LOT 12, AND ITS EXTENSION ACROSS SAID PALMETTO STREET, AND ALONG THE NORTHWESTERLY LINE OF SAID LOT 56, 393.000 FEET;

THENCE SOUTH 57 DEGREES 55 MINUTES 07 SECONDS EAST PARALLEL TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 98A (100.00 FOOT WIDE RIGHT-OF-WAY), 111.52 FEET;

THENCE SOUTH 12 DEGREES 08 MINUTES 12 SECONDS WEST, 418.07 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID U.S. HIGHWAY NO. 98A; THENCE NORTH 37 DEGREES 55 MINUTES 07 SECONDS WEST ALONG THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID U.S. HIGHWAY NO. 98A, 254.13 FEET TO THE SOUTHWESTERLY CORNER OF SAID LOT 12 AND THE POINT OF BEGINNING.

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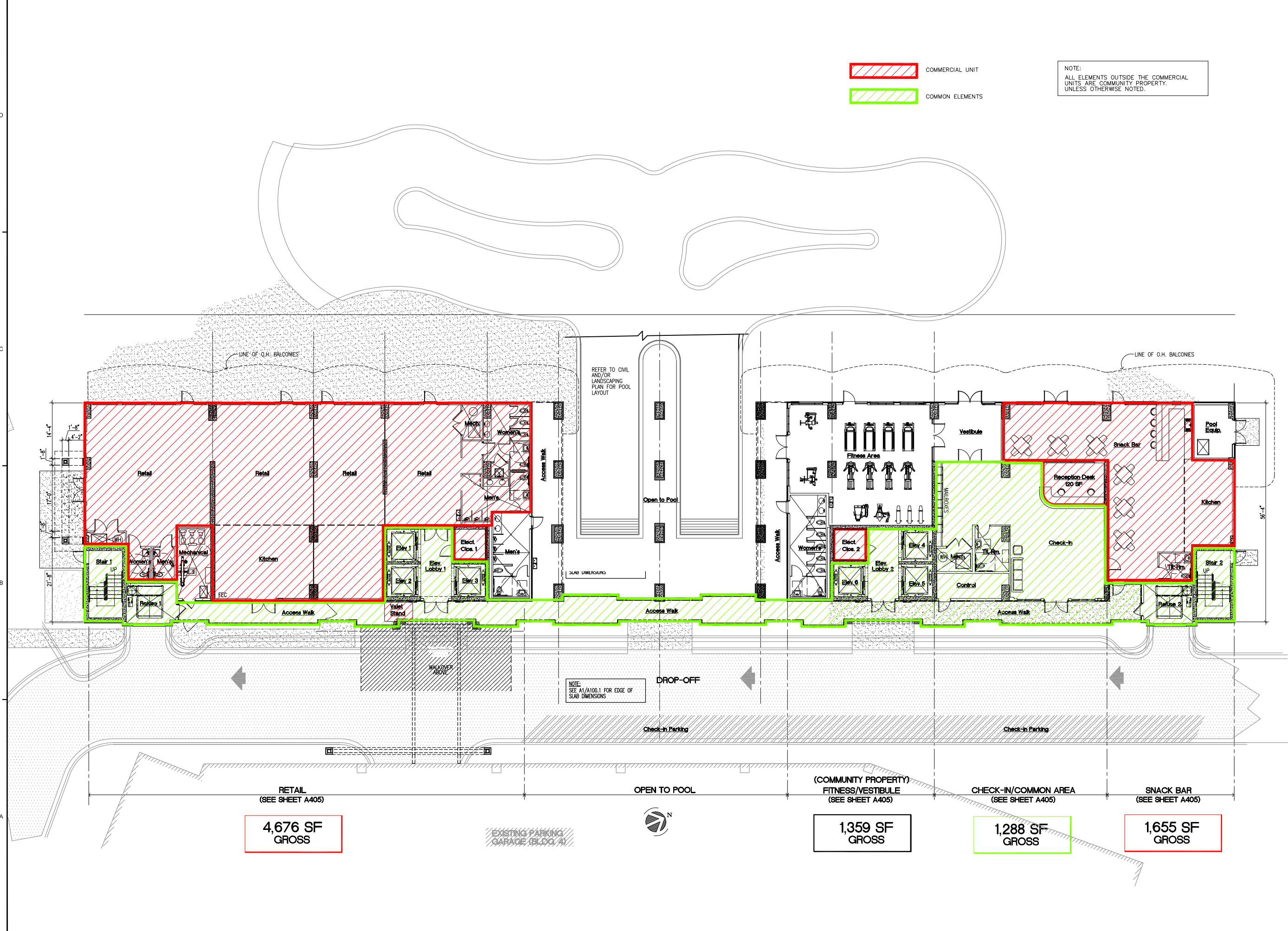
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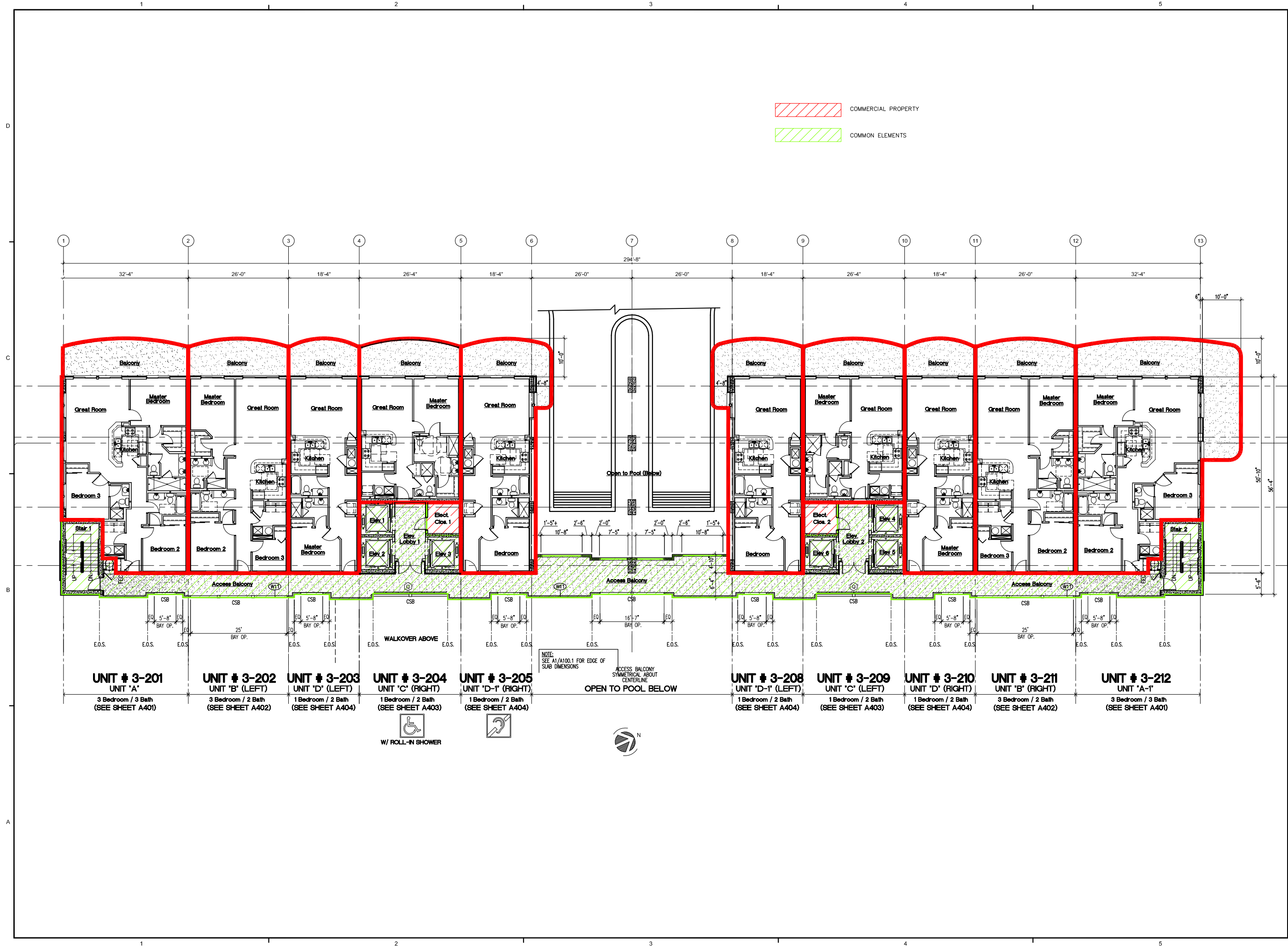
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Drawing Title:
1ST. FLOOR PLAN

Drawing No.: **A101**





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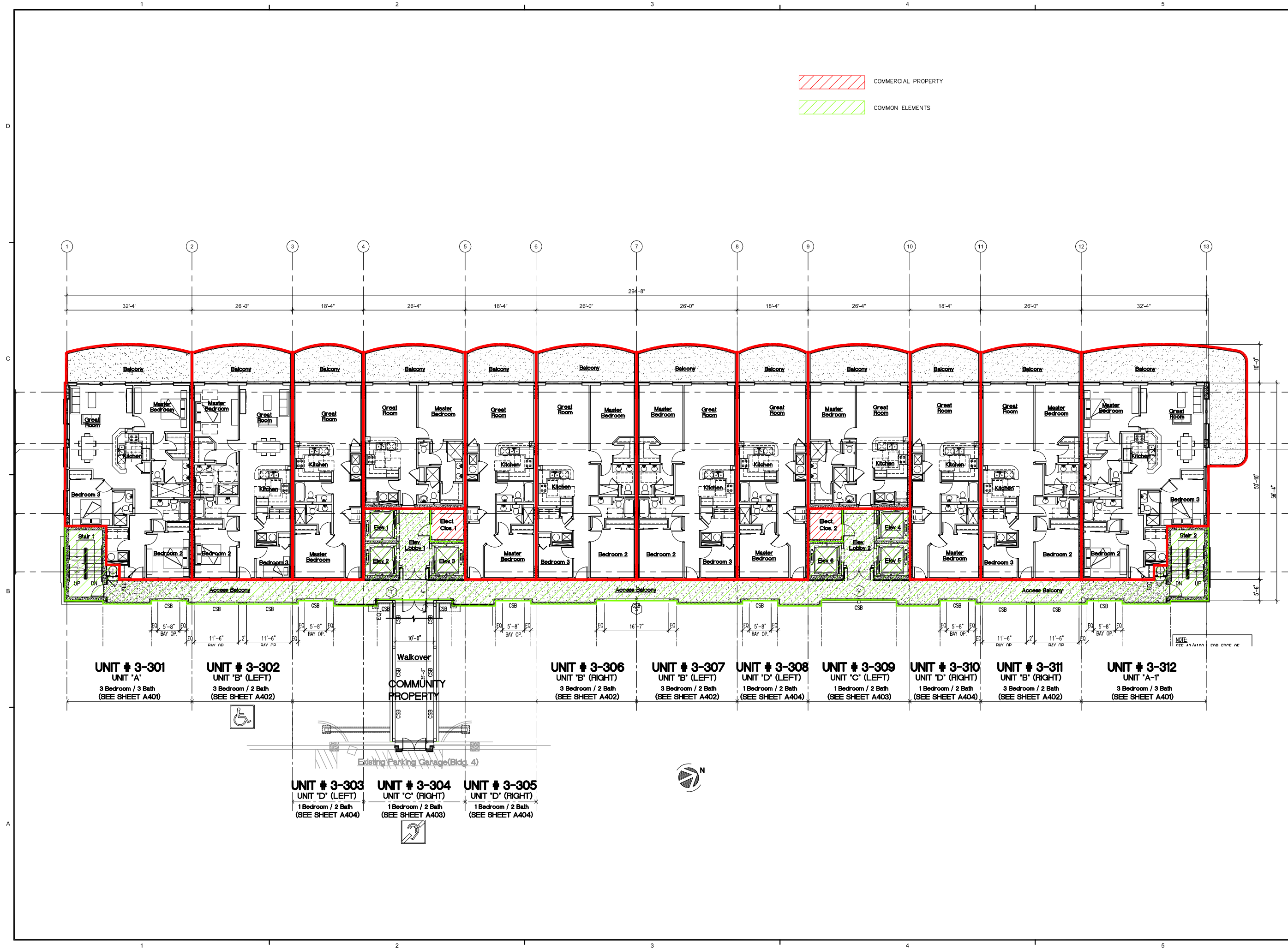
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2ND. FLOOR PLAN

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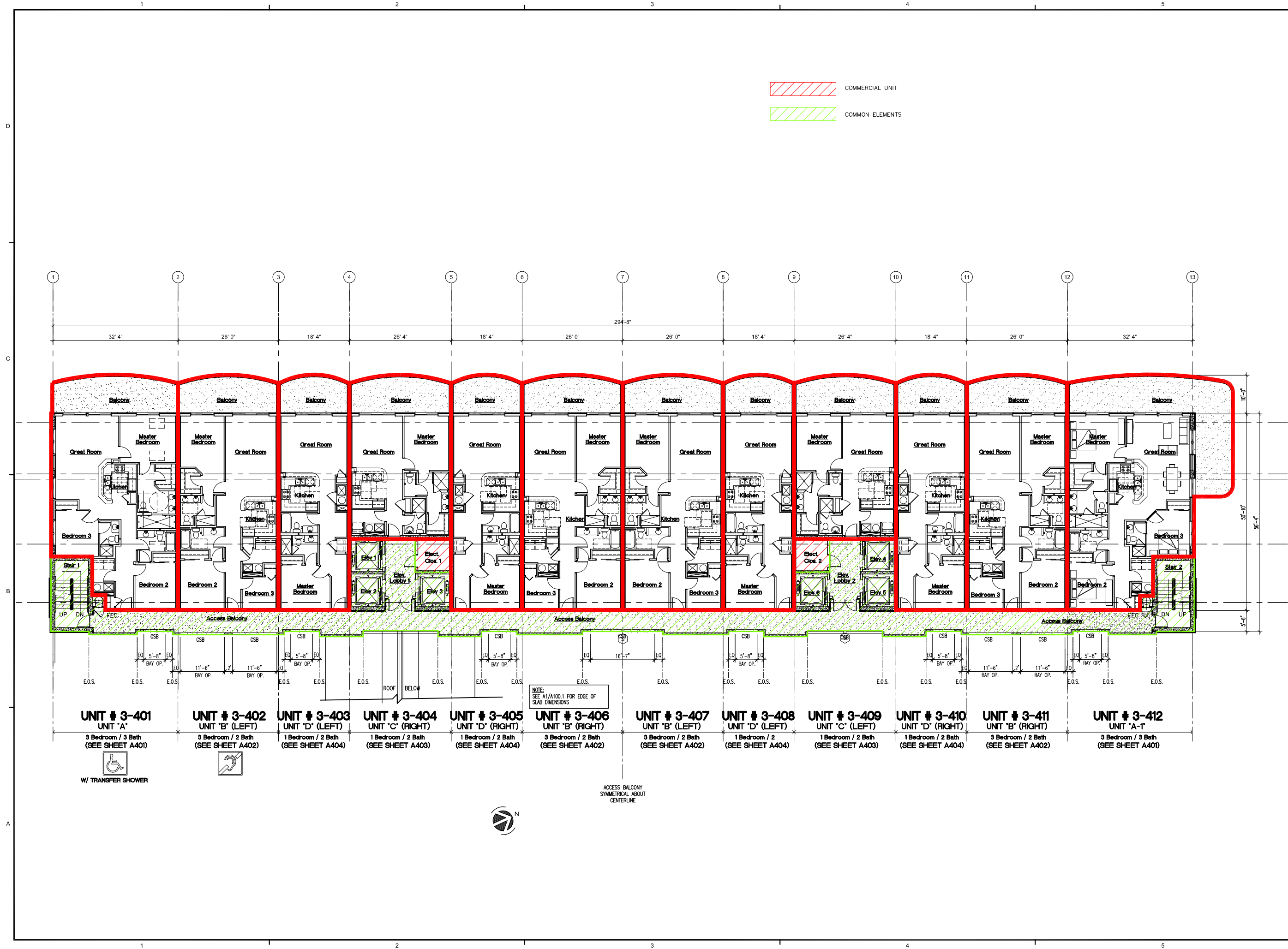
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3RD. FLOOR PLAN

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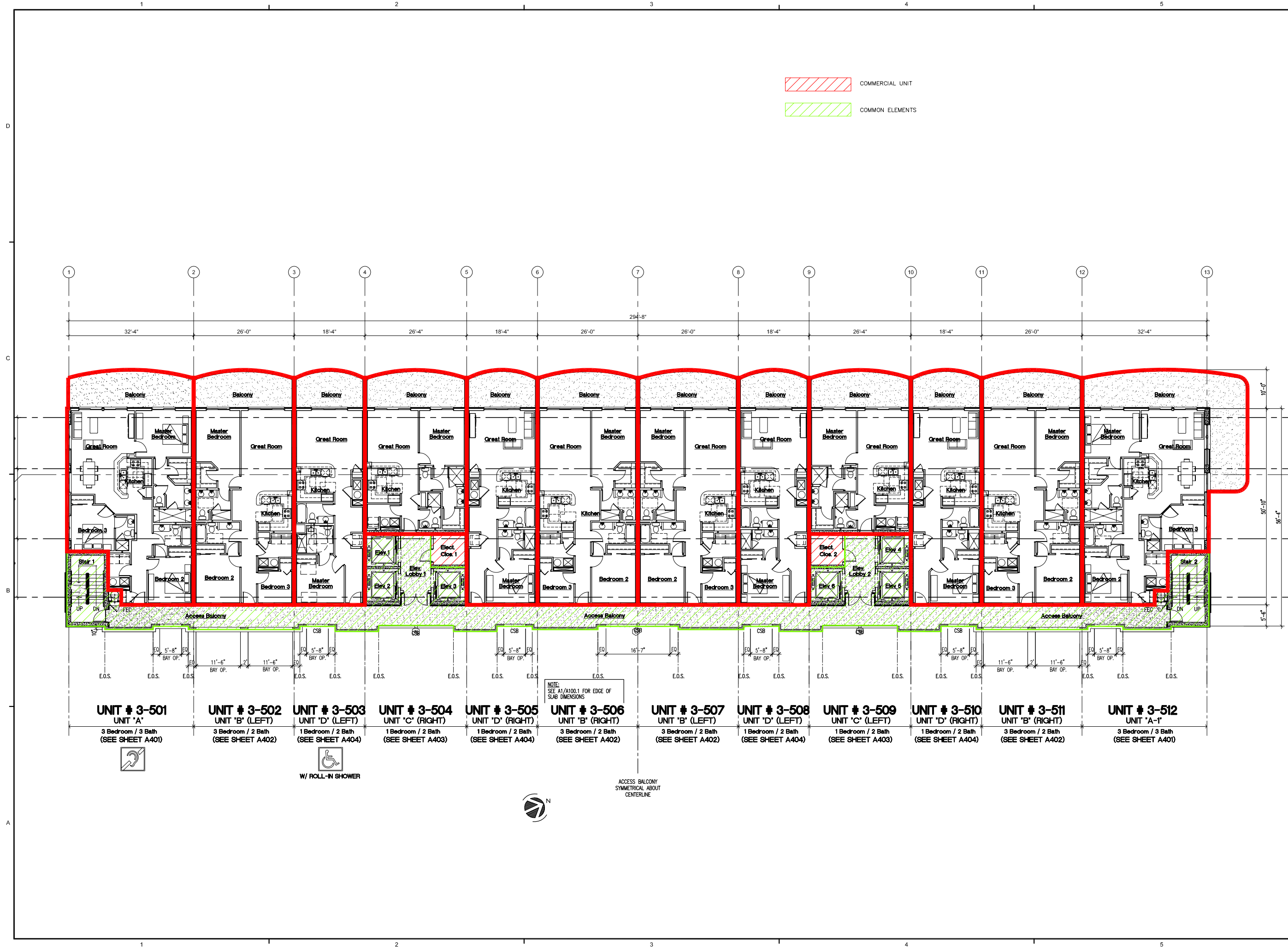
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5TH. FLOOR PLAN

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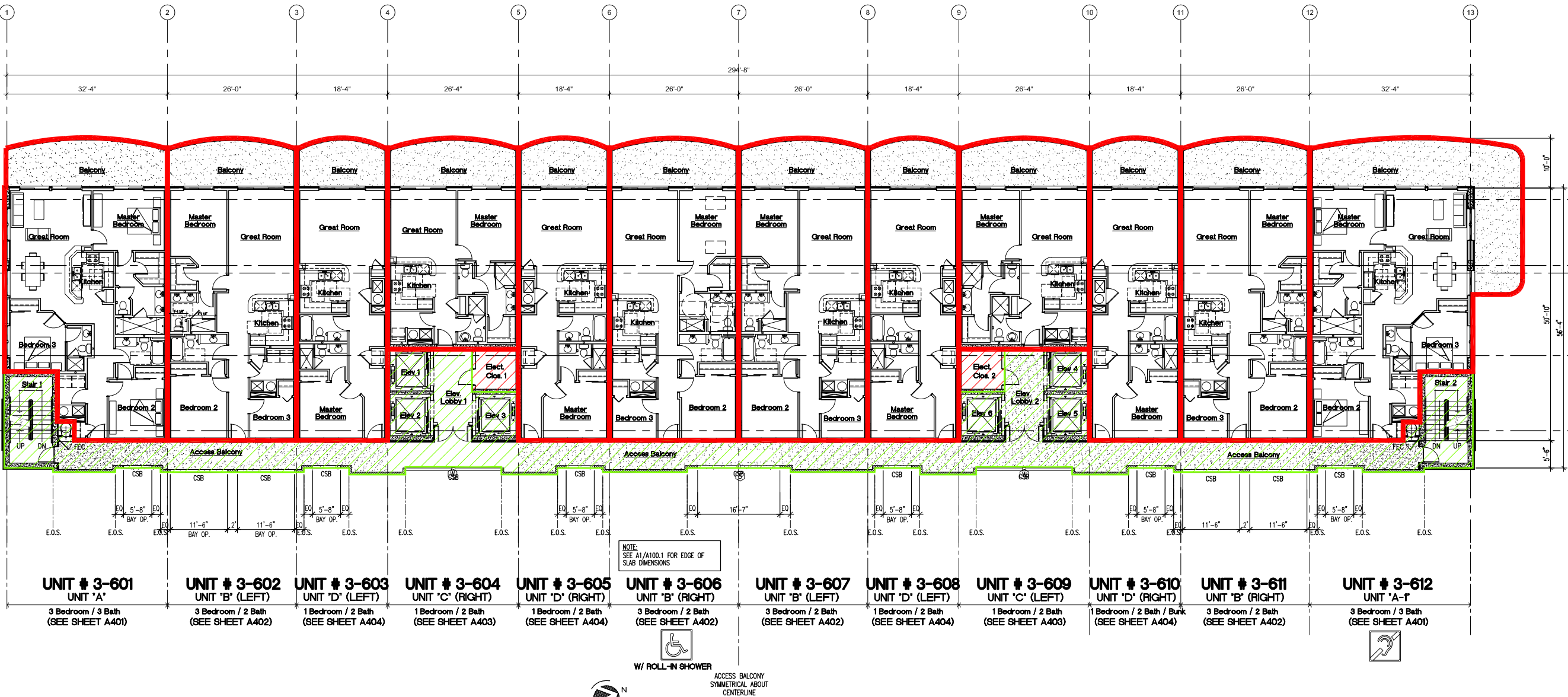
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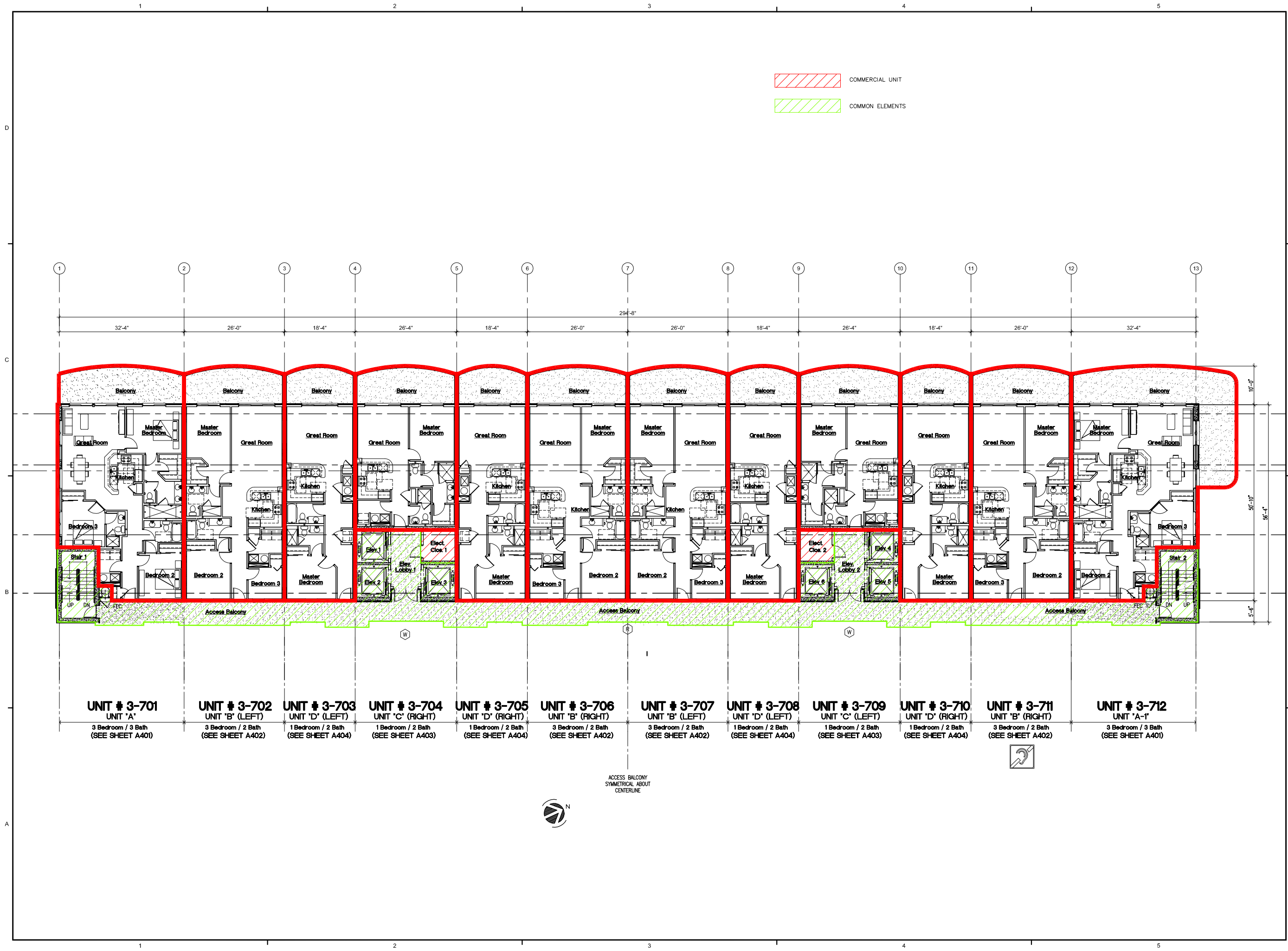
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6TH. FLOOR PLAN

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COMMERCIAL UNIT
COMMON ELEMENTS



UNIT 'D' (LEFT) UNIT 'C' (LEFT)





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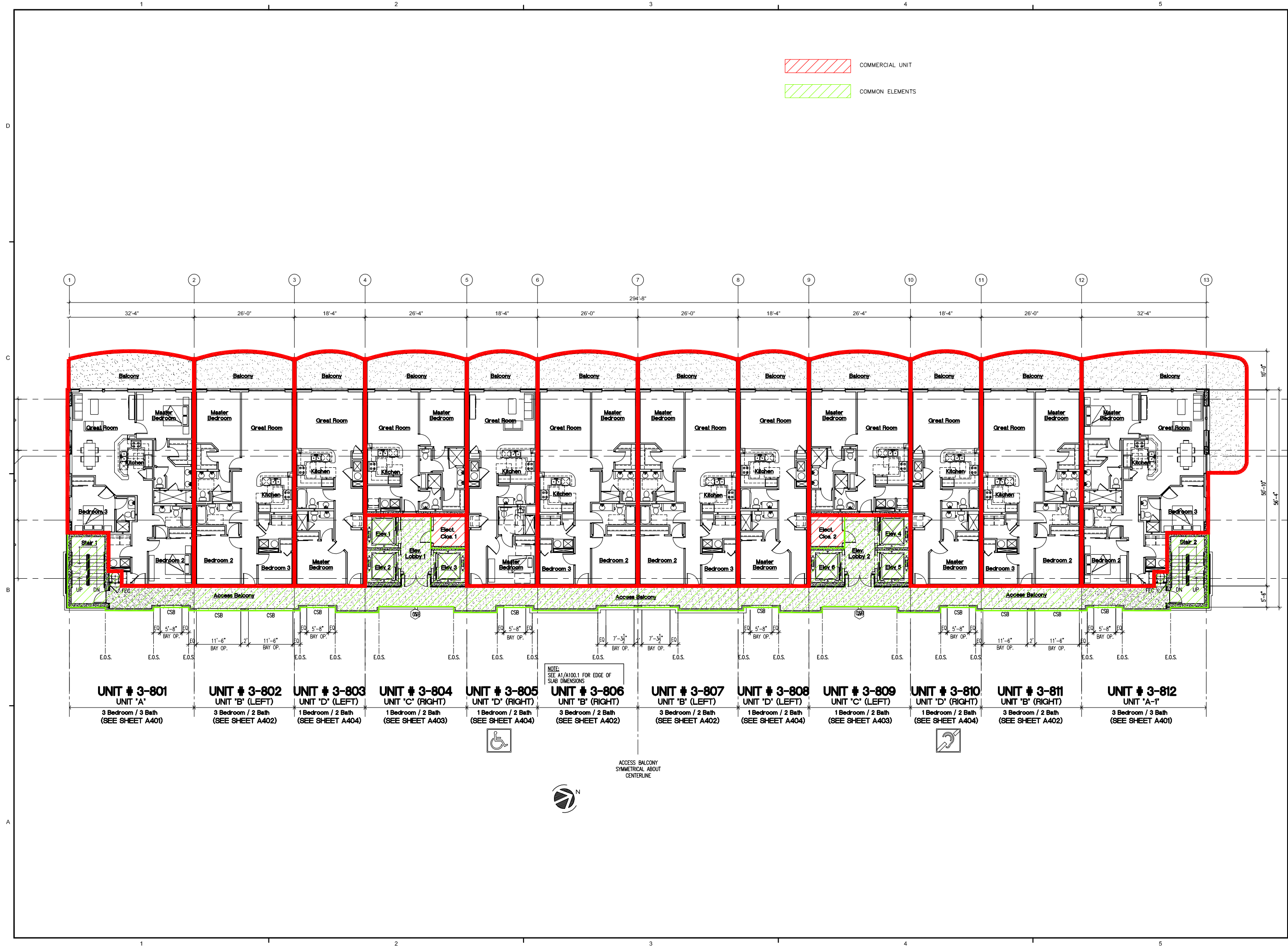
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Drawing Title:
7TH. FLOOR PLAN
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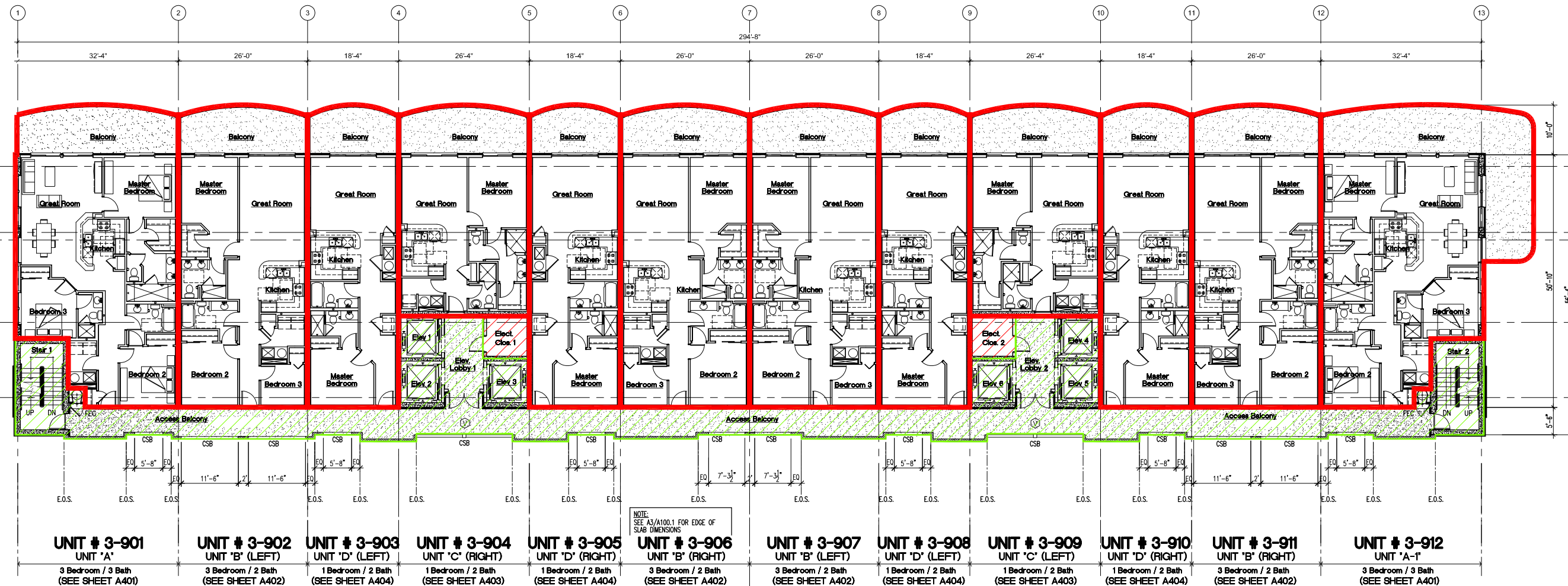
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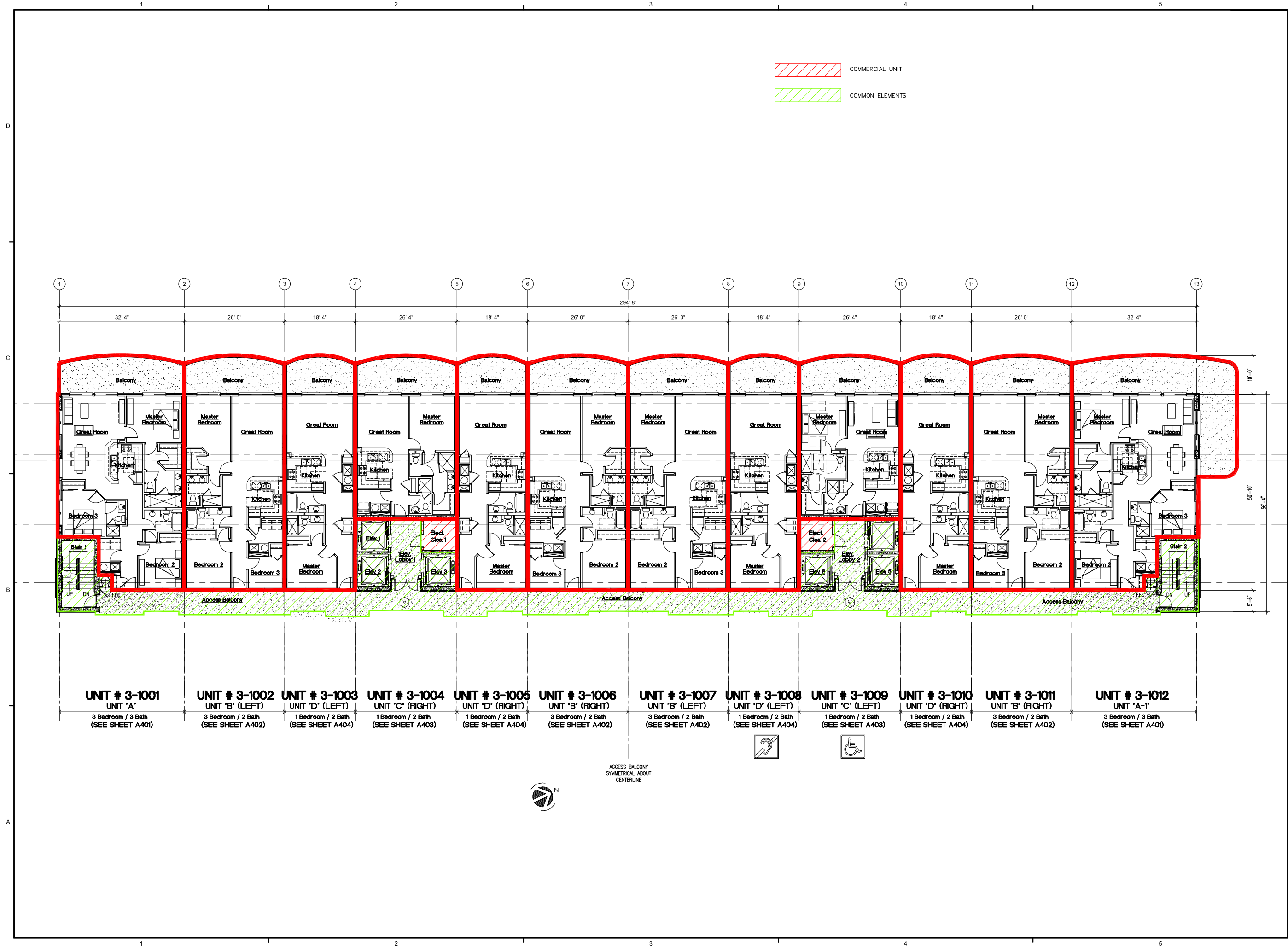
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Checked By: CC
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Drawing Title:
8TH. FLOOR PLAN
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ACCESS BALCONY
SYMMETRICAL ABOUT
CENTERLINE





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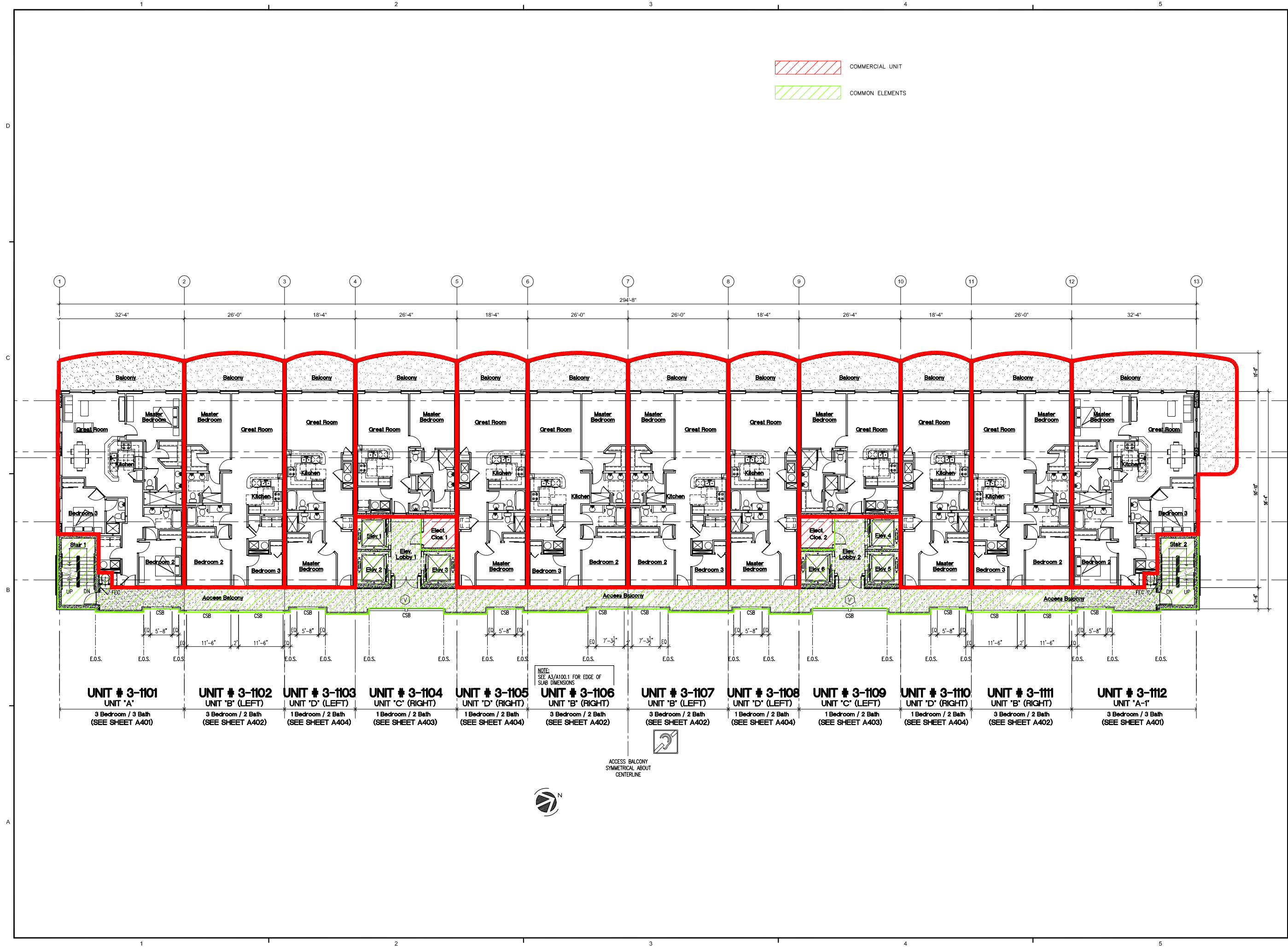
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Checked By: CC

Date: 04/04/18

Project No.:

Drawing Title:
10TH. FLOOR PLAN
-

Drawing No.: A110



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PANAMA CITY, FLORIDA 32401
TELEPHONE: 850-387-1671
AA-C000745

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DOCUMENTS

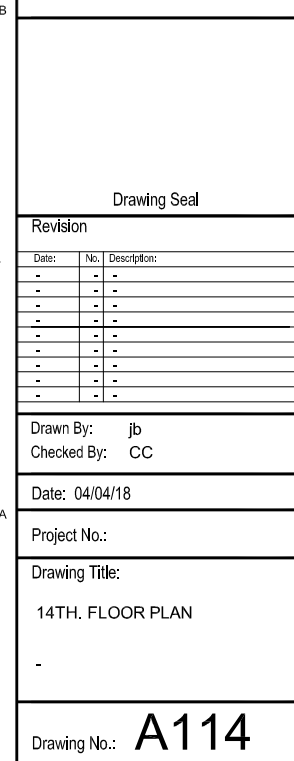
Calypso Tower III

15928 Front Beach Road
Panama City Beach, FL

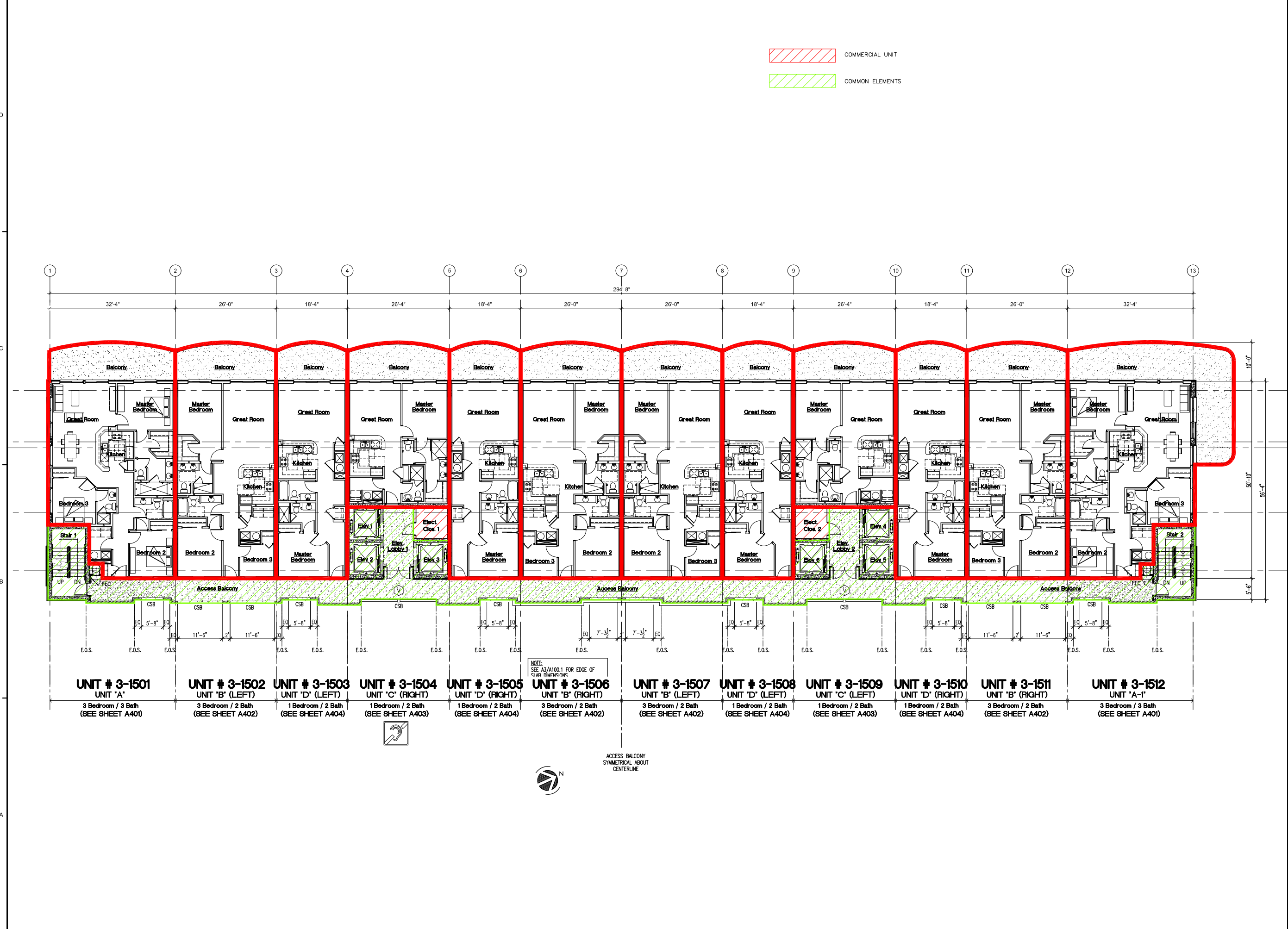
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Drawn By: jb		
Checked By: CC		
Date: 04/04/18		
Project No.:		
Drawing Title:		
11TH. FLOOR PLAN		
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Drawing No.: A111		



NOTE:
THIRTEENTH FLOOR NUMBERING NOT USED



Drawing Seal		
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Drawn By: jb Checked By: CC		
Date: 04/04/18		
Project No.:		
Drawing Title: 14TH. FLOOR PLAN -		
Drawing No.: A114		



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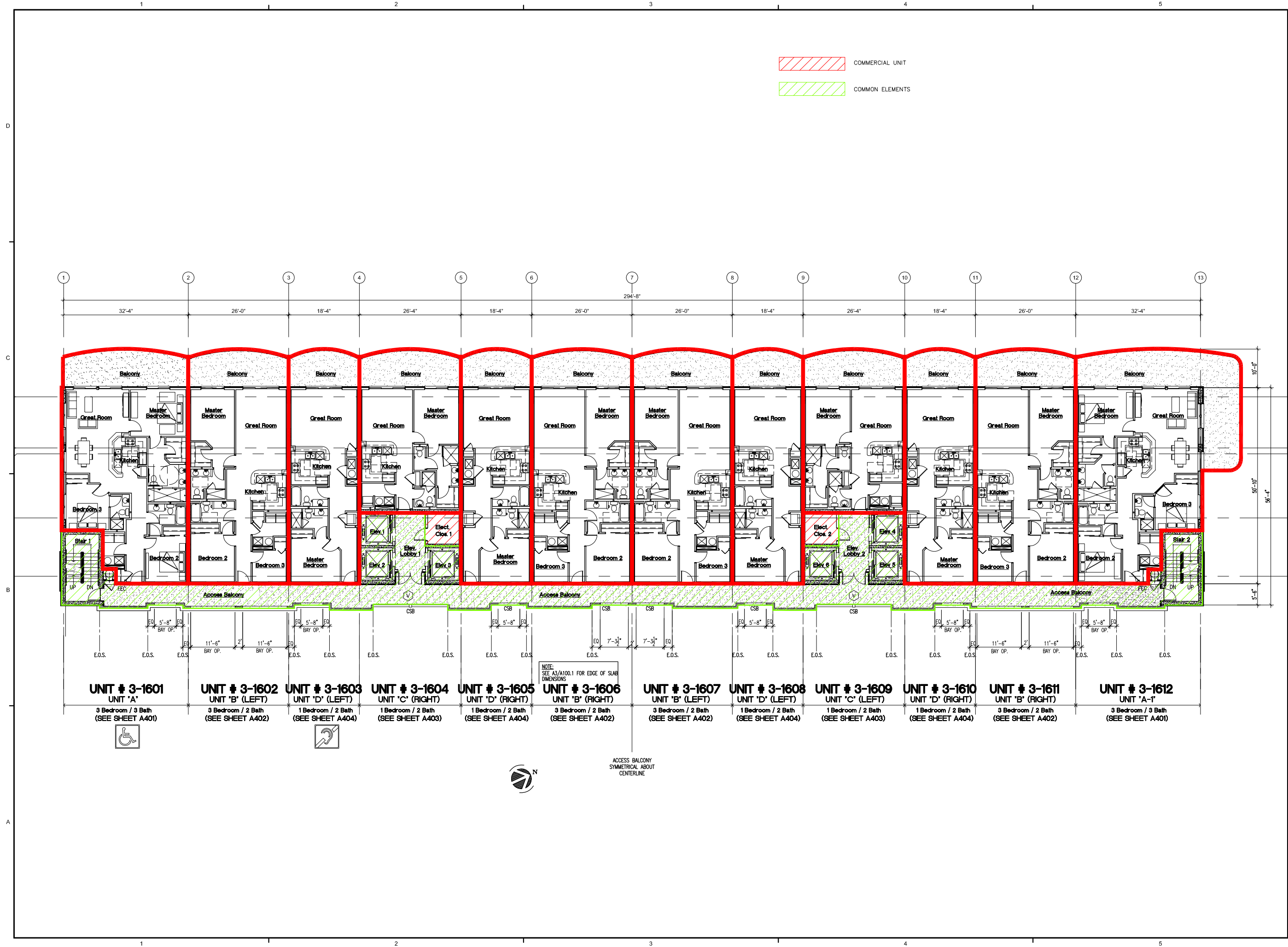
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Drawn By: jlb
Checked By: CC

Date: 04/04/18

Project No.:
Drawing Title:
15TH. FLOOR PLAN

Drawing No.: **A115**



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CONDOMINIUM
DOCUMENTS

Calypso Tower III
15928 Front Beach Road
Panama City Beach, FL

Drawing Seal

Revision		
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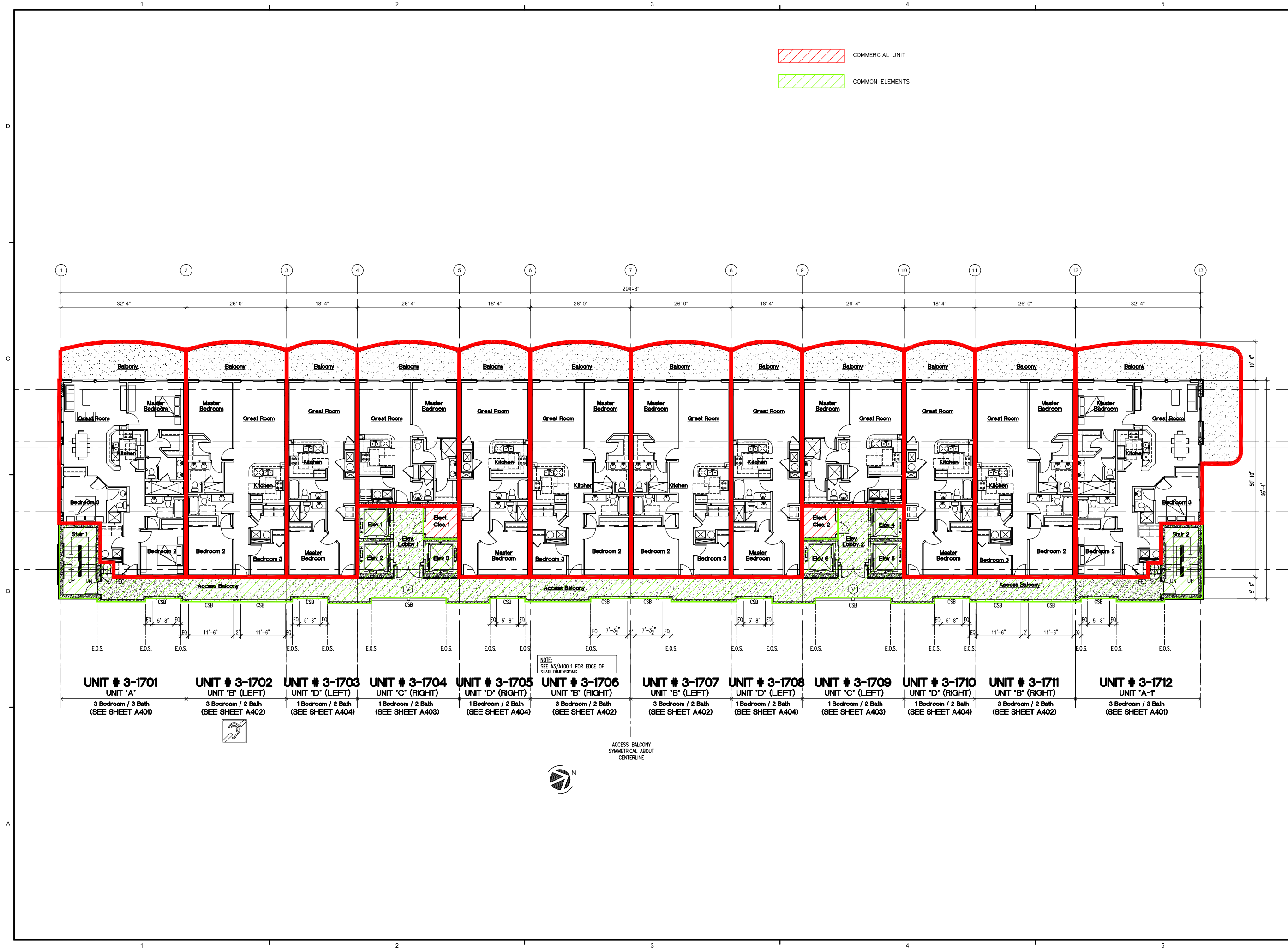
Drawn By: jb
Checked By: CC

Date: 04/04/18

Project No.:

Drawing Title:
16TH. FLOOR PLAN
-

Drawing No.: A116



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Drawn By: jb
Checked By: CC

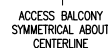
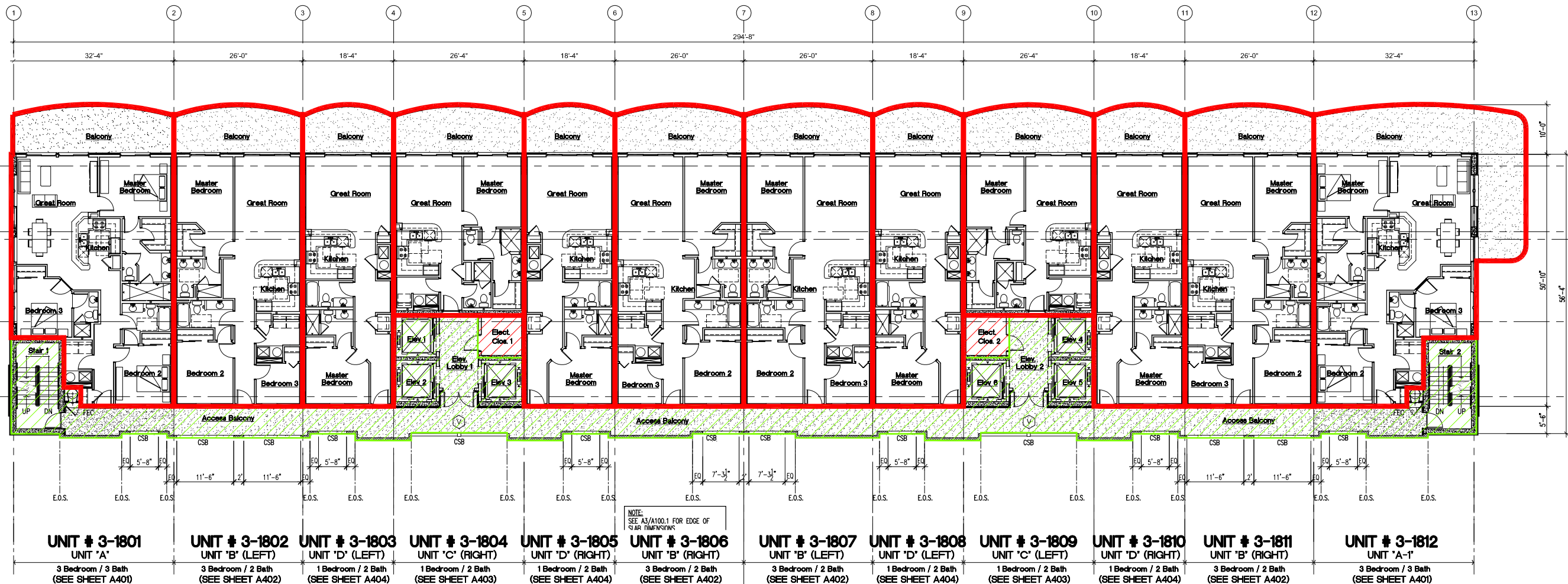
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Project No.:

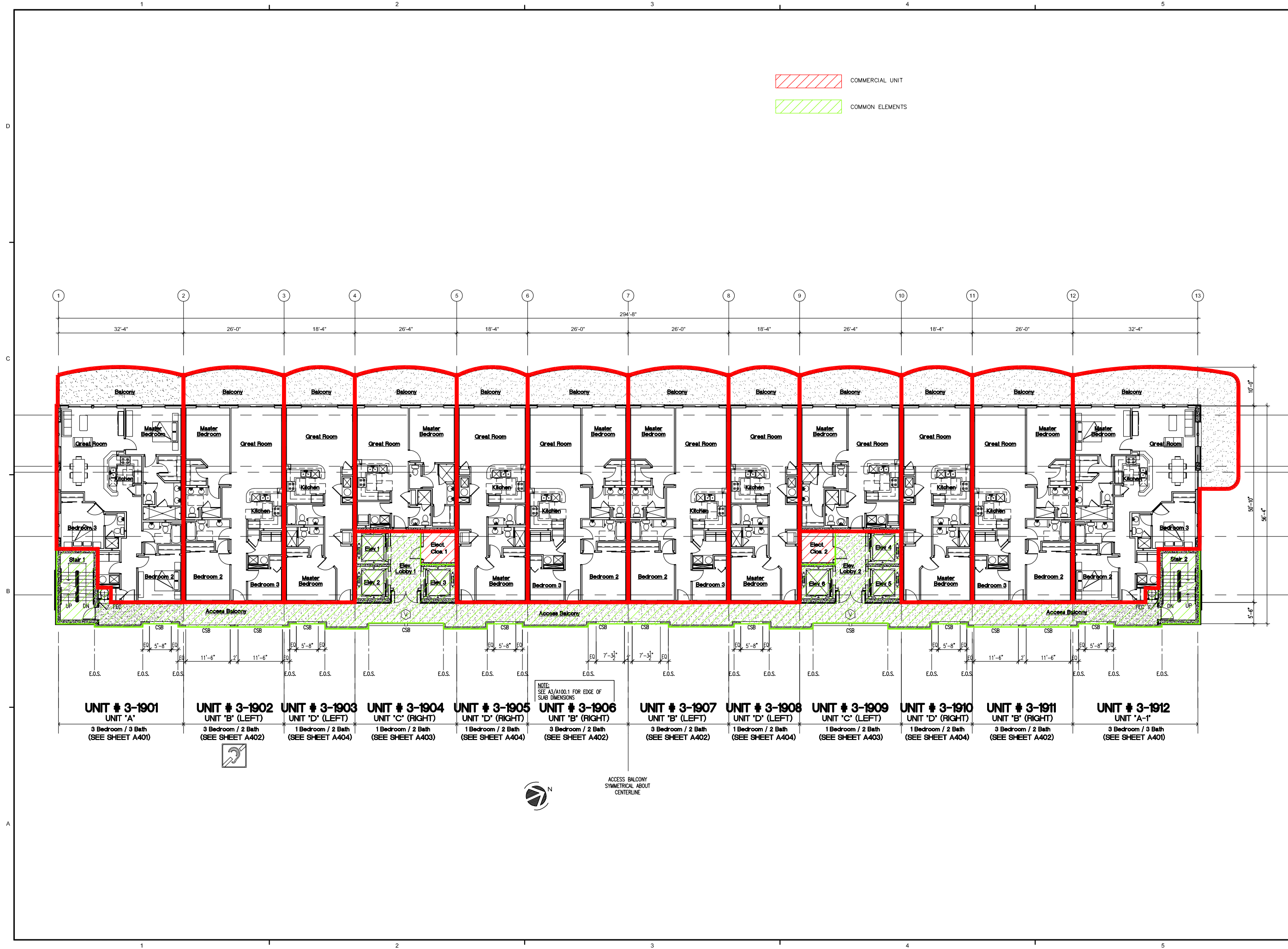
Drawing Title:
17TH FLOOR PLAN

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Drawing No.: A117



Drawing No.: **A118**



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Calypso Tower III

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Drawing Seal

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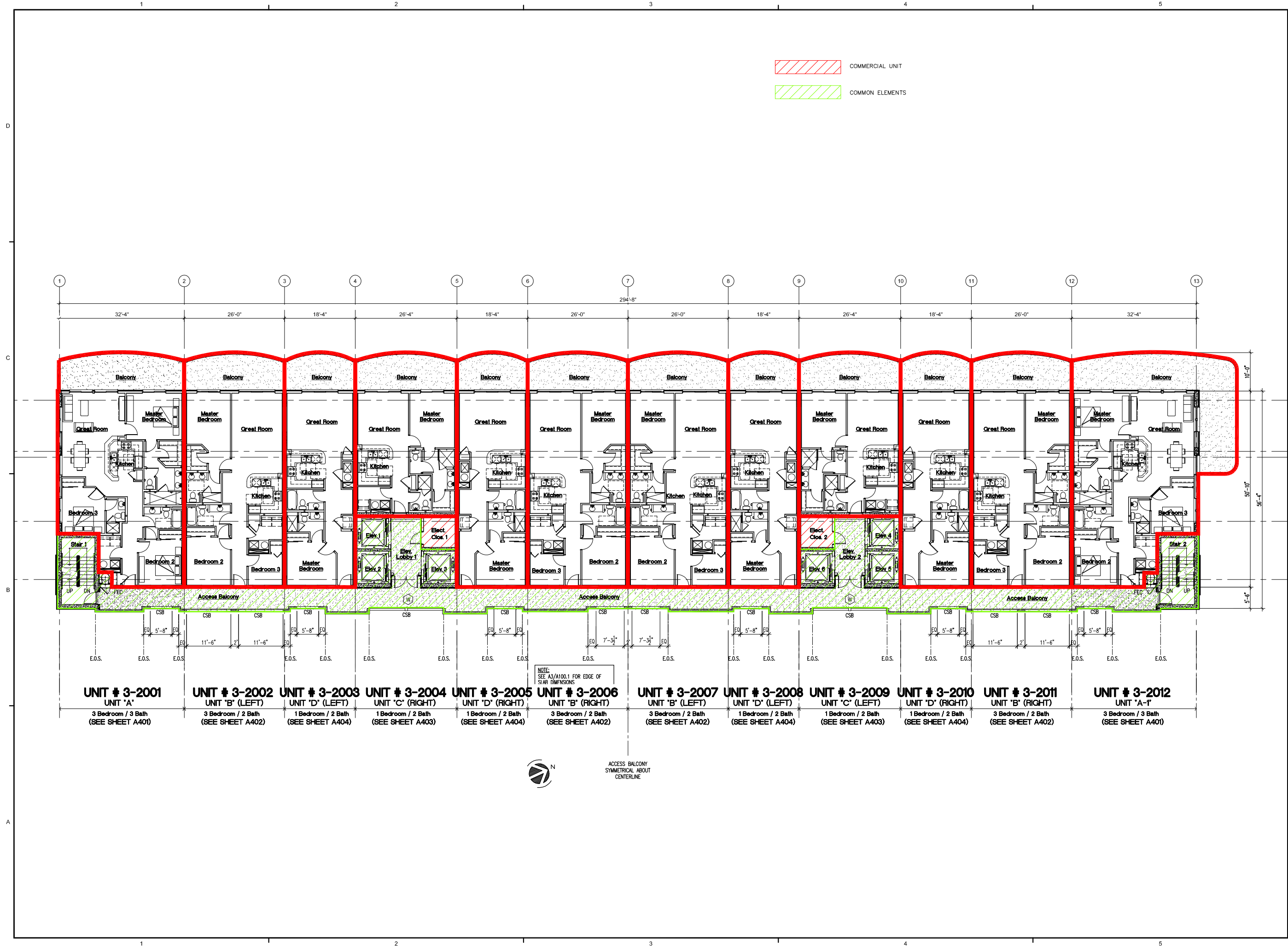
Drawn By: jb
Checked By: CC

Date: 04/04/18

Project No.:

Drawing Title:
19TH FLOOR PLAN

Drawing No.: A119



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DOCUMENTS

Calypso Tower III

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Drawing Seal

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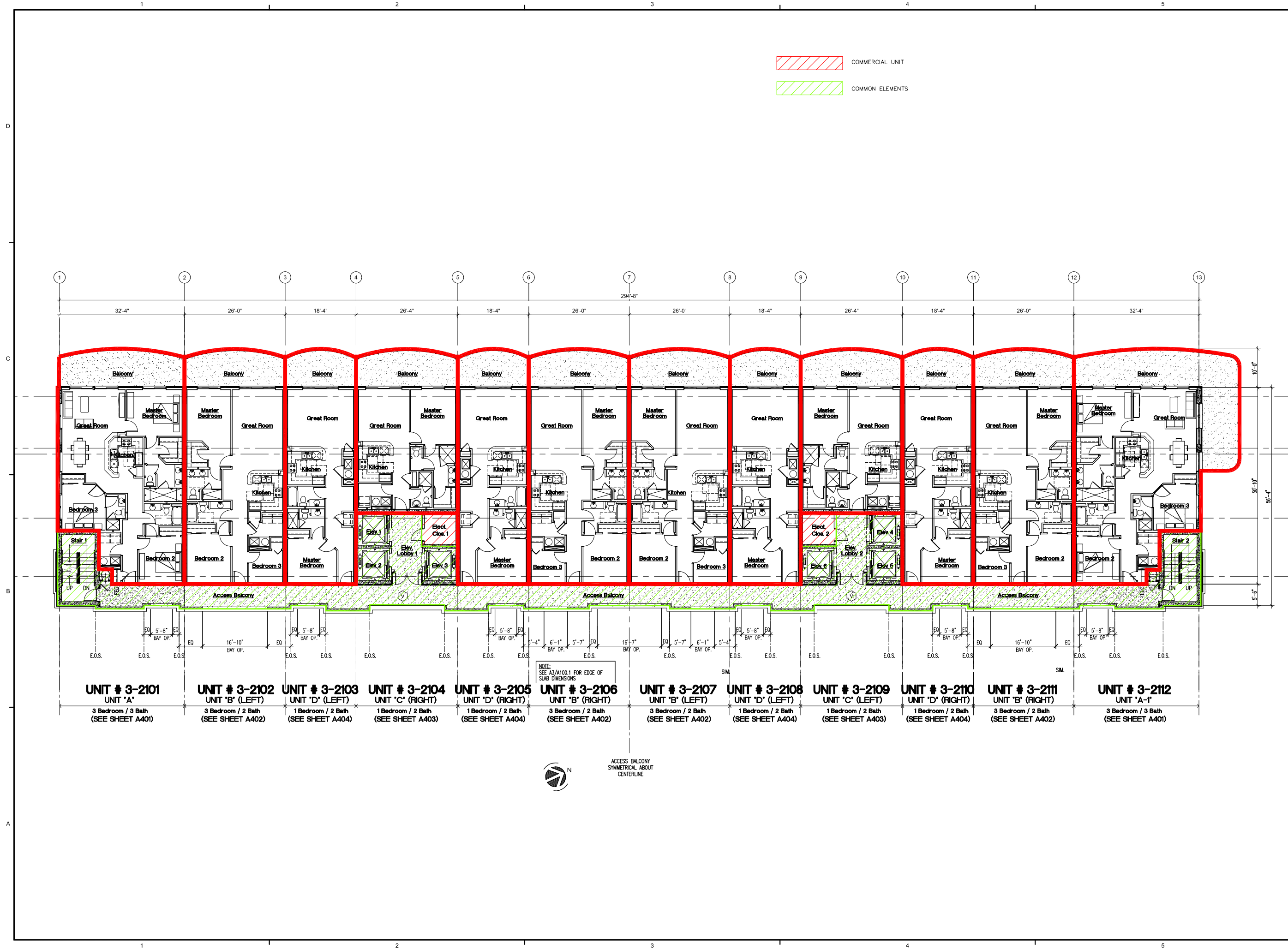
Drawn By: jb
Checked By: CC

Date: 04/04/18

Project No.:

Drawing Title:
20TH FLOOR PLAN

Drawing No.: A120



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Calypso Tower III

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Drawing Seal

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Checked By: CC

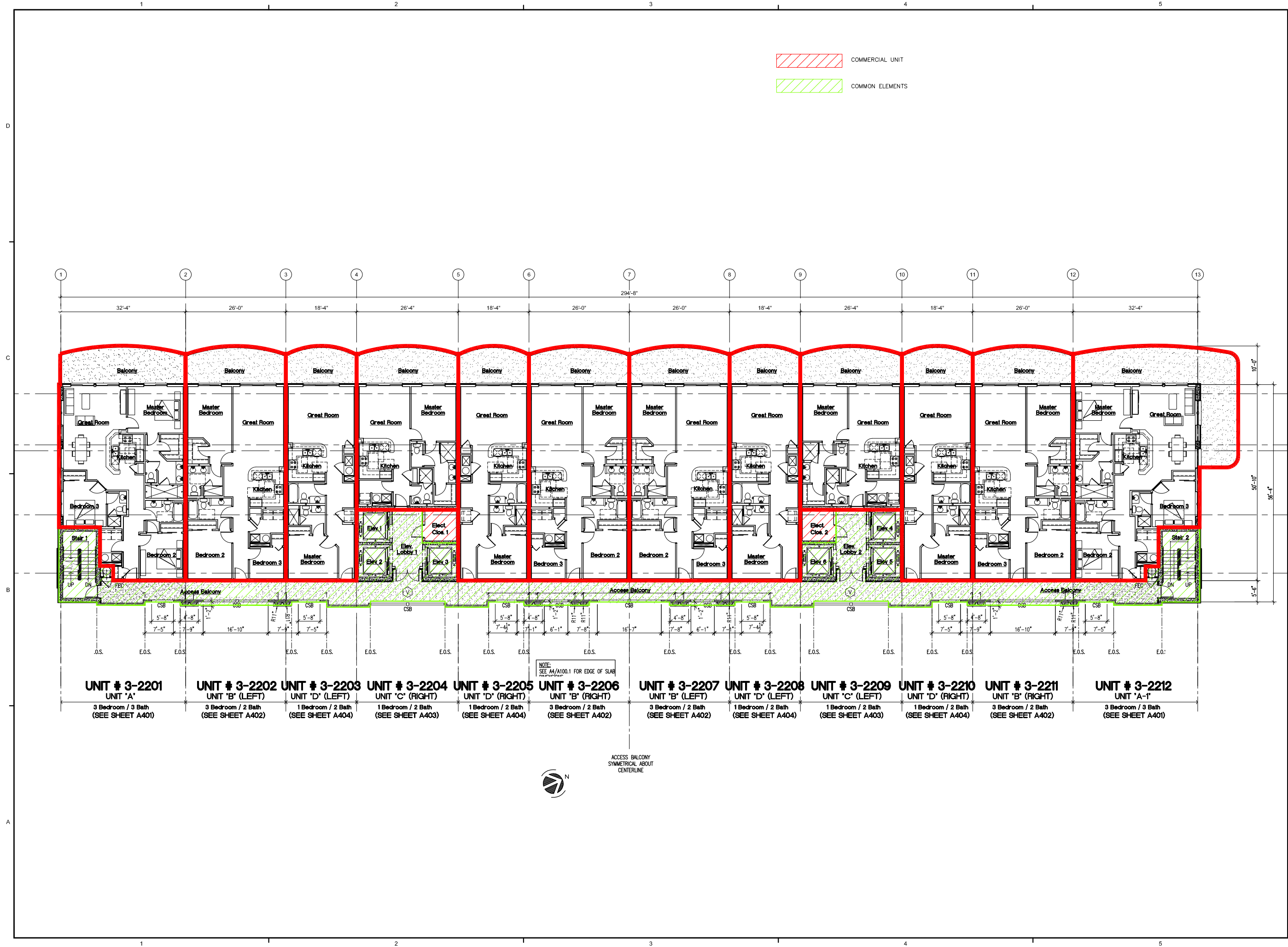
Date: 04/04/18

Project No.:

Drawing Title:
21ST FLOOR PLAN

-

Drawing No.: A121



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DOCUMENTS

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Drawing Seal

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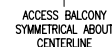
Drawn By: jpb
Checked By: CC

Date: 04/04/18

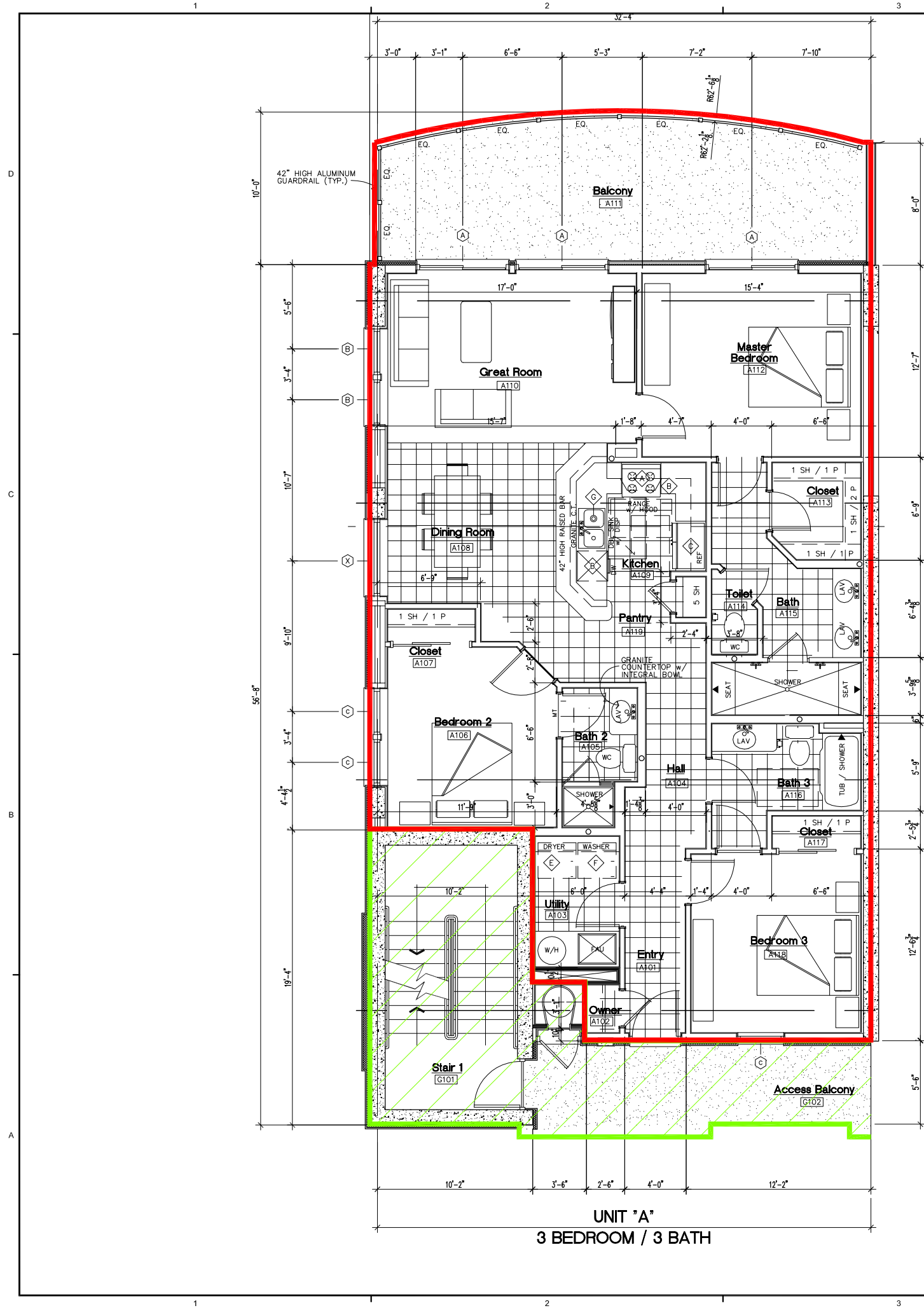
Project No.:

Drawing Title:
22ND FLOOR PLAN

Drawing No.: A122



Drawing No.: **A123**



COMMERCIAL PROPERTY

COMMON ELEMENTS

1,809 GSF



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DOCUMENTS

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Drawing Seal

Revision		
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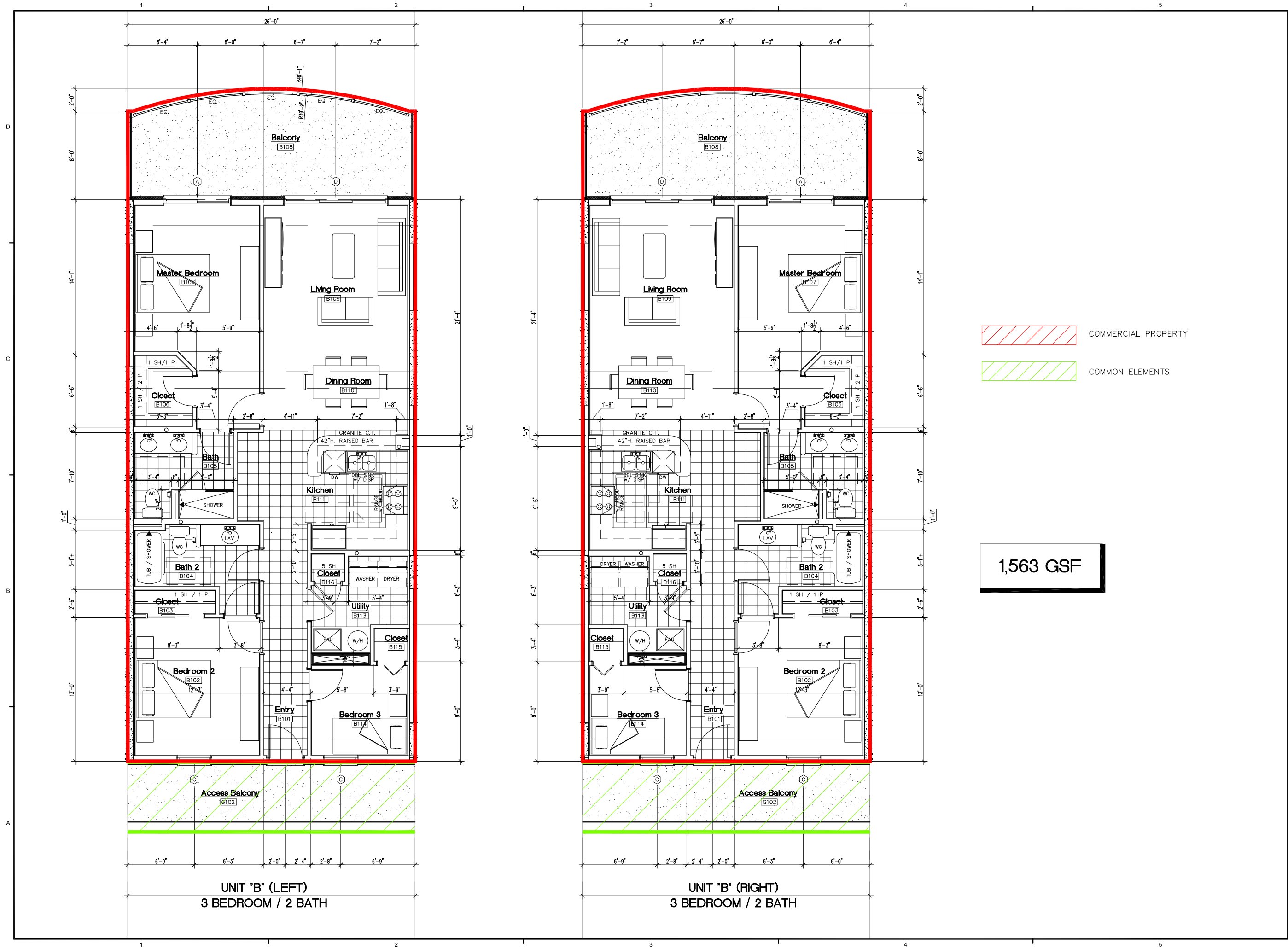
Date: 04/04/18

Project No.:

Drawing Title:

ENLARGED UNIT PLAN 'A'
1/8" = 1'-0"
-

Drawing No.: A401





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DOCUMENTS

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Drawing Seal

Revision		
Date:	No.	Description:
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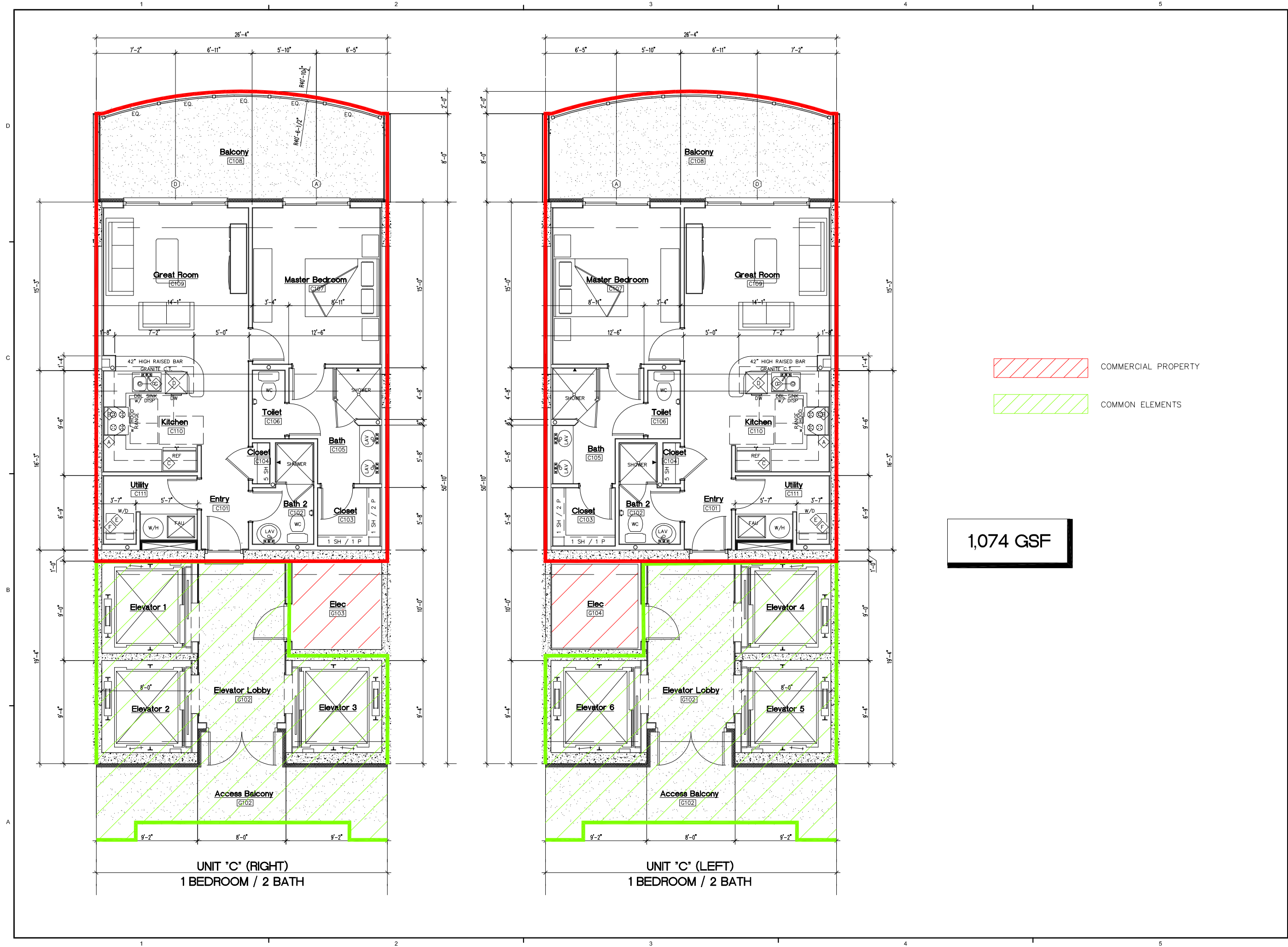
Drawn By: jlb
Checked By: CC

Date: 04/04/18

Project No.:

Drawing Title:
ENLARGED UNIT PLAN 'B'
1/8" = 1'-0"

Drawing No.: **A402**



DAG ARCHITECTS INC.
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DOCUMENTS

Calypso Tower III
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Drawing Seal

Revision		
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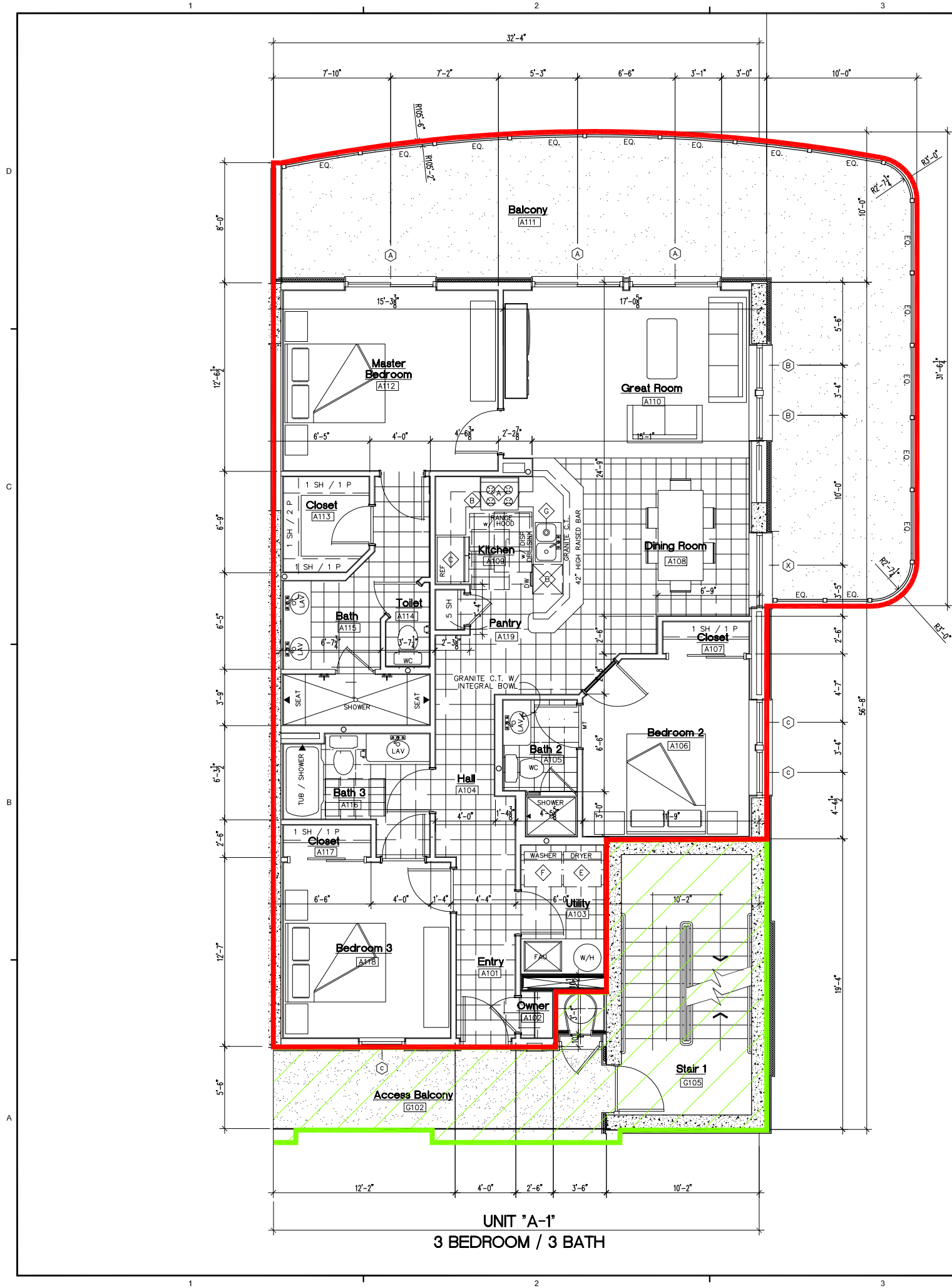
Drawn By: jlb
Checked By: CC

Date: 04/04/18

Project No.:

Drawing Title:
ENLARGED UNIT PLAN 'C'
1/8" = 1'-0"
-

Drawing No.: A403



COMMERCIAL PROPERTY



COMMON ELEMENTS

2,117 GSF



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Drawn By: jpb
Checked By: CC

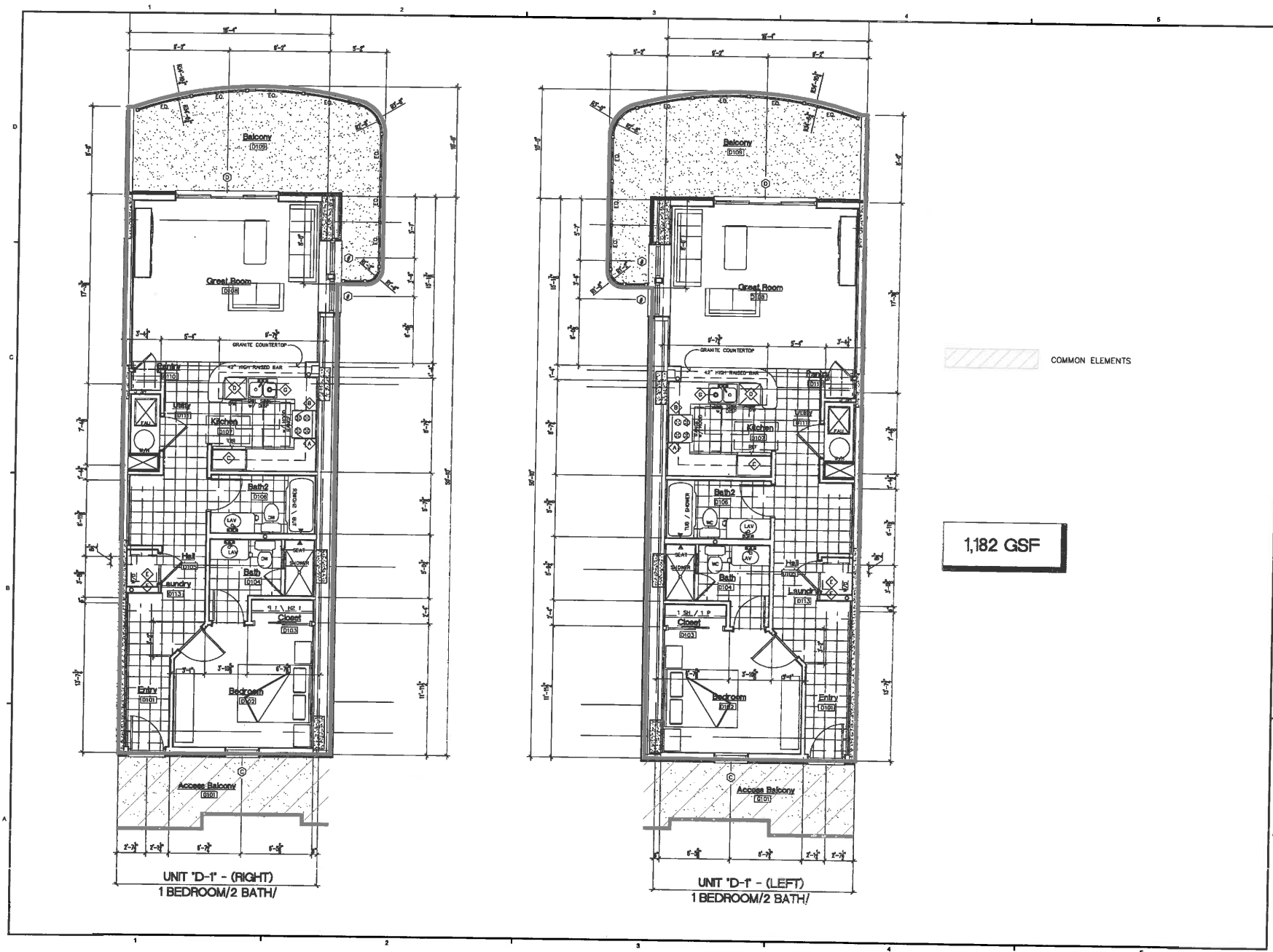
Date: 04/04/18

Project No.:

Drawing Title:

ENLARGED UNIT PLAN 'A-1'
1/8" = 1'-0"
-

Drawing No.: A405



DAQ ARCHITECTS INC.
455 HARRISON AVE STE. 18
PANAMA CITY, FL 32404-3441
TELEPHONE: 904-227-1871
AA-C00745

CONDOMINIUM DOCUMENTS

Calypso Tower III

15817 Front Beach Road
Panama City Beach, FL

Revision	
DATE	DESCRIPTION

Drawn By: JB
Checked By: CC

Date: 2/28/16

Project No.:

Drawing Title:
ENLARGED UNIT PLAN 'D-1'
1/8" = 1'-0"

Drawing No.: **A406**

Exhibit “F”
Purchase Agreement

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

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

PURCHASE AND SALE AGREEMENT

CALYPSO TOWER III, LLC, a Florida limited liability company ("Developer"), whose address is 15900 Front Beach Rd., Unit #102, Panama City Beach, FL 32413, hereby agrees to sell, and the following described purchaser (the "Purchaser") hereby agrees to buy Unit No. _____ (the "Unit"), together with its undivided share of the common elements and other appurtenant rights, of Calypso Towers III, a Condominium (the "Condominium"), all on the terms and subject to the provisions hereof.

PLEASE PRINT NAME THE WAY YOU WOULD LIKE TO TAKE TITLE:

Purchasers Name: _____ SSN _____

Purchasers Name: _____ SSN _____

Permanent Address: _____ Phone _____

City: _____ Zip _____

Local Address _____ Phone _____

City _____ State _____ Zip _____

Purchaser wishes to take title - check one of the following:

_____ Individual _____ Tenants in common _____ Joint Tenants

_____ Tenants by the entirety (spouse)

1. PURCHASE PRICE

The Purchase Price for the Unit (the "Purchase Price") will be paid as follows:

(a) Reservation (cash) (previously paid if applicable) \$ _____

(b) Remainder of Deposit \$ _____

(c) Balance Due at Closing (not including closing costs) \$ _____

2. DEPOSITS.

(a) All payments made by Purchaser under this Purchase and Sale Agreement (this "Agreement") prior to closing as provided herein, shall be deposited and held in escrow with Bryan J. Kiefer, P.A., d/b/a Rodgers-Kiefer Title (the "Escrow Agent"), pursuant to the terms and conditions of the Escrow Agreement. The Developer reserves the right to change the Escrow Agent to any other party authorized to accept escrow deposits under Florida law. The Purchaser shall receive a receipt for the Deposit Payments from the Escrow Agent. Deposit payments will be placed in an interest-bearing account.

(b) Purchaser has paid \$ _____ (the "Deposit"), by cash, certified or cashier's check or wire transfer, either concurrently with its execution and delivery of this Agreement to the Escrow Agent or as a prior Reservation Deposit, and the Escrow Agent acknowledges receipt of the Deposit, subject to collection. The Deposit represents twenty percent (20%) of the Purchase Price.

(c) The balance of the Purchase Price shall be paid by Purchaser to Developer in cash or by wire transfer at the Closing.

(d) All cash Deposits shall be held in an interest-bearing account designated by Escrow Agent, with the interest accruing to the benefit of the Purchaser, except in the event of Purchaser's default hereunder. All cash Deposits shall be credited to Purchaser at the Closing. The Escrow Agent's address is 327 South County Highway 393, Suite 202, Santa Rosa Beach, FL 32459. Purchaser may obtain a receipt for the portion of its Deposit held by the Escrow Agent, upon request.

(e) Any sums delivered in excess often percent (10%) of the Purchase Price may be used by the Developer in the construction of the Condominium, upon commencement of construction. In the event that the Escrow Agent receives any funds in excess of ten percent (10%) of the Purchase Price, upon request of the Developer, Escrow Agent shall deliver the cash amount in excess of the ten percent (10%) deposit to Developer for use in connection with the construction of the Condominium, provided that construction has commenced, without any further consent or authorization of Purchaser required. Upon delivery to the Developer, the funds in excess often percent (10%) of the Purchase Price will cease earning interest. The Deposit (and any interest thereon) shall be held by the Escrow Agent in escrow in accordance with the terms of Section 718.202, Florida Statutes and the Escrow Agreement delivered with the Prospectus. The Developer may assign its rights pursuant to this Agreement to a lender or lenders providing funds for the construction or development of the Condominium. However, no part of these funds may be used for salaries, commissions or expenses of salesmen or for advertising purposes.

3. FINANCING.

(a) Purchaser shall be responsible for obtaining any financing necessary to accomplish the purchase of the Unit. Purchaser's failure to obtain financing shall not constitute grounds for termination of this Agreement by Purchaser, and shall not be a condition to Purchaser's obligation to purchase the Unit. Purchaser shall have a reasonable time, not to exceed forty-five (45) days from the time of written notification from the Developer, within which to provide proof of its financial ability to close, which may include a written commitment for permanent financing from a lender acceptable to Developer. If Purchaser fails to provide proof of its financial ability to close within such time, the Developer at its sole option may terminate this Agreement and exercise all remedies provided for herein in the event of Purchaser's default.

(b) Purchaser has delivered to the Developer one of the following (check the applicable line):

_____ A comfort letter from Purchaser's lender (a "Comfort Letter") in form and content satisfactory to Developer, indicating that Purchaser is pre-qualified to secure financing in an amount sufficient to allow Purchaser to purchase the Unit.

_____ A funds letter from a financial institution (a "Funds Letter") in form and content satisfactory to Developer, verifying that Purchaser has sufficient funds to purchase the Unit.

_____ Such other information, including personal financial information, financial covenants and the like, as may be required by the Developer or the Developer's lender.

(c) Developer shall not be required to commence, continue or complete, as the case may be, the construction of the Unit until Purchaser has provided Developer with reasonable assurance of Purchaser's financial ability to complete the purchase of a Unit hereunder. Upon delivery of the Comfort Letter or the Funds Letter, this condition shall be deemed satisfied.

(d) Developer may suggest possible sources of funds for permanent financing, including funds made available to qualified purchasers through permanent loan commitments from a lending institution identified by Developer. Purchaser hereby acknowledges and agrees that by identifying or suggesting such sources of funds, Developer does not accept any responsibility for obtaining such financing on Purchaser's behalf; nor does Developer make any representations as to the availability of funds to Purchaser, or as to Purchaser's ability to qualify for such financing. Purchaser hereby acknowledges and agrees that any and all fees associated with obtaining such financing, including origination fees, applications fees, reasonable attorney's fees, credit report fees, commitment fees, and discount "points", shall be exclusively the responsibility of Purchaser.

(e) If Purchaser is not an individual or a group of individuals, or if Purchaser is purchasing three or more units, Purchaser agrees to provide tax returns, financial information, and other financial documentation as may be required by Developer's lender.

4. COMPLETION, CLOSING DATE AND OCCUPANCY.

(a) Developer's obligations under this Agreement are subject to the condition precedent that, on or before _____ (i) Developer has entered into Purchase and Sale Agreements for at least eighty five percent (85%) of the number of Units in the Condominium; (ii) Developer has received the Deposit for the Units described in this sub-paragraph (a); and (iii) Developer has received the Comfort Letter or the Funds Letter, as applicable, as required by paragraph 3, for the Purchasers of the Units described in this sub-paragraph (a). If the foregoing conditions are not satisfied, Developer may terminate this Agreement by delivering written notice thereof to Purchaser on or before _____. If Developer so terminates this Agreement, Developer shall promptly thereafter return to Purchaser all amounts previously paid by Purchaser hereunder towards the Deposit.

(b) For purposes of this Agreement, the construction of the Unit shall be deemed "substantially complete" when all planned improvements, including but not limited to, landscaping, utility service, and access to the unit and Common Elements serving such building, as set forth in the Declaration of Condominium are first completed and the Declaration of Condominium is first recorded, provided that there is a certificate of surveyor or mapper as required by Section 718.104(4)(e), Florida Statutes, notwithstanding that other buildings in the condominium are not substantially complete. Developer will notify Purchaser upon substantial completion of the Unit, and the consummation of this transaction shall take place within fifteen days from the date on which construction is deemed to be "substantially complete" for the Unit ("Closing Date"). If Purchaser fails to close on or before the Closing Date, then Developer may treat such failure as a default hereunder or Developer may, in its sole discretion, determine to extend the Closing Date upon payment to Developer by Purchaser of an extension fee equal to the per diem interest charge based on market interest rate on the total purchase price.

(c) The Closing shall be held by mail or at such location within Bay County as Developer designates, unless the parties agree upon another location for Closing, at the hour and place designated by Developer. If Purchaser fails to close at the time and place designated by Developer, Purchaser shall be deemed to be in default hereunder and Developer shall be entitled to seek the remedies and damages set forth in paragraph 6. If the Closing is held other than at the location as Developer designates, Purchaser shall pay at closing all costs of whatever nature incurred by Developer or its agent in arranging for consummation of the Closing, including without limitation, the cost of any travel expenses, courier service or postage.

(d) Developer agrees to deliver occupancy of the Unit on the Closing Date.

5. CLOSING COSTS.

(a) Purchaser will pay for recording fees and documentary stamps on the deed, all costs associated with Purchaser's financing, all normal fees of the closing agent, fees for utility service, and Purchaser's attorneys' fees. Purchaser shall pay at closing to the Association a sum equal to one (1) monthly maintenance assessment as set forth in the projected operating budget as a capital contribution to the Calypso Towers Resort Community Association, Inc. ("Association"). Such contribution is not to be considered as a prepayment of maintenance assessments and is non-refundable. Additionally, Purchaser shall pay the prorated portion of the monthly maintenance payment for the month in which the sale closes from the date of closing to the end of the calendar month. The Purchaser shall pay reimburse the Developer for insurance premiums, utility deposits, tap fees, and other such expenses incurred by the Developer, which the Developer has paid in advance for the account and benefit of the Association or the Unit Owner.

(b) The Developer will pay for recording of any partial releases; the premium for an owner's title insurance policy provided by a Florida licensed title insurance company; Developer's attorneys' fees; and Developer's real estate commission obligations.

(c) Taxes in the period in which the sale is closed shall be prorated between Developer and Purchaser as of the Closing Date based on the estimated taxes for the year of Closing. PURCHASER SHOULD NOT EXECUTE THIS AGREEMENT UNTIL HE OR SHE HAS READ THE PROPERTY TAX DISCLOSURE STATEMENT INCLUDED IN THE STANDARD ADDENDUM.

6. DEFAULT

(a) Purchaser's Default: Purchaser shall be in default hereunder in the event that it fails to make any of the payments due hereunder, or fails or refuses to execute the instruments required to consummate this transaction in accordance with the time sequence set forth herein, or fails to obtain the Comfort Letter or Funds Letter, as applicable, as required by this Agreement, defaults under any agreement to purchase another Unit in the Condominium, or otherwise fail to perform any of the obligations hereunder. In the event of any such default by the Purchaser, the Developer shall give Purchaser written notice of such default and allow twenty (20) days from the date such notice is received by the Purchaser for Purchaser to cure such default. If Purchaser shall fail to cure such default within such period, the Seller shall, and does hereby have, the unrestricted option to take all of the following actions: (i) consider Purchaser in default under this Agreement; (ii) terminate all rights of Purchaser under this Agreement; and (iii) retain all sums paid to Seller or Escrow Agent (including, but not limited to any Deposits paid by Purchaser, and any interest earned thereon) hereunder as agreed upon as liquidated damages and in full settlement of any claim for damages. These liquidated damages shall be limited to 20% of the Purchase Price, exclusive of any interest owned by the Purchaser, that has been paid by Purchaser, and Seller agrees to refund to Purchaser any amount which remains from the payer's or sums paid to Seller or Escrow Agent after subtracting 20% of the Purchase Price.

(b) Developer's Default: Should Developer materially fail to perform any of its obligations hereunder, Purchaser shall have the right to terminate this Agreement and receive a return of its Deposit, without waiving any claim for damages. In no event may the Purchaser obtain any equitable remedy, including specific performance. Purchaser hereby expressly disclaims and waives the right to recover any special, secondary, incidental or consequential damages, including any damages based on a claimed diminution in the value of the Unit (even if Developer has been advised of the possibility of such damages).

7. **BROKERS.** Purchaser represents to the Developer that the only sales agent with whom the Purchaser has dealt in connection herewith is the agent or broker, if any, whose name appears on the signature page of this Agreement and the Developer agrees to pay the commission earned by the sales agent or broker (if any) pursuant to separate agreement. The Purchaser agrees to save, defend, indemnify and hold harmless the Developer from any and all loss or liability or claim including reasonable attorney's fees resulting from or arising out of any claim against the Developer by any selling agent other than the broker or sales agent whose name appears on the signature page of this Agreement, who claims to have dealt with the Purchaser in connection herewith.

8. **ADDENDA.** This Agreement is subject to additional terms and conditions on all addenda attached hereto and made a part hereof, as marked below:

_____ Standard Addendum

_____ Real Estate Credit Addendum

_____ 1031 Exchange Addendum

_____ Homeowner Orientation Certificate

_____ Launch Credit Incentive

_____ ADA Compliance Addendum

_____ Additional Addendum (specify: _____)

9. **EFFECTIVE DATE.** This Agreement will become effective upon signing by Purchaser and delivery to Purchaser of a copy of this Agreement signed by the Developer ("Effective Date"). Delivery of the signed Agreement may be made to the Purchaser by personal delivery, email, or by deposit of the Agreement in the U. S. Mail, postage prepaid, to the address set forth in the heading of this Agreement. The Effective Date of this Agreement is the _____ day of _____, 2018.

This Agreement has important legal consequences that should be read thoroughly prior to signing. If you have any questions about your rights or responsibilities under this Agreement, you may consult an attorney. We, the undersigned, have read and understand and agree to each of the provisions of this Agreement.

THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER, AND RECEIPT BY BUYER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM OR HER BY THE DEVELOPER UNDER SECTION 718.503, FLORIDA STATUTES. THIS AGREEMENT IS ALSO VOIDABLE BY THE BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE BUYER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR A CLOSING FOR A PERIOD OF NOT MORE THAN FIFTEEN (15) DAYS AFTER THE PURCHASER HAS RECEIVED ALL OF THE ITEMS REQUIRED. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING. FIGURES CONTAINED IN ANY BUDGET DELIVERED TO THE BUYER PREPARED IN ACCORDANCE WITH THE CONDOMINIUM ACT ARE ESTIMATES ONLY AND REPRESENT AN APPROXIMATION OF FUTURE EXPENSES BASED ON FACTS AND CIRCUMSTANCES EXISTING AT THE TIME OF THE PREPARATION OF THE BUDGET BY THE DEVELOPER. ACTUAL COSTS OF SUCH ITEMS MAY EXCEED THE ESTIMATED COSTS. SUCH CHANGES IN COSTS DO NOT CONSTITUTE MATERIAL ADVERSE CHANGES IN THE OFFERING.

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

Witnesses:

PURCHASER(S)

Signature
Print Name: _____

Print Name: _____
Date: _____

Signature
Print Name: _____

Signature
Print Name: _____

Print Name: _____
Date: _____

Signature
Print Name: _____

Witnesses:

DEVELOPER

Signature
Print Name: _____

By: _____
As: Duly authorized representative of
Calypso Tower III, LLC, a Florida limited
liability company
Date: _____

Signature
Print name: _____

SALES AGENT OR BROKER

Print Name: _____
Name of Company: _____
Phone Number: _____

STANDARD ADDENDUM

ADDITIONAL TERMS AND CONDITIONS

I. CONSTRUCTION OF THE UNIT:

- A. General Construction. Developer shall construct the Unit in substantial conformance with the depictions and specifications set forth in Condominium documents and with the Plans and Specifications (collectively, the "Plans"). Developer shall not be obligated to make any changes, modifications or upgrades to the Unit, unless agreed in writing by the Developer. Unit dimensions are approximate. Purchaser acknowledges that Purchaser has reviewed the Plans.
- B. Changes by Developer. The Purchaser acknowledges that in the course of construction of the Unit, certain changes, deviations or omissions from the plans and specifications then on file with any governmental regulatory authority may be necessary because of normal construction tolerances, the requirements of governmental authorities having jurisdiction over the Unit, of lenders or of particular conditions of the job, or design changes deemed necessary or appropriate by the architect (hereinafter referred to as "Necessary Changes"). Further, the Purchaser acknowledges that in the course of construction of a Unit certain Necessary Changes may result in variation of the dimensions of the Unit.

Based upon the foregoing, the Purchaser hereby authorizes the Developer to undertake, without the need for specific authorization, any Necessary Changes and to make changes and substitutions of materials substantially equivalent to those shown in any model or specified on the Plans. Purchaser further acknowledges that, because the extent of the Necessary Changes that may be made to the Unit is unknown at present, the representations of the Developer to date with respect to the square footage of the Unit and any Plans which are currently on file with any governmental regulatory authority do not reflect and cannot be relied on to reflect Necessary Changes.

The Developer reserves the right to make substitution of facilities, materials and appliances at least equal in value for those contained in the plans and specifications and to make such other changes in the plans and specifications as may be required by sound construction, architectural or engineering practices.

During the course of negotiations, the Developer may have shown Purchaser model homes, drawings, brochures, maps or other documents depicting the Unit. The Purchaser understands that certain items and improvements to the Unit may vary and may differ from samples shown to Purchaser. In the event that materials to be used in the construction of the Unit become unavailable, Developer reserves the right to substitute substantially equivalent materials for the unavailable materials. Certain items in model units are for display only. Purchaser acknowledges that Developer has the right to make certain modifications without Purchaser's consent.

The Developer reserves the right to make non-material changes in the documents referred to in paragraph IV hereof prior to the recording of the Declaration of Condominium in the Public Records of Bay County, Florida. Purchasers shall be notified of all changes prior to or at closing, but in no event, later than ten (10) days after the amendment. Any alteration to the documents which does not change the Purchaser's share of the common elements, voting rights, or common expenses shall not be considered a material alteration.

- C. Insulation: The insulation in the roof of the Condominium will be fiberglass batt, will have a thickness of ten (10") inches and will, according to manufacturers, yield an R-Value of 30; the insulation in the exterior walls will be fiberglass batt to a thickness of six (6") inches and will, according to manufacturers, yield an R-value of 19 for the exterior wall assembly as it will be constructed. "R-Value"

means the resistance of insulation to heat flow. The higher the R-Value, the greater the insulating power. Developer shall not independently verify the R-Value of the building components that it installs in the Unit. Instead, Developer shall rely solely on the R-Value data provided to it by the manufacturer of such building components. Purchaser acknowledges that this R-value information is based solely upon information supplied by the manufacturer or installer and Developer does not represent or warrant the accuracy of this information. Purchaser further acknowledges that R-value may vary based upon normal construction variances and constitutes only one element of the total energy package.

- D. Interim and Final Inspections. Purchaser understands and agrees that during construction of the Unit, due to hazardous conditions and insurance and security requirements, neither Purchaser nor his or her representatives shall go onto the construction site unless accompanied by an authorized representative of Developer.

Prior to the closing of the transaction, it shall be the duty of the Purchaser to inspect the condominium unit, the Condominium building, and the appurtenances thereto in the presence of the Developer or the Developer's authorized agent, and to present to the Developer at that time a written list of any defects in workmanship and material, which list is to be signed by the Purchaser. As to those items set forth in such list which are truly defects in workmanship and material, in accordance with the standards of construction prevalent in Bay County, Florida, relative to the type and price of construction involved in this development, the Developer shall be obligated to correct the same at its cost within a reasonable period of time, but the Developer's obligation to correct shall not be a ground for deferring of closing nor the imposition of any condition on closing. The taking of occupancy by the Purchaser prior to or following closing shall constitute the unqualified acceptance of the Unit, subject to those items which the Developer has agreed to correct.

- E. Construction Control. Direction and supervision of the construction of the Unit rests exclusively with Developer. Purchaser shall not issue any instructions to, or otherwise interfere with, Developer or Developer's contractors, subcontractors or suppliers. Purchaser shall not contract for additional work with Developer's contractors or subcontractors. Purchaser hereby agrees that no work will be permitted within the Unit by anyone other than Developer until title is transferred. Purchaser's obligations under this paragraph shall survive the Closing.
- F. Homeowner Orientation. When construction of the Unit is substantially complete, Developer shall deliver written notice thereof to Purchaser and schedule a tour of the Unit (the "Homeowner Orientation") by Purchaser and a representative of Developer. Following the Homeowner Orientation, Purchaser shall sign an acknowledgment in the form attached hereto as Homeowner Orientation Certificate, pursuant to which Purchaser shall acknowledge that Purchaser accepts the Unit as its "AS IS" condition, subject only to the statutory warranties described in Paragraph V(I) of this Addendum.
- G. Marketing of Units. As long as Developer owns a Unit or Units, Developer and its agents can maintain offices and model units within the Condominium Property, Association Property or Common Elements. Developer's sales agent can show these Units, erect advertising signs and do whatever else is necessary, in the Developer's opinion, to help sell or lease Units or develop and manage the Condominium Property. This paragraph will survive the Closing.

CHAPTER 558, FLORIDA STATUTES CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY BRING ANY LEGAL ACTION FOR AN ALLEGED CONSTRUCTION DEFECT IN YOUR HOME. SIXTY DAYS BEFORE YOU BRING ANY LEGAL ACTION, YOU MUST DELIVER TO THE OTHER PARTY TO THE CONTRACT A

WRITTEN NOTICE REFERRING TO CHAPTER 558 OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE SUCH PERSON THE OPPORTUNITY TO INSPECT THE ALLEGED CONSTRUCTION DEFECTS AND TO CONSIDER MAKING AN OFFER TO REPAIR OR PAY FOR THE ALLEGED CONSTRUCTION DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER WHICH MAY BE MADE. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER THIS FLORIDA LAW WHICH MUST BE MET AND FOLLOWED TO PROTECT YOUR INTERESTS.

II. TITLE:

- A. At least seven (7) days prior to the Closing Date, Developer shall deliver to Purchaser a Commitment for Title Insurance (the "Commitment"), issued by a Florida licensed title insurance company (the "Title Company") along with copies of the exceptions set forth therein. The Commitment will show the status of record title to the Unit and commit to insure title to the Unit in Purchaser, upon payment of the policy premium by Developer and the satisfaction of certain requirements by Developer, subject to the standard printed exceptions and all matters of record appearing in the Commitment. Notwithstanding the foregoing, if the Closing Date is fewer than ten (10) days after the date of this Agreement, Developer shall be obligated to deliver the Commitment to Purchaser only two (2) days prior to the Closing Date.
- B. As soon as practicable following Closing, Developer shall, at Developer's expense, furnish to Purchaser an Owner's policy of title insurance in the amount of the Purchase Price.

III. CLOSING OF TITLE

At the Closing, the following shall occur, each being a condition precedent to the others and all being considered as occurring simultaneously:

- A. Purchaser shall deliver to Developer the balance of the Purchase Price in cash or a wire transfer.
- B. Developer shall deliver to Purchaser an executed and acknowledged special warranty deed to the Unit subject only to matters of record.
- C. Developer shall deliver to Purchaser an executed and acknowledged non-foreign person affidavit to assure compliance with § 1445 of the Internal Revenue Code of 1986, as amended.
- D. Purchaser and Developer shall execute and deliver such other documents and shall take such other actions as may be necessary to carry out their obligations under this Agreement, including without limitation a closing statement.

IV. UNIT OWNERSHIP AND USE SUBJECT TO CONDOMINIUM DOCUMENTS:

Purchaser agrees that the purchase of the Unit, the occupancy of the Unit and all of the obligations of the Purchaser will, at all times, be subject to and bound by the provisions of the instruments and documents comprising the Condominium documents, specifically including, but not limited to all terms and conditions of the Declaration of Condominium for the Condominium, and all exhibits thereto, the Prospectus, and all exhibits thereto, the Community Property Agreement, and all exhibits thereto, and as described in the Receipt for Condominium Documents executed contemporaneously herewith.

V. DISCLOSURES, ACKNOWLEDGMENTS AND WAIVERS:

- A. Responsibility for Utilities. Purchaser acknowledges and agrees that all separately metered utilities to the Unit will be changed from Developer's name to Purchaser's name no later than three (3) days after the Closing Date, and that, thereafter, Purchaser shall be obligated to pay the costs of such utilities. The

Purchaser will be responsible for all initial connection fees.

- B. **On-Going Construction of Improvements.** Purchaser acknowledges and agrees that, inasmuch as Purchaser is purchasing the Unit during a period of construction within the Condominium, and the construction of the Unit may be completed prior to the completion of the construction of other portions of the Condominium not serving such Unit, and consistent with the requirements of Section 718.104(e), Florida Statutes, there may be certain inconveniences to Purchaser until all construction within the Condominium and the remainder of the Developer's Project is complete. Inconveniences may include noise, dust, odors and debris associated with construction, interference with access and temporary interruptions of utility services. Purchaser waives all claims against Developer with respect to any such inconveniences.
- C. **Price and Agreement.** Purchaser acknowledges and agrees that the Purchase Price is the result of an arm's-length negotiation with Developer and is not based on (i) any agreement, guaranties, promises, representations or warranties concerning property values, or (ii) the past, present or future prices paid or to be paid for other units in the Condominium and the Project. Purchaser further acknowledges and agrees that Developer has no obligation to take any action or refrain from taking any action in connection with the development or marketing of units in the Project that would support or enhance the value of the Unit.
- D. **Economic Considerations.** Purchaser acknowledges that Developer has not made any representations or given assurances concerning any rental or other income from the Project nor any tax consequences of ownership or resale of the Unit or whether, or to what extent, economic benefit might be derived by the Purchaser due to ownership or resale of the Unit. Purchaser represents to Developer, that to the extent that Purchaser has an expectation of deriving economic or tax benefits from the ownership of the Unit, this expectation has been induced solely by Purchaser's individual research, the general economic conditions and other factors which have identified independent of any statements or involvement of Developer or its agents.
- E. **Radon Gas.** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit. Developer makes no representation to Purchaser concerning the presence or absence of radon gas in the Unit at any time or in any quantity. Purchaser hereby expressly releases Developer from any loss, claim, liability or damage now or hereafter arising from or related to the presence at any time of radon gas in the Unit.
- F. **Energy Efficiency.** In accordance with Section 553.996, Florida Statutes, notice is hereby given that the Purchaser may have the building's energy efficiency rating determined at Purchaser's cost and expense. Purchaser acknowledges receipt of the energy efficiency rating information brochure prepared by the State of Florida, Department of Community Affairs at the time of or prior to Purchaser signing this Agreement.
- G. **Flood Zone.** The Unit is in Flood Zone A7 and V8 of a Special Flood Hazard Zone. Purchaser is advised to verify with appropriate government agencies whether flood insurance is required and what restrictions apply to improving the Unit and rebuilding in the event of casualty.
- H. **Construction Industries Recovery Fund.** Payment may be made available from the Construction Industries Recovery Fund if you lose money on a project performed under contract, where the loss results from specified violations of Florida Law by a State Licensed Contractor. For information about the Recovery Fund and filing a claim, contact the Florida Construction Industry Licensing

Board at the following telephone number and address: (850) 487-1395; CILB Recovery Fund, 1940 North Monroe Street, Tallahassee, Florida 32399-1039

I. Limitations on Developer's Warranty and on Damages in Warranty Claims.

At Closing, Purchaser will receive the statutory warranties imposed by Section 718.203, Florida Statutes, (the "Statutory Warranties").

Purchaser hereby expressly accepts the scope, nature and limitations contained in the Statutory Warranties, and understands that no other warranty is to be provided by Developer. Purchaser also expressly acknowledges and agrees that except for the Statutory Warranties:

PURCHASER IS PURCHASING THE UNIT IN ITS "AS IS" CONDITION AND ANY AND ALL OTHER WARRANTIES, EXPRESS, IMPLIED, VERBAL OR WRITTEN STATUTORY OR ARISING BY COMMON LAW, INCLUDING WITHOUT LIMITATION, WARRANTIES OF HABITABILITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE CREATED BY STATE OR FEDERAL LAW, ARE HEREBY SPECIFICALLY DISCLAIMED AND WAIVED. THE FOREGOING DISCLAIMER AND WAIVER SHALL ALSO APPLY TO ALL EXPRESS AND IMPLIED WARRANTIES AS TO ANY "CONSUMER PRODUCT" AS DEFINED IN THE MAGNUSON-MOSS WARRANTY ACT, WHICH CONSUMER PRODUCTS SHALL NOT BE WARRANTED BY DEVELOPER; PROVIDED, HOWEVER, THAT DEVELOPER SHALL ASSIGN TO PURCHASER ANY MANUFACTURER'S OR SUPPLIER'S WARRANTY WITH RESPECT TO SUCH CONSUMER PRODUCTS. IN ADDITION, DEVELOPER MAKES NO REPRESENTATION OR WARRANTY CONCERNING ANY GEOLOGICAL OR ENVIRONMENTAL MATTERS.

In any claim arising under or related to the Statutory Warranties, Purchaser shall be limited to the recovery of actual damages. Purchaser hereby expressly disclaims and waives the right to recover any special, secondary, incidental or consequential damages, including any damages based on a claimed diminution in the value of the Unit (even if Developer has been advised of the possibility of such damages). This paragraph shall survive the closing.

J. Legal Counsel. Purchaser acknowledges and agrees that Developer has advised Purchaser to seek its own legal counsel regarding examination of title and the transactions contemplated by this Agreement.

K. Resort Facility.

(i) The Condominium are located within a beach front resort, portions of which are open to the public, which may generate an unpredictable amount of vehicular, pedestrian and other traffic with its attendant noise and odor nuisance. The Developer may construct retail facilities and other public facilities with certain access rights to parties of the Condominium.

(ii) Except as described herein, in the Prospectus, or otherwise required by law, neither Developer nor any of its employees, agents, contractors, officers, members, brokers or sales agents, have made any representations regarding the Project, including, without limitation, opening or closing dates, the hours of operation or the use of recreational facilities of the Project in any given year.

(iii) Purchaser acknowledges that views from the Unit may be affected by subsequent development of the Condominium and the Project, and adjacent properties and that Purchaser has been so advised by Developer or its employees, agents, brokers or sales agents.

L. Access. Purchaser acknowledges that roads to and within the Project may be private, limited access roads constructed and owned by Developer or its

successors or assigns. Purchaser will be granted easements over any such roads for access to and from the Project and the Unit.

- M. Independent Investigation. Purchaser acknowledges and agrees that it must independently investigate the use and character of all property adjacent to the Project (whether in the Project or not) and may not rely on any statements of any sales agent or any broker or any brochure or displays in the sales office about the use or character of any property other than the Unit. Nothing herein is intended to or does waive any of the Purchaser's rights as described in Section 718.506, Florida Statutes
- N. Association's Officers and Directors. The Purchaser acknowledges that the officers and directors or other agents and employees of the Developer will be acting as the initial officers and directors of the Association, and, of necessity, will be acting on behalf of the Association in dealings and transactions with the Developer, and that said officers, directors, employees and agents will be further acting on behalf of the Association in dealings with other corporations of which they may also be officers, directors, employees or agents. The Purchaser expressly waives any objection to any such transactions in dealings and hereby expressly ratifies same.
- O. Developer's Rights.
- (a) The Developer reserves the right to sell, mortgage, refinance or otherwise deal with all of the condominium Units owned by it without the necessity of obtaining the approval of the Board of Directors or officers of the Association, or of the owner of any individual Unit.
- (b) The Developer shall have the right initially to appoint or elect the Board of Directors of the Association as provided in the condominium documents and to retain control of the Association after a majority of the units are sold. The Developer also has the right, however, to give up this retained right of control of the Association at any time upon giving notice to the owners other than the Developer to elect a new Board of Directors for the Association. Section 718.301(1), Florida Statutes, describes the timing of transfer of Association control from the Developer to the Association and states as follows:
- “(1) When unit owners other than the developer own 15 percent or more of the units in a condominium that will be operated ultimately by an association, the unit owners other than the developer shall be entitled to elect no less than one-third of the members of the board of administration of the association. Unit owners other than the developer are entitled to elect not less than a majority of the members of the board of administration of an association:
- “(a) Three years after 50 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;
- “(b) Three months after 90 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;
- “(c) When all the units that will be operated ultimately by the association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the developer in the ordinary course of business;
- “(d) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the developer in the ordinary course of business; or

“(e) Seven years after recordation of the declaration of condominium; or, in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to Section 718.403, 7 years after recordation of the declaration creating the initial phase, whichever occurs first. The developer is entitled to elect at least one member of the board of administration of an association as long as the developer holds for sale in the ordinary course of business at least 5 percent, in condominiums with fewer than 500 units, and 2 percent, in condominiums with more than 500 units, of the units in a condominium operated by the association. Following the time the developer relinquishes control of the association, the developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the association or selecting the majority members of the board of administration.”

- (c) The Developer reserves the right to transact on the Condominium Property any business necessary to complete any construction or renovation thereof and the promotion and sale of the Units, including but not limited to, consummating the sale of the Units, maintaining a general or sales office and model Units, displaying signs and employing sales personnel for the purpose of selling the Units. In this regard, the Developer shall have the right of ingress and egress over the Condominium Property and shall have full use of the Common Elements and the right to show Units. The Developer's general office, sales office, signs, fixtures, furniture and furnishings and other tangible personal property owned by the Developer in connection with the development or sale of Units shall remain the property of the Developer.

All projections of costs or expenses contained within this Agreement including but not limited to the estimated operating budget for the Unit and the Association are estimates based upon the past experience of the Developer and its advisors. The actual amount of said payments, costs and expenses may vary from the estimates depending upon future economic conditions.

P. Purchaser's Representations. The Purchaser represents to the Developer as follows:

- (a) The Unit has been purchased by the Purchaser for residential purposes and has not been offered and sold with an emphasis on the economic benefits to Purchaser to be derived from the managerial efforts of others.
- (b) There has been no offering of participation in a rental pool arrangement (an arrangement under which Purchaser agrees to rent this Unit and to place the rents received therefrom in a common pool from which each owner can draw his proportionate share irrespective of the number of times this Unit is actually rented).
- (c) There has been no offering of a rental or similar arrangement whereby Purchaser must hold this Unit available for rental for any period of the year or must use an exclusive rental agent.
- (d) The Purchaser may decide to rent (if permitted), or not to rent, and may use the rental agent of his choice or no rental agent and may enter into a non-pooled rental arrangement with other owners, if other owners desire to enter into such an arrangement on terms that are mutually agreeable. However, there has been no representation regarding rental agency made to the Purchaser.

Q. PROPERTY TAX DISCLOSURE STATEMENT

PURCHASER SHOULD NOT RELY ON THE SELLER'S CURRENT PROPERTY TAXES AS TO THE AMOUNT OF PROPERTY TAXES THAT THE BUYER MAY BE OBLIGATED TO PAY IN THE YEAR SUBSEQUENT TO THE PURCHASE. A CHANGE OF OWNERSHIP OR PROPERTY IMPROVEMENTS TRIGGERS REASSESSMENTS OF THE PROPERTY THAT COULD RESULT IN HIGHER PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION, CONTACT THE BAY COUNTY PROPERTY APPRAISER'S OFFICE FOR INFORMATION.

- Q. Survival. The acknowledgements, agreements, waivers, disclaimers and releases contained in this Article V shall survive the Closing.

VI. SUBORDINATION AND LIENS: Developer may borrow (or may have borrowed) money from lenders (each, a "Developer's Lender") for the acquisition, development, refinancing and/or construction of the Condominium and/or Unit (and any other units owned by Developer, if any). Purchaser agrees that any and each Developer's Lender will have, until closing, a prior, superior mortgage on or other interest in the Unit, and the Condominium (or the real property upon which the Condominium will be created), with greater priority than any rights or interest Purchaser may have therein, if any, pursuant to this Agreement or under any principal of equity or otherwise. At closing, Developer shall cause the then applicable mortgages to be released as an encumbrance against the Unit and may use Purchaser's closing proceeds for such purpose. Without limiting the generality of the foregoing, Purchaser's rights and interest under this Agreement (and the deposits made hereunder) are and will be, automatically and without further action or instrument, subordinate to all mortgages, mezzanine and any other forms of financing (and all modifications made to those mortgages, mezzanine and any other forms of financing) affecting the Unit or the Condominium (or the real property upon which the Condominium is being developed) even if those mortgages, mezzanine and any other forms of financing provided by a Developer's Lender (or modifications) are made or recorded after the date of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, Purchaser agrees that neither this Agreement, nor Purchaser's making the Deposits (and/or Developer's use of deposits as permitted hereunder), will give Purchaser any lien (equitable or otherwise) or claim against the Unit, the Condominium or the real property upon which the Condominium has been (or will be) created and Purchaser knowingly, fully and unconditionally waives and releases any right to assert any such lien or claim. Purchaser hereby acknowledges and agrees that (i) any and each Developer's Lender is an express third party beneficiary of this Section, and (ii) this Section and the rights of any and each Developer's Lender under this Section shall survive (continue to be effective after) any termination, rescission or other voiding of this Agreement, and any default by Developer under this Agreement. Purchaser further agrees not to seek to impose any type of lien or other claim upon the Unit or all or any portion of the Condominium Property, equitable or otherwise, and any right to impose or seek any such lien or other claim is hereby knowingly, fully and unconditionally waived by Purchaser.

VII. RISK OF LOSS:

A. Developer shall bear the risk of loss to the Unit until the Closing Date. From and after the Closing Date, Purchaser or Association shall bear all such risk of loss.

B. Developer shall maintain insurance on the Unit during construction. If the Unit is destroyed during the construction thereof, the Developer shall have the option of (1) terminating this contract and returning the Deposit to the Purchaser; or (2) repairing, restoring and completing the construction of the Unit, and continuing to closing as provided herein.

VIII. MISCELLANEOUS:

A. Time: Time is of the essence for the purposes of this Agreement.

B. Recording: Neither this Agreement, nor any memorandum thereof, shall not be recorded. If Purchaser records this Agreement, it shall be deemed a default under the Agreement. Purchaser authorizes Developer to record the documents needed to establish and

operate the Condominium, as well as all other documents which Seller deems necessary or appropriate, in the Public Records of Bay County, Florida. Neither this Agreement, nor any notice or memorandum hereof (nor any Lis Pendens), may be recorded by Buyer.

C. Attorney's Fees And Costs: In the event that either party hereto shall default in the performance of any terms and conditions hereunder, the party found to be in default hereunder agrees to pay all costs, charges and expenses of enforcement, including reasonable attorney's fees, whether incurred before or at trial, on appeal, in arbitration, in bankruptcy court or in post judgment collection.

D. Waiver of Jury Trial: Each party agrees that as a material part of the consideration hereunder and as an inducement to enter into this Agreement, each party hereby waives the right to a jury trial.

E. Assignment: This Agreement shall not be assignable by Purchaser without the written consent of the Developer. Any attempt at assignment may be deemed a default as provided under the Agreement. Any and all of Developer's rights and interests in, to and under this Agreement shall be freely assignable by Developer. Without limiting the foregoing, Developer may assign its rights and interests in, to and under this Agreement (including without limitation Developer's rights with respect to the Deposit Payment) as collateral and security for one or more loans to finance the construction of the Condominium.

F. Complete Agreement: This Agreement together with all addenda, if any, and the Prospectus constitute the sole and entire agreement between the parties. All agreements between the parties are contained herein and no amendments or modifications to this Agreement, written or verbal, as to the parties' rights and obligations hereunder shall be binding upon either party unless made in writing and executed and delivered by the party to be bound thereby. Each provision of this Agreement is severable from every other provision and if any provision is unenforceable, the remainder of the Agreement will remain valid and enforceable. This Agreement shall inure to the benefit of the heirs, personal representatives, successors and assigns of Developer and Purchaser respectively as permitted. Upon delivery of the deed all terms and conditions of this Agreement shall merge into the deed, except as specifically set forth to the contrary herein.

G. Effective Date: This Agreement will become effective upon signing by Purchaser and delivery to Purchaser of a copy of this Agreement signed by the Developer ("Effective Date"). Delivery of the signed Agreement may be made to the Purchaser by personal delivery or by deposit of the Agreement in the U. S. Mail, postage prepaid, to the address set forth in the heading of this Agreement.

H. Governing Law: This Agreement shall be governed by the laws of the State of Florida. Any dispute hereunder will be brought exclusively in Bay County, Florida.

I. Notices: Any notice, payment, request, instruction, or other document to be delivered hereunder shall be deemed sufficiently given if in writing and (a) hand delivered to any party, (b) sent by telecopy to the telecopy number for such party listed below, or (c) sent by Federal Express or other nationally-recognized guaranteed overnight courier service to the address of such party set forth above, and if hand-delivered shall be deemed delivered upon receipt, if telecopies, shall be deemed delivered upon confirmation of receipt either telephonically or by facsimile, and if sent by Federal Express or other nationally-recognized guaranteed overnight courier service, shall be deemed delivered one day after having been properly and timely deposited with the courier service if designated for next day delivery and addressed to the addresses provided above.

J. The Purchaser hereby acknowledges receipt of the Prospectus for the Condominium and of all attachments thereto. The Purchaser acknowledges that the Purchaser has read and understood, or had ample opportunity to read and understand, each and every document and that the particulars of Purchaser's interest in the Condominium are governed by said documents. The Purchaser will execute a separate Receipt for Condominium Documents in a form approved by the Department of Business and Professional Regulation. The acknowledgment herein provided is in addition to, and not in lieu of, such document.

K. Binding Agreement: This Agreement shall be binding upon the parties hereto and their respective heirs, legal representatives, successors, distributees and assigns, as the case may be, from and after the acceptance of the Agreement by the Developer, which shall be evidenced by Developer's execution of this Agreement. The date of this Agreement shall be the "Effective Date" of the Agreement.

L. Execution of this Agreement: This Agreement may be signed in counterparts and when signed in counterpart by all parties will be deemed to be binding upon all parties. This Agreement may be signed and delivered by facsimile.

ADDENDUM NO. _____
REAL ESTATE AGENT CREDIT ADDENDUM

Buyer: _____
Seller: The Calypso Tower III LLC
Project: Calypso Towers III, a Condominium
Unit: _____

Buyer discloses that he/she is a licensed real estate agent in the State of Florida.

Buyer shall receive a commission credit at the time of Closing reflected on the closing settlement statement, which is equal to _____% of the net purchase price. This credit is conditioned upon Seller’s receipt of the written authorization for such credit signed by the real estate brokerage company with which Buyer’s license is associated.

DEVELOPER

THE CALYPSO TOWER III LLC

Signature

Print name of witness

By _____
Authorized Agent

Signature

Print name of witness

ADDENDUM NO. _____
1031 EXCHANGE ADDENDUM

Buyer: _____
Seller: The Calypso Tower III LLC
Project: Calypso Towers III, a Condominium
Unit: _____

Seller acknowledges that Buyer is purchasing the Unit as a replacement property in connection with an exchange of like-kind property under Section 1031 of the Internal Revenue Code. Seller shall cooperate with Buyer in connection with the Buyer's exchange, on the conditions that, in no event shall Seller be obligated to:

- 1. Take title to any property that Buyer desires to relinquish;
- 2. Act as a qualified intermediary;
- 3. Close on the sale of the Unit before Seller is required to do so under Paragraph 4(c) of the Purchase Agreement or make any change or concession not contemplated by the Agreement;
- 4. Close on the sale of the Unit after the date the Buyer is required to do so under Paragraph 4 of the Agreement; or
- 4. Incur any obligation, indebtedness, liability, cost or expense as a result of cooperating with Buyer.

Buyer agrees to indemnify and hold Seller harmless from and against any and all claims, suits, liabilities, damages, losses, costs and expenses, including, without limitation, attorneys' fees and disbursements asserted against or incurred by Seller as a result of, or in any way connected with, Seller's cooperation with Buyer.

PURCHASER

DEVELOPER

THE CALYPSO TOWER III LLC

(Name)_____

By _____
Authorized Agent

(Name)_____

ADDENDUM NO. _____
ADDITIONAL PROVISIONS ADDENDUM

Buyer: _____
Seller: The Calypso Tower III LLC
Project: Calypso Towers III, a Condominium
Unit: _____

PURCHASER

(Name) _____

(Name) _____

DEVELOPER

THE CALYPSO Tower III LLC

By _____
Authorized Agent

ADDENDUM NO. _____
HOMEOWNER ORIENTATION CERTIFICATE

Buyer: _____
Seller: The Calypso Tower III LLC
Project: Calypso Towers III, a Condominium
Unit: _____

Buyer acknowledges that:

- (i) it has inspected the Unit;
- (ii) the Unit has been constructed in substantial conformance with the Unit plan for the Unit and the Plans and Specifications for the Condominium and the Project described in the Purchase and Sale Agreement for the Unit between Buyer and Seller, dated _____, _____ (the "Agreement"); and
- (iii) Buyer accepts the Unit in its "AS IS" condition, subject only to the statutory warranties given by Seller to Buyer under the Agreement.

PURCHASER

(Name) _____
Date: _____

(Name) _____
Date: _____

ADDENDUM NO. _____
ADA COMPLIANCE

Buyer: _____
Seller: The Calypso Tower III LLC
Project: Calypso Towers III, a Condominium
Unit: _____

The undersigned Buyer(s) hereby acknowledge that the Unit purchased pursuant to this Purchase and Sale Agreement has been designed by the architects of the Project to comply with the guidelines of the Americans with Disabilities Act and is designed to accommodate persons in wheel chairs with respect to location of counters, switches, showers, closets, etc.

PURCHASER

(Name) _____
Date: _____

(Name) _____
Date: _____

Exhibit “G”
Escrow Agreement

ESCROW AGREEMENT
(Purchase Agreement Deposits)

THIS ESCROW AGREEMENT ("Agreement") is made and entered into this 13th day of March, 2018, by and between CALYPSO TOWER III, LLC, a Florida limited liability company (the "Developer"), whose address is 107 N. Partin Drive, Niceville, FL 32578 and BRYAN J. KIEFER, P.A. ("Escrow Agent"), whose address is 327 South County Highway 393, Suite 202, Santa Rosa Beach, FL 32459.

1. **Background Facts.** The Developer is developing a condominium known as "Calypso Towers III, a Condominium (the "Condominium"), and is entering into contracts for the sale of units in the Condominium ("Contracts") with potential purchasers ("Purchasers"). The Developer desires that the Escrow Agent act as Escrow Agent for deposits made pursuant to such Contracts, subject to the provisions of Section 718.202, Florida Statutes.

2. **Regular Escrow Account.**

A. There is hereby established with the Escrow Agent the Regular Escrow Account (the "Regular Escrow Account"). The Developer shall pay into the Regular Escrow Account all payments up to 10 percent (10%) of the sale price received by the Developer from such Purchaser towards the purchase price.

B. The Escrow Agent shall be authorized to release the funds from the Regular Escrow Account only as follows:

1. If a Purchaser properly terminates the Contract pursuant to its terms and pursuant to Chapter 718, Florida Statutes, the funds shall be paid to the Purchaser together with any interest earned thereon.
2. If the Purchaser defaults in the performance of his or her or its obligations under the Contract, the funds shall be paid to the Developer together with interest earned thereon.
3. If the contract does not provide for the payment of any interest earned on the escrowed funds, interest shall be paid to the Developer at the closing of the transaction.
4. If the funds of a Purchaser have not been previously disbursed in accordance with the provisions hereof and of law, they may be disbursed to the Developer by the Escrow Agent at the closing of the transaction, unless prior to the disbursement the Escrow Agent receives from the Purchaser written notice of a dispute between the Purchaser and the Developer.
5. If the Purchaser and the Developer voluntarily terminated a Contract by written, mutual consent, the funds shall be disbursed by the Escrow Agent in accordance with the written instructions of both parties.

3. Special Escrow Account.

- A. All payments which are more than the ten percent (10%) of the sale price described in Section 2(A) above and which have been received prior to completion of construction by the Developer from the Purchaser on a Contract shall be held in a Special Escrow Agent, which is hereby established with the Escrow Agent.
- B. The Escrow Agent shall be authorized to release funds from the Special Escrow Account only as provided in Paragraph 2(B). Notwithstanding the foregoing, if the Contract so provides, the Developer may withdraw escrow funds from the Special Escrow Account when the construction of improvements has begun. It may use the funds for the actual construction and development of the condominium property in which the unit to be sold is located. However, no part of these funds may be used for salaries, commissions, or expenses of salespersons or for advertising purposes. Developer hereby indemnifies and holds the Escrow Agent harmless from and against any and all loss, liability, damage, cost, and expense, including reasonable attorneys' fees, suffered or incurred by Escrow Agent by reason of or resulting from or arising out of Developer's failure to use or apply funds disbursed to the Developer as provided hereunder.
- C. Disbursements out of the Special Escrow Account shall be treated as draws against the entire Special Escrow Account and will effectively reduce the interest earned daily by each Purchaser on a pro rata basis in the same proportion as such Purchaser's portion of the Special Escrow Account bears to the total amount held in the Special Escrow Account.

4. General Requirements and Terms.

- A. The Escrow Agent shall give to the Purchaser a receipt for any deposit made into the Regular or Special Escrow Accounts, upon request.
- B. All funds paid into the Escrow Account shall be accompanied by a copy of the Contract properly executed by the Developer and the Purchaser.
- C. Unless otherwise agreed by the Developer, and Purchaser, all funds delivered to Escrow Agent shall be by check or wire transfer made payable to "Calypso Towers III Escrow Account".
- D. The parties expressly agree that the Escrow Agent shall be under no duty to enforce the collection of any checks delivered to it.
- E. The Escrow Agent shall keep records of each deposit and the interest earned thereon.

- F. The Escrow Agent, upon written notice from the Developer of a successor escrow agent, shall within 10 business days transfer all accounts, information, documents, contracts and all other related documents to the successor escrow agent to insure a smooth and professional transition. Nothing contained herein shall be deemed a limitation or restriction on Developer from appointing a successor escrow agent in its sole discretion.
5. **Fees.** No fee or expense shall be payable to the Escrow Agent for its services hereunder except an escrow fee of \$250.00 per unit payable by the Developer upon the Escrow Agent's receipt of funds.

Notwithstanding the foregoing, the Developer will pay all reasonable administrative fees, attorneys' fees, and court costs incurred by the Escrow Agent arising out of litigation or threatened litigation which results in a judgment or settlement in which the Escrow Agent is determined to not be in violation of the terms of this Agreement.

6. **Escrow Agent Rights.**

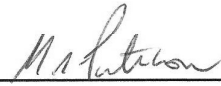
- A. Escrow Agent may act in reliance on any writing or instrument or signature that it, in good faith, believes to be genuine; may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument; and may assume that any person purporting to give any writing, notice, advice, or instruction in connection with the provisions of this Agreement has been duly authorized to do so. Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner, and execution, or validity of any instrument deposited in escrow, or as to the identity, authority, or right of any person executing the same; and its duties under this Agreement shall be limited to those provided in this Agreement.
- B. Unless Escrow Agent discharges its duties under this Agreement in a grossly negligent manner or is guilty of willful misconduct with regard to its duties under this Agreement, the parties shall indemnify Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, lawsuits, or proceedings at law or equity, or other expenses, fees, or charges of any character or nature, that it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement; and in such connection shall indemnify Escrow Agent against any and all expenses including reasonable attorneys' fees and the cost of defending any action, lawsuit, or proceeding or resisting any claim in such capacity.
- C. Escrow Agent shall otherwise not be liable to any mistakes of fact or errors of judgment, or for any act or omissions of any kind unless caused by its gross negligence or willful misconduct.

- D. Escrow Agent may resign upon 30 days' written notice to the Purchasers and the Developer. If the successor escrow agent is not appointed by the Developer along with notifying the Division of Florida Condominiums, Timeshares, and Mobile Homes, within the 30-day period, Escrow Agent may petition a court of competent jurisdiction to name a successor.


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates appearing below.

DEVELOPER

CALYPSO TOWER III, LLC
a Florida limited liability company



Witness
Print Name: Sandra Peterson

By: 

Print Name: MARC EVANS
Title: VICE PRESIDENT
Date: 03/14/18



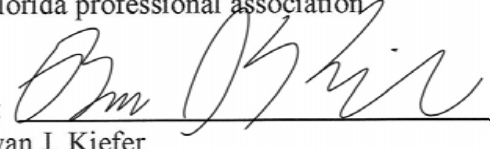
Witness
Print Name: Ron Jones

ESCROW AGENT

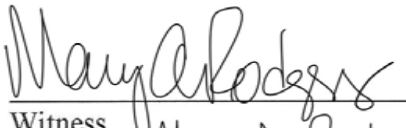
BRYAN J. KIEFER, P.A.
a Florida professional association



Witness
Print Name: Kacie Hohnadel

By: 

Bryan J. Kiefer
Title: President
Date: March 14, 2018



Witness
Print Name: Mary A. Rodgers

STATE OF Florida
COUNTY OF Bay

The foregoing instrument was acknowledged before me this 14 day of March, 2018, by Marie Evans as Vice President (title) of CALYPSO TOWER III, LLC, a Florida limited liability company, on behalf of the company, who is _____ personally known to me or _____ produced _____ as identification.



Ron Jones
COMMISSION #FF924484
EXPIRES: January 24, 2019
WWW.AARONNOTARY.COM

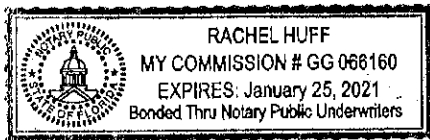
A handwritten signature in blue ink, appearing to read "Ron Jones", written over a horizontal line.

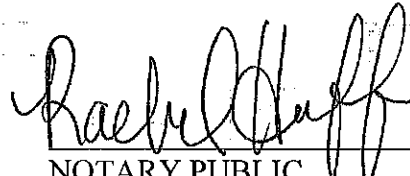
NOTARY PUBLIC

My Commission Expires: 1-24-2019

STATE OF FLORIDA
COUNTY OF WALTON

The foregoing instrument was acknowledged before me this 14th day of March, 2018, by Bryan J. Kiefer, as President of BRYAN J. KIEFER, P.A., a Florida professional association, on behalf of the company, who is ✓ personally known to me or _____ produced _____ as identification.





NOTARY PUBLIC
My Commission Expires: 1/25/21

Exhibit “H”
Rules and Regulations



MANAGED BY WATERSTONE ASSOCIATION MANAGEMENT

RULES AND REGULATIONS OF THE CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.

The following rules are in addition to any rules stated in the Declaration of Condominium. These rules may be amended by appropriate action of the Association. These rules shall apply only to Residential Units.

USE AND MAINTENANCE OF UNITS

1. Unit Owners shall maintain entry devices in good order. The Association shall have the right to establish fees for the replacement of entry devices.
2. A Unit Owner may not make any architectural changes to the interior of a Unit without prior written approval by the Association. All such changes shall become the maintenance responsibility of the Unit Owner. No Unit Owner shall decorate any part of his Unit or the building so as to change the appearance of the Unit from the outside. Without limitation, this means that a Unit Owner may not paint any balcony, illuminate the balcony or the exterior of the building, or display any plants or other objects upon balconies, railings, exterior window sills or ledges. Under no circumstance will containers be allowed that will permit water and/or plant fertilizers to soak through to the building floors and/or lower walls and railings. No one may mount any object upon the exterior or roof of the building without the approval of the Board of Directors in writing.
3. In the event that a Unit Owner desires to place a floor covering of any type on the balcony abutting the Unit, the Unit Owner must receive prior Board approval for the type of floor covering and the method of application.
4. In the event that a Unit Owner elects not to place carpet on the unit floor, but places any type of tile thereon, there must be adequate sound-proofing material placed under the tile so as not to disturb a Unit Owner below.
5. Unit Owners shall use their unit in a way that does not unreasonably disturb any other resident. The playing of stereos, radios, televisions, musical instruments and the like must not exceed a reasonable volume at any time. This applies to public areas and inside of units. Between the hours of 10:00 p.m. and 10:00 a.m. the volume shall be kept at a level that cannot be heard outside the unit in which located.
6. The keeping of a pet at Calypso Resort and Towers is a conditional license. The license is subject to termination at any time upon a finding by the Association that the dog or other pet is vicious, is annoying to other residents, or has become a nuisance. The owner of a pet assumes liability for all damages to persons or property caused by the pet or resulting from its presence. Non-unit owners are prohibited from keeping or having a pet on the property. The conditional license is subject to the following conditions:

15817 front beach road • panama city beach, fl 32413 :: phone: 850.636.5004 :: fax: 850.636.5054 :: website: www.waterstoneassociationmanagement.com

PAGE 2

RULES AND REGULATIONS OF THE CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.

- a) Owners shall present proof that pet is current on all vaccinations;
 - b) A dog must be on leash at all times when outside of the Owner's Unit;
 - c) Pets are never to be left unattended in any public area;
 - d) Florida law prohibits animals on the beach;
 - e) A dog must not be curbed at any place on the property of the Condominium except such places as may be from time to time designated for such purpose (if any);
 - f) Unit Owners must clean up after their pet;
 - g) No pit bulldogs or part pit bulldogs are allowed on the premises;
 - h) No dogs are allowed that have had attack training, even if law enforcement or military, and even if deprogrammed; and
 - i) No pet weighing more than twenty-five (25) pounds is permitted.
7. Visitors and guests use the facilities of the Condominium as guests of the Unit Owners, and the Unit Owners shall remain responsible for their acts.
8. Adults are expected to monitor children under their care, and shall be held responsible for the actions of children in their care.
9. When the air conditioning unit is operating, windows and doors are to be kept closed as much as possible.
10. No Unit Owner shall store any material or use any portion of the Condominium in a manner that will constitute a fire hazard.
11. The National Fire Protection Safety Codes (NFPC) 10.11.7 prohibits hibachi, gas-fired grills, charcoal grills, or other similar devices used for cooking, heating, or any other purpose, from being used or kindled on any balcony or under any overhanging portion or within 10ft (3m) of any structure, and whereas, due to the multi-dwelling nature and close proximity of Calypso Towers, the Board of Directors have deemed that electric grills, or a grill of any kind, make or model, or any form of cooking or heating, shall be prohibited on the Calypso Towers balconies.
12. With the exception of a United States Flag hung in a respectful manner by a Unit Owner, and that on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veteran's Day, a portable, removable official flags, not larger than 4 % feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, the hanging of any items (including bathing suits, clothing, rugs, and towels) upon balconies or railings or from windows is prohibited. Only such awnings, shades, window tinting, and sunscreens shall be used in balconies or windows as are approved by the Association.
13. Only such awnings, shades, window tinting, and sunscreens shall be used in balconies or windows as are approved by the Association.
14. A resident may identify his unit by a name plate-of a type and size approved by the Association and mounted in the place and manner approved by the Association. No other signs may be displayed in any manner.
15. Occupants of a unit are required to close all windows and doors exposed to the weather whenever no one is in the unit.

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RULES AND REGULATIONS OF THE CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.

COMMON AREAS

1. The greens, walkways, or entrances to the Condominium property shall not be obstructed or used for any purposes other than as entrances and exits.
2. Unit Owners shall not allow bicycles, scooters, skateboards, baby carriages or similar vehicles or toys, or other personal articles to remain unattended upon any of the Common Elements.
3. Unit Owners are responsible for the actions and noncompliance of their children, guests, lessees and service people.
4. Unit Owners and their guests, tenants, and invitees shall be responsible for any damage to the Common Elements or the Limited Common Elements caused by moving or carrying articles therein. The Association shall restore such damages and the total costs shall be charged to the Unit Owner.
5. Any private event planned by Unit Owners, their guests, tenants, or invitees, for any group activity desired to be held on the common elements of the property (including, but not limited to, the pool area and/or beach) must be requested in writing, in advance, to the Association and written approval received prior to commencement of such event.
6. No solicitation shall be permitted in or around the Common Elements or any part thereof.
7. No permanently installed toys or playthings, such as jungle gyms or hammocks, shall be installed in or on the Common or Limited Common Elements without the prior written consent of the Association.
8. Common household garbage shall be placed in secured garbage bags before it is disposed in trash chutes. No large boxes may be disposed of down the trash chutes.
9. No waste, including cigars and cigarettes, is to be disposed at any time from balconies or windows.
10. Equipment shall be used only for the purposes intended. Failure of any equipment shall be reported immediately to the management regardless of the responsibility for maintenance in order that proper precautions may be taken. Each Unit Owner shall be responsible for damage caused by misuse of equipment by its guests, tenants, and invitees.
11. The elevators serving the condominium are primarily intended for use as passenger elevators for residents and their guests. The elevators shall be available for remodeling or for heavy furniture transfer only during the very early off hours of the morning or during the off season period when the condominium building is experiencing light occupancy. The management reserves the right from time to time to determine exactly what constitutes "very early off hours" or the "off season"; however, until an alternate designation is made, "very early off hours" shall mean between 7 a.m. and 9 a.m., Monday through Friday, and "off season" shall mean October 1 to March 1.
12. File escapes, halls, stairways, and walkways are for ingress and egress to and from Units and shall not be obscured. This precludes the leaving of any articles in these areas, including baby carriages, bicycles, garbage cans, supplies, and ice and milk containers.
13. Parking areas and garages are for use by residents and their guests for personal vehicles, or other vehicles which are used by them for transportation purposes on a daily basis.

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RULES AND REGULATIONS OF THE CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.

VEHICLES

1. Boats, trailers of any sort, recreational/camper-type vehicles, personal watercraft and commercial vehicles may not be stored or parked, permanently or temporarily, or left standing on any portion of the Common Elements, unless there is prior Association approval.

Specifications governing the right of the Association to authorize temporary approval for a boat, trailer of any sort, recreational/camper-type vehicle, personal watercraft, or commercial vehicle to be stored or parked, permanently or temporarily, or left standing on any portion of the Common Elements shall be as follows:

- a) Authorization based on designated space-available, further defined as the exterior North and East sides of the 8-story parking garage. NO RESERVATIONS.
 - b) Limit one boat, trailer, recreational/camper-type vehicle, personal watercraft, or commercial vehicle per unit occupied.
 - c) Length or width of boat, trailer, recreational/camper-type vehicle, personal watercraft, or commercial vehicle may not prohibit same from fitting into one designated parking space.
 - d) Any vehicle attached to boat, trailer, recreational/camper-type vehicle, personal watercraft, or commercial vehicle must be detached and parked in the authorized parking area inside the 8-floor garage.
 - e) Authorization may not exceed seven (7) consecutive days.
 - f) Other considerations may include occupancy as deemed necessary by the Association.
2. In the event that an inoperable vehicle or a vehicle with an expired license tag shall remain on any portion of the Common Elements for more than twenty-four (24) hours, the Association shall have the right, without further notice to the owner of such vehicle, to have it removed at such owner's expense.
 3. Only emergency repairs such as flat tires or dead batteries maybe made on the Common Elements of the Condominium Property.
 4. Vehicles, the length or width of which prohibits the vehicle from fitting into a designated parking space, shall not be permitted to park temporarily or permanently upon the Common Elements without Association approval.
 5. Vehicles with more than four (4) wheels shall not be permitted to park temporarily or permanently upon the Common Elements.

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RULES AND REGULATIONS OF THE CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.

POOL RULES

1. **THERE IS NO LIFEGUARD ON DUTY.**
2. All persons using the pool facilities do so at their own risk. The Association will not be responsible for any loss of personal property. The pool does not maintain facilities for checking valuables.
3. Towels do not reserve chairs, PEOPLE DO! If personal items are left on the pool deck or on the chairs when the pool is closed, they will be removed by Association staff and placed in "Lost and Found".
4. The Association reserves the right to limit the times and days for which the pools will be available. The pool hours will be posted at the pool site. No one is permitted in the pool area at any time the pool is closed. The Association may close the pool at any time if judged necessary.
5. Use of the pool is restricted to residents and guests. A maximum of four (4) non-resident guests per "resident household" will be allowed on a limited basis. All guests must be accompanied by a resident at all times while at the pool facility.
6. Children twelve (12) years of age and under must be accompanied by a parent or guardian. Parents or guardians who accompany children must remain with the children during the time the children are in the pool area, and are responsible for the children's safety and actions, and for any damage which may occur.
7. Children in diapers must wear approved "swim diapers" while in the pool or on the pool deck. Diapers may not be disposed of at the pool site; they must be taken with the resident when leaving the pool.
8. Posted rules are to be observed at all times.
9. No diving.
10. Proper swimming attire is required at all times. No cutoffs are permitted in pool.
11. During inclement weather, such as lightening or thunder, or other conditions hazardous to swimmers, everyone is required to leave the pool area. The Association may close the pool under such circumstances.
12. Conduct such as screaming, boisterous activity, unnecessary splashing and/or throwing of a ball or other objects in the pool or pool area is not permitted. No running, pushing, wrestling, jumping or rough play is permitted in or about the pool.
13. Life preservers, when worn for safety, are permitted in the pool. Other floatation devices are only allowed at the Association's discretion.
14. Food and/or drink is prohibited in the pool and on the pool wet deck (further defined as an unobstructed four feet (4') around perimeter of pool) as mandated by law, Florida Chapter 64E-9.004(4).

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RULES AND REGULATIONS OF THE CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.

POOL RULES (continued)

15. No glass containers are permitted in the pool area.
16. Persons suspected of being under the influence of drugs or alcohol shall be prohibited from entering the pool area.
17. All residents and guests are required to dispose of trash in the receptacles provided, and recyclable items should be placed in the proper containers.
18. Smoking is permitted only in designated areas and an ashcan must be used and discarded properly.
19. Radios and music players may be used in the pool area only with individual headphones.
20. Persons with infections or contagious health conditions must not use the pool. Swimmers with skin lesions, inflamed eyes, or discharge from the nose or ears, open blister or cuts will not be permitted to enter the water. No bandages are allowed in the water.
21. Animals, with the exception of Seeing Eye dogs, are not permitted in the pool area.
22. Pool furniture must remain within the pool area. Additional furniture may not be brought to be used at the pool as capacity is limited.
23. Replacement or repair costs for any damaged pool property will be charged to the person or persons responsible. Parents are responsible for any damage caused by their children, and residents are responsible for any damage caused by their guests.
24. All injuries must be reported to the Management office immediately.
25. All persons must shower before entering the pool.
26. All persons must conform to the rules and regulations of the pool. The manager may close or limit the swimming facilities or establish additional rules and regulations whenever in his/her judgment such action is deemed necessary for the protection or health and safety of members and guests. Changes to the rules and regulations will be posted in the pool area.

THE ASSOCIATION AND ITS AGENTS ASSUME NO RESPONSIBILITY FOR ANY ACCIDENTS OR INJURIES IN CONNECTION WITH THE USE OF THE POOL. PERSONS USING THE POOL RELEASE AND INDEMNIFY THE DEVELOPER AND THE ASSOCIATION AND ITS MEMBERS AND AGENTS FROM ANY CLAIMS IN CONNECTION WITH ANY LOSS OF LIFE OR PERSONAL INJURY OR DAMAGE TO OR LOSS OF PERSONAL PROPERTY.

PAGE 7

RULES AND REGULATIONS OF THE CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.

PERSONAL REQUESTS OF EMPLOYEES OR AGENTS

Unit Owners shall not order or request any employee or agent of the Association to perform any personal business or task for them, including service in their units, during regular business hours of such employee or agent, as those hours are established from time to time by the Association.

PREPARATION FOR ABSENCE OR DEPARTURE

For safety reasons, Unit Owners who plan to be absent from their Units for more than thirty (30) days shall make the following preparations before departure:

1. Unit Owners shall remove all furniture and other objects from their balconies.
2. Unit Owners shall designate, and identify in writing to the Association, a responsible firm or individual to accept responsibility for care of the unit if it should suffer damage.
3. Thermostat should be kept at approximately 76 degrees (warmer months) even when not in use to help prohibit mold and mildew.

Damages resulting from failure to comply with the required preparations shall be repaired by the Association and charged to the Unit Owner.

File # 2011064514, OR BK 3373 Page 2159, Recorded 12/20/2011 at 02:38 PM,
Bill Kinsaul, Clerk Bay County, Florida Deputy Clerk DL Trans # 1068648

***Resolution of the Board of Directors of Calypso Towers Resort
Community Association, Inc. Establishing a Rule Limiting the Use
of the Associations Gym Facility to Persons 18 Years of Age or
Older***

Whereas, Calypso Towers Resort Condominium contains a gym which includes exercise facilities that may cause injury if not properly used; And,

Whereas, the Board of Directors of Calypso Towers Resort Community Association believes that the presence of young children may cause distractions to other persons using the facility that may result in injury to the guest or the child; And,

Whereas, persons under the age of 18 years may not have the knowledge and training to properly use the facilities and may thereby cause injury to themselves or others.

Now, Therefore, Be It Resolved, that the Rules of Calypso Towers Resort Community Association, Inc. be amended to limit the presence in the gym and the use of the gym located on the Common Elements to persons eighteen years of age and older.

The foregoing Resolution was adopted by unanimous vote of the Board of Directors of Calypso Towers Resort Community Association, Inc. at a duly called meeting of the Board of Directors on March 14, 2011.

Calypso Towers Resort Community
Association, Inc.

Dave Evras 12/7/11
Dave Evras, President

Sam Healy 12/7/11
Secretary

File # 2011064515, OR BK 3373 Page 2160, Recorded 12/20/2011 at 02:38 PM,
Bill Kinsaul, Clerk Bay County, Florida Deputy Clerk DL Trans # 1068648

**Resolution of the Board of Directors of Calypso Towers Resort
Community Association, Inc. Establishing a Rule for
The Posting of Notices of all Board of Director Meetings**

Whereas, Chapter 718, Florida Statutes, requires all condominium associations to adopt a rule establishing the location for the posting of all Notices of Board of Director meetings; And,

Whereas, the initial Rules of the Calypso Towers Resort Community Association, Inc. failed to establish any locations for the posting of Notices; And,

Whereas, the Notices have historically been posted in Notice Boxes on the first floor in the pool breeze-way and on the third floor hallway between the Club Room and the Gym facility.

Now, Therefore, Be It Resolved, that the Rules of Calypso Towers Resort Community Association, Inc. be amended to provide that notice of all future Board of Director meetings be posted in the Associations Notice Boxes located on the first floor in the pool breeze-way and on the third floor in the hallway between the Club Room and the Gym facility.

The foregoing Resolution was adopted by unanimous vote of the Board of Directors of Calypso Towers Resort Community Association, Inc. at a duly called meeting of the Board of Directors on March 14, 2011.

**Calypso Towers Resort Community
Association, Inc.**

Dave Evras 12/7/11
Dave Evras, President

James Heili 12/7/11
Secretary

Exhibit “I”
Description of Commonly Used Facilities

**Calypso Towers III,
A Condominium**

Community Property (1st Floor)

Room or Facility	Purpose	Approx. S.F.	Capacity
Pool Equipment Rm.	Equip. housing	120	0
Men’s Toilet Rm. (pool)	Restroom	55	2
Men’s Toilet Rm.(pool)	Restroom	55	2
Women’s Toilet Rm.(pool)	Restroom	257	6
Fitness Center	Fitness Center	3,416	

	Bathing Load	Pool Area	Range of Depth
Swimming Pool	126 persons	7,490 SF	0 FT to 5FT

Common Elements (1st Floor)

Room or Facility	Purpose	Approx. S.F.	Capacity
Stair 1	Access	214	30
Refuse 1	Refuse	150	0
Access Walkway	Access	2,590	370
Elevator 1	Access	72	5
Elevator 2	Access	72	5
Elevator 3	Access	72	5
Elevator Lobby 1	Access	151	22
Men’s Toilet Rm.	Restroom	50	1
Women’s Toilet Rm.	Restroom	50	1
Stair 2	Access	214	30
Refuse 2	Refuse	150	0
Elevator 4	Access	72	5
Elevator 5	Access	72	5
Elevator 6	Access	72	5
Elevator Lobby 2	Access	151	22
Control Room	Equip. Housing	109	0

Common Elements (2nd- 23rd Floor)

Room or Facility	Purpose	Approx. S.F.	Capacity
Stair 1	Access	214	30
Stair 2	Access	214	30
Trash Chutes (2)	Refuse	25	0
Access Balcony	Access	1,654	236
Elevator Lobby 1	Access	151	22
Elevator Lobby 2	Access	151	22
Elevator 1	Access	72	5

Elevator 2	Access	72	5
Elevator 3	Access	72	5
Elevator 4	Access	72	5
Elevator 5	Access	72	5
Elevator 6	Access	72	5

Community Property (3rd Floor)

Room or Facility	Purpose	Approx. S.F.	Capacity
Aerial Walkover to Parking Garage	Access	1,467	209

Exhibit “J”
Estimated Closing Costs

Exhibit "J" to the Prospectus

ESTIMATED CLOSING EXPENSES

A schedule of closing expenses to be paid by the Unit buyer is as follows:

- (a) Documentary Stamps to be affixed to the deed (\$0.70 per \$100.00 of the amount of the purchase price).
- (b) Recording fees for the deed (\$6.00 for the first page and \$4.50 for each additional page thereafter).
- (c) Closing Documents preparation (usually \$200.00 to \$300.00, but varies with work required).
- (d) Excess postage or delivery costs, e.g. Federal Express, over night mail service, etc., (usually does not exceed \$25.00 to \$60.00, but varies on a case by case basis).
- (e) Any costs or expense of obtaining mortgage financing which a buyer might obtain which will include (1) documentary stamp tax on the mortgage at the rate of thirty-five cents (\$0.35) per One Hundred Dollars (\$100.00) of the loan amount; (2) intangible tax on the mortgage at the rate of two mills (.002); (3) recording fee for the mortgage which will vary depending upon the length of the mortgage (\$6.00 for the first page and \$4.50 for each additional page); (4) any other costs as might be charged by the mortgage lender;
- (f) Any attorney's fees, if any, incurred by the Buyer.
- (g) Prorata share of property taxes and assessments for the Unit,
- (h) An operating capital contribution equal to one month's maintenance fee on a Unit.
- (i) Any utility connection fees.
- (j) Any escrow fees due under the Escrow Agreement.

An owner's title insurance policy is available to the Buyer, at the Developer's expense.

Exhibit “K”
Undivided Share of Common Elements

Unit Designation	Square Footage	%Ownership
Elect 1/Floor 1	65	0.018289%
Elect 1/Floor 2	65	0.018289%
Elect 1/Floor 3	65	0.018289%
Elect 1/Floor 4	65	0.018289%
Elect 1/Floor 5	65	0.018289%
Elect 1/Floor 6	65	0.018289%
Elect 1/Floor 7	65	0.018289%
Elect 1/Floor 8	65	0.018289%
Elect 1/Floor 9	65	0.018289%
Elect 1/Floor 10	65	0.018289%
Elect 1/Floor 11	65	0.018289%
Elect 1/Floor 12	65	0.018289%
Elect 1/Floor 14	65	0.018289%
Elect 1/Floor 15	65	0.018289%
Elect 1/Floor 16	65	0.018289%
Elect 1/Floor 17	65	0.018289%
Elect 1/Floor 18	65	0.018289%
Elect 1/Floor 19	65	0.018289%
Elect 1/Floor 20	65	0.018289%
Elect 1/Floor 21	65	0.018289%
Elect 1/Floor 22	65	0.018289%
Elect 1/Floor 23	65	0.018289%
Elect 2/Floor 1	65	0.018289%
Elect 2/Floor 2	65	0.018289%
Elect 2/Floor 3	65	0.018289%
Elect 2/Floor 4	65	0.018289%
Elect 2/Floor 5	65	0.018289%
Elect 2/Floor 6	65	0.018289%
Elect 2/Floor 7	65	0.018289%
Elect 2/Floor 8	65	0.018289%
Elect 2/Floor 9	65	0.018289%
Elect 2/Floor 10	65	0.018289%
Elect 2/Floor 11	65	0.018289%
Elect 2/Floor 12	65	0.018289%
Elect 2/Floor 14	65	0.018289%
Elect 2/Floor 15	65	0.018289%
Elect 2/Floor 16	65	0.018289%
Elect 2/Floor 17	65	0.018289%
Elect 2/Floor 18	65	0.018289%
Elect 2/Floor 19	65	0.018289%
Elect 2/Floor 20	65	0.018289%
Elect 2/Floor 21	65	0.018289%
Elect 2/Floor 22	65	0.018289%
Elect 2/Floor 23	65	0.018289%
Reception Desk	120	0.033764%
Retail	4676	1.315667%
Snack Bar	1655	0.465660%
3-201	1809 3 bed	0.508991%
3-202	1563 3 bed	0.439775%
3-203	1103 1 bed	0.310347%
3-204	1074 1 bed	0.302187%
3-205	1182 1 bed	0.332575%
3-208	1182 1 bed	0.332575%
3-209	1107 1 bed	0.302187%
3-210	1103 1 bed	0.310347%
3-211	1563 1 bed	0.439775%
3-212	2121 3 bed	0.595652%
3-301	1809 3 bed	0.508991%
3-302	1563 3 bed	0.439775%
3-303	1103 1 bed	0.310347%

3-304	1074	1 bed	0.302187%
3-305	1103	1 bed	0.310347%
3-306	1563	1 bed	0.439775%
3-307	1563	3 bed	0.439775%
3-308	1103	1 bed	0.310347%
3-309	1074	1 bed	0.302187%
3-310	1103	1 bed	0.310347%
3-311	1563	1 bed	0.439775%
3-312	2117	3 bed	0.595652%
3-401	1809	3 bed	0.508991%
3-402	1563	3 bed	0.439775%
3-403	1103	1 bed	0.310347%
3-404	1074	1 bed	0.302187%
3-405	1103	1 bed	0.310347%
3-406	1563	1 bed	0.439775%
3-407	1563	3 bed	0.439775%
3-408	1103	1 bed	0.310347%
3-409	1074	1 bed	0.302187%
3-410	1103	1 bed	0.310347%
3-411	1563	1 bed	0.439775%
3-412	2117	3 bed	0.595652%
3-501	1809	3 bed	0.508991%
3-502	1563	3 bed	0.439775%
3-503	1103	1 bed	0.310347%
3-504	1074	1 bed	0.302187%
3-505	1103	1 bed	0.310347%
3-506	1563	1 bed	0.439775%
3-507	1563	3 bed	0.439775%
3-508	1103	1 bed	0.310347%
3-509	1074	1 bed	0.302187%
3-510	1103	1 bed	0.310347%
3-511	1563	1 bed	0.439775%
3-512	2117	3 bed	0.595652%
3-601	1809	3 bed	0.508991%
3-602	1563	3 bed	0.439775%
3-603	1103	1 bed	0.310347%
3-604	1074	1 bed	0.302187%
3-605	1103	1 bed	0.310347%
3-606	1563	1 bed	0.439775%
3-607	1563	3 bed	0.439775%
3-608	1103	1 bed	0.310347%
3-609	1074	1 bed	0.302187%
3-610	1103	1 bed	0.310347%
3-611	1563	1 bed	0.439775%
3-612	2117	3 bed	0.595652%
3-701	1809	3 bed	0.508991%
3-702	1563	3 bed	0.439775%
3-703	1103	1 bed	0.310347%
3-704	1074	1 bed	0.302187%
3-705	1103	1 bed	0.310347%
3-706	1563	1 bed	0.439775%
3-707	1563	3 bed	0.439775%
3-708	1103	1 bed	0.310347%
3-709	1074	1 bed	0.302187%
3-710	1103	1 bed	0.310347%
3-711	1563	1 bed	0.439775%
3-712	2117	3 bed	0.595652%
3-801	1809	3 bed	0.508991%
3-802	1563	3 bed	0.439775%
3-803	1103	1 bed	0.310347%
3-804	1074	1 bed	0.302187%

3-805	1103	1 bed	0.310347%
3-806	1563	1 bed	0.439775%
3-807	1563	3 bed	0.439775%
3-808	1103	1 bed	0.310347%
3-809	1074	1 bed	0.302187%
3-810	1103	1 bed	0.310347%
3-811	1563	1 bed	0.439775%
3-812	2117	3 bed	0.595652%
3-901	1809	3 bed	0.508991%
3-902	1563	3 bed	0.439775%
3-903	1103	1 bed	0.310347%
3-904	1074	1 bed	0.302187%
3-905	1103	1 bed	0.310347%
3-906	1563	1 bed	0.439775%
3-907	1563	3 bed	0.439775%
3-908	1103	1 bed	0.310347%
3-909	1074	1 bed	0.302187%
3-910	1103	1 bed	0.310347%
3-911	1563	1 bed	0.439775%
3-912	2117	3 bed	0.595652%
3-1001	1809	3 bed	0.508991%
3-1002	1563	3 bed	0.439775%
3-1003	1103	1 bed	0.310347%
3-1004	1074	1 bed	0.302187%
3-1005	1103	1 bed	0.310347%
3-1006	1563	1 bed	0.439775%
3-1007	1563	3 bed	0.439775%
3-1008	1103	1 bed	0.310347%
3-1009	1074	1 bed	0.302187%
3-1010	1103	1 bed	0.310347%
3-1011	1563	1 bed	0.439775%
3-1012	2117	3 bed	0.595652%
3-1101	1809	3 bed	0.508991%
3-1102	1563	3 bed	0.439775%
3-1103	1103	1 bed	0.310347%
3-1104	1074	1 bed	0.302187%
3-1105	1103	1 bed	0.310347%
3-1106	1563	1 bed	0.439775%
3-1107	1563	3 bed	0.439775%
3-1108	1103	1 bed	0.310347%
3-1109	1074	1 bed	0.302187%
3-1110	1103	1 bed	0.310347%
3-1111	1563	1 bed	0.439775%
3-1112	2117	3 bed	0.595652%
3-1201	1809	3 bed	0.508991%
3-1202	1563	3 bed	0.439775%
3-1203	1103	1 bed	0.310347%
3-1204	1074	1 bed	0.302187%
3-1205	1103	1 bed	0.310347%
3-1206	1563	1 bed	0.439775%
3-1207	1563	3 bed	0.439775%
3-1208	1103	1 bed	0.310347%
3-1209	1074	1 bed	0.302187%
3-1210	1103	1 bed	0.310347%
3-1211	1563	1 bed	0.439775%
3-1212	2117	3 bed	0.595652%
3-1401	1809	3 bed	0.508991%
3-1402	1563	3 bed	0.439775%
3-1403	1103	1 bed	0.310347%
3-1404	1074	1 bed	0.302187%
3-1405	1103	1 bed	0.310347%

3-1406	1563	1 bed	0.439775%
3-1407	1563	3 bed	0.439775%
3-1408	1103	1 bed	0.310347%
3-1409	1074	1 bed	0.302187%
3-1410	1103	1 bed	0.310347%
3-1411	1563	1 bed	0.439775%
3-1412	2117	3 bed	0.595652%
3-1501	1809	3 bed	0.508991%
3-1502	1563	3 bed	0.439775%
3-1503	1103	1 bed	0.310347%
3-1504	1074	1 bed	0.302187%
3-1505	1103	1 bed	0.310347%
3-1506	1563	1 bed	0.439775%
3-1507	1563	3 bed	0.439775%
3-1508	1103	1 bed	0.310347%
3-1509	1074	1 bed	0.302187%
3-1510	1103	1 bed	0.310347%
3-1511	1563	1 bed	0.439775%
3-1512	2117	3 bed	0.595652%
3-1601	1809	3 bed	0.508991%
3-1602	1563	3 bed	0.439775%
3-1603	1103	1 bed	0.310347%
3-1604	1074	1 bed	0.302187%
3-1605	1103	1 bed	0.310347%
3-1606	1563	1 bed	0.439775%
3-1607	1563	3 bed	0.439775%
3-1608	1103	1 bed	0.310347%
3-1609	1074	1 bed	0.302187%
3-1610	1103	1 bed	0.310347%
3-1611	1563	1 bed	0.439775%
3-1612	2117	3 bed	0.595652%
3-1701	1809	3 bed	0.508991%
3-1702	1563	3 bed	0.439775%
3-1703	1103	1 bed	0.310347%
3-1704	1074	1 bed	0.302187%
3-1705	1103	1 bed	0.310347%
3-1706	1563	1 bed	0.439775%
3-1707	1563	3 bed	0.439775%
3-1708	1103	1 bed	0.310347%
3-1709	1074	1 bed	0.302187%
3-1710	1103	1 bed	0.310347%
3-1711	1563	1 bed	0.439775%
3-1712	2117	3 bed	0.595652%
3-1801	1809	3 bed	0.508991%
3-1802	1563	3 bed	0.439775%
3-1803	1103	1 bed	0.310347%
3-1804	1074	1 bed	0.302187%
3-1805	1103	1 bed	0.310347%
3-1806	1563	1 bed	0.439775%
3-1807	1563	3 bed	0.439775%
3-1808	1103	1 bed	0.310347%
3-1809	1074	1 bed	0.302187%
3-1810	1103	1 bed	0.310347%
3-1811	1563	1 bed	0.439775%
3-1812	2117	3 bed	0.595652%
3-1901	1809	3 bed	0.508991%
3-1902	1563	3 bed	0.439775%
3-1903	1103	1 bed	0.310347%
3-1904	1074	1 bed	0.302187%
3-1905	1103	1 bed	0.310347%
3-1906	1563	1 bed	0.439775%

3-1907	1563	3 bed	0.439775%
3-1908	1103	1 bed	0.310347%
3-1909	1074	1 bed	0.302187%
3-1910	1103	1 bed	0.310347%
3-1911	1563	1 bed	0.439775%
3-1912	2117	3 bed	0.595652%
3-2001	1809	3 bed	0.508991%
3-2002	1563	3 bed	0.439775%
3-2003	1103	1 bed	0.310347%
3-2004	1074	1 bed	0.302187%
3-2005	1103	1 bed	0.310347%
3-2006	1563	1 bed	0.439775%
3-2007	1563	3 bed	0.439775%
3-2008	1103	1 bed	0.310347%
3-2009	1074	1 bed	0.302187%
3-2010	1103	1 bed	0.310347%
3-2011	1563	1 bed	0.439775%
3-2012	2117	3 bed	0.595652%
3-2101	1809	3 bed	0.508991%
3-2102	1563	3 bed	0.439775%
3-2103	1103	1 bed	0.310347%
3-2104	1074	1 bed	0.302187%
3-2105	1103	1 bed	0.310347%
3-2106	1563	1 bed	0.439775%
3-2107	1563	3 bed	0.439775%
3-2108	1103	1 bed	0.310347%
3-2109	1074	1 bed	0.302187%
3-2110	1103	1 bed	0.310347%
3-2111	1563	1 bed	0.439775%
3-2112	2117	3 bed	0.595652%
3-2201	1809	3 bed	0.508991%
3-2202	1563	3 bed	0.439775%
3-2203	1103	1 bed	0.310347%
3-2204	1074	1 bed	0.302187%
3-2205	1103	1 bed	0.310347%
3-2206	1563	1 bed	0.439775%
3-2207	1563	3 bed	0.439775%
3-2208	1103	1 bed	0.310347%
3-2209	1074	1 bed	0.302187%
3-2210	1103	1 bed	0.310347%
3-2211	1563	1 bed	0.439775%
3-2212	2117	3 bed	0.595652%
3-2301	1809	3 bed	0.508991%
3-2302	1563	3 bed	0.439775%
3-2303	1103	1 bed	0.310347%
3-2304	1074	1 bed	0.302187%
3-2305	1103	1 bed	0.310347%
3-2306	1563	1 bed	0.439775%
3-2307	1563	3 bed	0.439775%
3-2308	1103	1 bed	0.310347%
3-2309	1074	1 bed	0.302187%
3-2310	1103	1 bed	0.310347%
3-2311	1563	1 bed	0.439775%
3-2312	2117	3 bed	0.595652%
Total	355409		1.000000

Exhibit “L”
Community Property Agreement

COMMUNITY PROPERTY AGREEMENT

THE CALYPSO TOWER III LLC, a Florida limited liability company (the "Developer"), hereby grants unto Calypso Towers Resort Community Association, Inc., a Florida non-profit corporation (the "Association"), the right and privilege of using, subject to the restrictions, reservations and covenants set forth herein, for the purposes for which it is intended, the following described property:

COMMUNITY PROPERTY

The real property and easements depicted as Community Property in the exhibits to the Declaration of Condominium of Calypso Towers III, a Condominium.

The above described property is hereby designated by the Developer as and is referred to herein as "Community Property." The Community Property will be used for the use, benefit, and enjoyment of the Unit Owners which are now or hereafter made a part of the proposed development known as Calypso Resort and Towers (the "Resort"), for such other persons as the Developer may designate from time to time, and for other neighboring facilities to be developed by the Developer or its affiliates or assigns. The Community Property will be used for such facilities as are described on Exhibit "A", attached hereto, and as depicted on the exhibits to the Declaration (the "Masterplan"), and for such related ingress and egress, utilities and related functions as would normally be associated therewith. The Resort is a proposed planned development that the Developer currently anticipates will be developed in at least three (3) stages as is illustrated in more detail on the Masterplan. THE MASTERPLAN IS A PROPOSED PLAN ONLY AND IS SUBJECT TO CHANGE, INCLUDING THE DELETION, REMOVAL, AND NON-DEVELOPMENT OF PARTS THEREOF, BY THE DEVELOPER IN ITS SOLE DISCRETION SUBJECT ONLY TO THE REQUIREMENTS SET FORTH HEREIN. As and if the Developer, in its sole discretion, determines to proceed with the development of an additional stage or stages, the Community Property will be increased and may ultimately include all or part of the lands in the Resort subject to the restrictions set forth herein. Until such time as the Developer shall designate additional parts of the lands that may be included in the Resort as "Community Property" pursuant to the procedure set forth herein, the Community Property shall include only the lands and improvements previously designated by the Developer as "Community Property."

RESTRICTIONS

1. The above described use rights and privileges shall be held in trust by the Association for the use, benefit and enjoyment of all members of the Association and such other persons as may be, from time to time, granted similar use rights and privileges by the Board of Directors of the Association and approved by a vote of at least three-fifths (3/5) of the members of the Association or by the Developer in its sole and exclusive discretion.

2. The Association shall not cause or allow any person other than the Developer, its agents, successors or designees to make any alterations or improvements to the Community

Property without the express prior written consent of the Developer during the Development Period of the Resort. The "Development Period of the Resort" shall include that period of time from the execution of this Agreement until the development of the Resort has been completed and the Developer has closed the sales of all the units within the development of the Resort, or until Developer consents to earlier date.

3. The Association shall not allow any exercise of the above described use rights and privileges for purposes other than that for which they are intended. During the Development Period of the Resort, the Developer's good faith determination of whether this Restriction has been violated shall be final and binding on all parties to and beneficiaries of this Agreement. After the Development Period of the Resort, the Association's good faith determination of whether this Restriction has been violated shall be final and binding on all parties to and beneficiaries of this Agreement. Access and use of the facilities during the Development Period of the Resort may be limited to allow for construction or improvement of facilities on or adjacent to the Community Property.

4. The Developer and the Association shall promulgate and enforce such regulations governing the exercise of the above described use rights and privileges as may be necessary or desirable to assure compliance with this Agreement.

5. The Association shall not allow any exercise of the above described use rights and privileges which, in the opinion of the Developer, interferes with the construction, sales, rental, management efforts of the Developer or the use rights of the owners of the commercial property associated therewith, including any proposed retail space, or the other rights reserved herein to the Developer.

6. Except as reserved to the Developer, or except in conjunction with any commercial unit created in the constituent documents of any development that is a part of the Resort, the Community Property shall not be used as a location for conducting sales or rentals of units in this or any other condominium. The portions of the Community Property set aside for the exclusive use of the Developer in RESERVATIONS may be used by the Developer as the exclusive on-site sales and rentals facility of Condominium units, for a exclusive on-site general real estate business, and for other commercial purposes permitted by applicable zoning and land use regulations and during any period of such use, neither any Unit Owner nor the Association nor other users of the Condominium, Condominium Property or Community Property shall interfere with the use of such commercial facilities for such purposes, or compete or allow any person to compete with such facilities or uses. The Community Property may be used by the Developer and the owner of any such commercial real estate facility in conjunction with and in support of the commercial uses permitted by this Community Property Agreement and by the Condominium documents. The facilities hereby reserved shall be the sole and exclusive on-site facility for the sale or rental of real property (including without limitation condominium units), and for condominium management.

7. Except as granted by the Developer prior to the conveyance of the Community Property to the Association as provided herein, the Community Property shall not be used as a location for providing food or beverage, or for conducting beach services or the providing of

beach services including sales and/or rentals of beach related recreational equipment, including jet skis, parasail rides, umbrellas, chairs, surf boards, cabanas, boats, etc., as a location for the sale of beach related merchandise such as sun glasses, t-shirts, sun tan products, beach towels, swimsuits, etc. or as a location for any other commercial purposes, including providing and operating vending machines and kiosks. The Developer or his assignee shall have the sole and exclusive right to provide these services and products.

RESERVATIONS

1. The Developer reserves unto itself all rights, title and privileges appurtenant to the Community Property, or interest therein, which are not granted herein to the Association, including, but not necessarily limited to the following:

(a) The right and privilege of granting similar use rights and privileges to persons who may, from time to time become members of the Association and who may own units in any stage of the Resort, provided that:

(1) The maximum number of residential units included within all of the Resort that will use the Community Property in common will be 646 residential units; and

(2) At the completion of the Development Period of the Resort, the amount expended by the Developer on the Community Property shall be at least Fifty Dollars (\$50) per unit served by the Community Property. In order to determine the amount expended per unit, the total amount expended on the Community Property by the Developer from the inception of the Resort to the date all construction is completed shall be divided by the total number of units served by the Community Property on such date and the value of the property designated as Community Property shall be included in the calculation.

(b) The right and privilege of expanding, altering or improving the Community Property including the right and privilege of submitting additional lands and improvements located thereon to the restrictions, reservations and covenants set forth herein, or such other additional or different rules as the Developer may impose, said additional lands and improvements to be subject to and governed by this Agreement and deemed to be Community Property as fully and completely as if described in this Agreement at the time of its initial execution; provided that, such expansion, alteration or improvement shall not result in more than a fifteen percent (15%) increase of a Unit Owner's Community Property assessment and shall be limited to those lands, or a portion thereof, included in the Resort.

(c) The right and privilege of reducing the Community Property including the right and privilege of withdrawing or deleting portions of the lands or improvements constituting the Community Property; provided that, such withdrawal or deletion shall not result in the provision of a lesser amount of Community Property than required by RESERVATION(1)(a)(2) above.

(d) The right and privilege of using the Community Property in any manner which, in the opinion of the Developer, may assist the construction, sales, rental, management or

other development efforts of the Developer, including but not limited to, maintenance of sales offices, models or display areas, the showing of all or any portion of the Resort and the display of signs or the operation of any completed units or developed property that is included within the Resort.

(e) The right and privilege of granting such easements across, through or under the Community Property as may be necessary or desirable, in the Developer's discretion, for the development of the Resort, including but not limited to utility easements, road or other ingress and egress easements, or other easements for the provision of services or facilities to the Resort, or granting such other restrictions, reservations, conditions or other encumbrances on the Community Property as may be deemed necessary or advisable in the sole option of the Developer.

(f) The right and privilege of the Developer, its successors or assigns, to a non-exclusive easement across, through and under the Community Property as may be from time to time be necessary or convenient for the use and enjoyment of property owned by the Developer, its successors or assigns.

(g) The right and privilege of the Developer, its successors or assigns, to conduct the activities described in Paragraph 7 of RESTRICTIONS.

2. All rights and privileges reserved to the Developer shall be freely assignable by the Developer and shall inure to the benefit of its successors and assigns.

3. The parties hereto acknowledge that a portion of the Community Property shall consist of a parking garage and related exterior parking (collectively the "Parking Garage"). .

4. The Developer may, in his sole and absolute discretion, grant to certain persons and exclusive right to use certain parking spaces in the Parking Garage until such time as title to the Community Property is transferred to the Association. Such rights may be fully transferable to any person owning real property within the Calypso Resort and Towers, and may continue perpetually. The Association shall be responsible for tracking and enforcing reserved spaces in the Parking Garage, and may adopt such policies as is necessary or convenient for such purpose, which policies shall be approved by the Developer. The Association may, in its discretion, continue the practice of reserving spaces in the Parking Garage after the Community Property is transferred to the Association.

5. The Developer reserves unto itself, its affiliates, assigns, and successors, the exclusive right to engage in the below described activities on the Community Property. The Developer shall have the right to engage in the below described activities, and the Association shall prohibit any other party from engaging in the below described activities on the Community Property. The activities to which this Paragraph shall apply are as follows:

(a) Providing rental management, property management, and property sales marketing and services, including without limitation any activity described in RESTRICTIONS,

Paragraph 6, which shall include exclusive use of the areas marked "Reception" and "Office" on the plan for the first floor of the Clubhouse, as shown on exhibits to the Declaration.

(b) Providing beach related services and rentals, including without limitation any activity described in RESTRICTIONS, Paragraph 7.

7. The Developer reserves unto itself, its affiliates, assigns, and successors, the exclusive right to use certain portions of certain Community Property facilities, as are designated on the Masterplan.

8. The Developer reserves to the Retail, Snack Bar, and Fitness Commercial Units in Calypso Towers III, a Condominium, the exclusive right to occupy and use the space immediately outside their respective units and underneath the balconies above, for the purpose of conducting business, including without limitation the right to place tables, chairs, displays, and otherwise fully utilize their space.

COVENANTS

1. The Developer covenants to pay all costs incurred in originally acquiring the Community Property or originally constructing the improvements thereon and no costs shall be incurred by the Association for any individual facility until such facility is in the opinion of the Developer completed and available for use.

2. After any portion of the Community Property has been completed pursuant to paragraph 1 of COVENANTS and so long as the Developer retains fee simple title to the Community Property, the Association covenants to pay to the Developer, in advance, on a monthly basis, as the sole monetary consideration for the granting of these use rights and privileges, the cost incurred by the Developer in operating, maintaining, insuring or improving the Community Property, including other costs as may be, in the opinion of the Developer, reasonably related thereto, for the purposes for which it is intended. These costs shall be estimated and adjusted from time to time pursuant to paragraph 5 of COVENANTS and shall include, but are not necessarily limited to the following:

(a) TAXES. Any and all taxes levied or assessed at any and all times by and all tax authorities including all taxes, charges, assessments, impositions, liens for public improvements, special charges, and in general, all taxes or tax liens which may be assessed against the Community Property, including all interest, penalties and other charges which may accrue thereon.

(b) UTILITY CHARGES. All charges levied for utilities on the Community Property whether they are supplied by a public or private firm, including all charges for water, gas, electricity, telephone, sewer, cable television and any other type of utility, or any other type of service charge for services which are in the nature of a utility.

(c) LIABILITY INSURANCE. All premiums for a policy or policies of insurance in the form generally known as public liability or owner, landlord and tenant policies insuring

against any and all claims and demands made by any person or persons whomsoever for injuries received in connection with the operation and maintenance of the Community Property and of the improvements and buildings, which may, from time to time, be located thereon or for any other risk insured against by such policies with limits of liability in amounts not less than those required by Article VII entitled INSURANCE of the Declaration of Condominium of Calypso Towers I, a condominium. All such policies will name the Association, its members and the Developer as named insureds.

(d) FIRE, WINDSTORM, FLOOD AND OTHER CASUALTY INSURANCE.

The premiums for a policy or policies of insurance to keep insured any and all buildings or improvements now located or which may hereafter be located upon the Community Property for protection against loss or damage caused by or resulting from fire, windstorm, flood or other casualty in an amount equal to the maximum insurable replacement value, excluding foundation and excavation cost or, in the case of flood insurance, the maximum insurable replacement value or the maximum amount available under the National Flood Insurance Association or its successor, whichever is less, and all personal property included as a part of the Community Property shall be insured for its value as determined by the Developer or the Association, as the case may be. All policies issued and renewals thereof shall be payable in the event of loss jointly to the Association, its members, mortgagees holding mortgages on individual condominium units in any condominium operated by the Association and the Developer as their interest may appear. In the event of the destruction of any insured buildings, improvements or personal property by fire, windstorm, flood or other casualty for which insurance monies may be payable, such insurance monies shall be paid into an account with a banking institution doing business in the State of Florida, for the purpose of providing a trust fund for the repair and reconstruction of the damage. Immediately after such damage is sustained, the Association shall have the responsibility for reconstruction and repair and the Association shall immediately obtain reliable and detailed estimates of the cost to rebuild or repair. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair by the Association, or if at any time during reconstruction and repair by the Association, or upon completion of reconstruction and repair the funds for the payment of the cost of reconstruction and repair are insufficient, assessment shall be made against the members of the Association in sufficient amounts to provide funds for the payments of such costs. Such assessments shall be in proportion to the Unit Owner's proportionate share of the cost as set forth in paragraph 3 of COVENANTS. The Developer shall not be required to provide any additional sums of money should such sums be necessary in order to provide sufficient amounts to repair or reconstruct damaged buildings, improvements or personal property, except to the extent that the Developer, by virtue of being the owner of units, is a Unit Owner, in which event the Developer shall pay the amounts assessed to units owned by the Developer to the same extent as any Unit Owner of the Association.

(e) MAINTENANCE AND REPAIR. All expenses incurred in keeping and maintaining, and replacing where appropriate, buildings or portions of buildings, docks, piers, bridges, boardwalks, swimming pools, patio areas, walkways, gardens, landscaping, roads, parking areas, drainage system, stormwater management system, fixtures and improvements which may at any time be situated upon the Community Property and all appurtenance thereto in good substantial repair and a clean and sanitary condition in conformity with all requirements

imposed by law or by the Easements or both, including, without limitation, trash removal, cleaning and maintenance of such facilities.

(f) EMPLOYEES AND MATERIALS. The expenses of hiring such employees and managers and purchasing such equipment and materials as may be needed to provide for the management and supervision of the Community Property and improvements located thereon.

(g) RESERVES. Reserve accounts for capital expenditures and deferred maintenance. The accounts shall include, but not be limited to, roof replacement, pool replacement and repair, building painting and pavement resurfacing and re-striping. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item.

(h) PROVISIO. THESE COSTS SHALL NOT INCLUDE THE EXPENSE PAID OR INCURRED BY THE DEVELOPER IN ORIGINALLY ACQUIRING THE COMMUNITY PROPERTY OR INITIALLY CONSTRUCTING THE IMPROVEMENTS LOCATED THEREON. THE FOREGOING EXPENSE SHALL BE PAID BY AND SHALL BE THE SOLE RESPONSIBILITY OF THE DEVELOPER AND NO COSTS SHALL BE INCURRED BY THE ASSOCIATION FOR ANY INDIVIDUAL FACILITY UNTIL SUCH FACILITY IS IN THE OPINION OF DEVELOPER COMPLETED AND AVAILABLE FOR USE.

3. The consideration payable by the Association pursuant to paragraph 2 of COVENANTS is hereby allocated to the condominiums that are included in the Resort and shall be a common expense of such condominiums, as provided by the Condominium Act, Chapter 718, Florida Statutes . Each Unit Owner in a condominium that is included in the Resort covenants to pay to the Association each month its apportioned share of such costs and expenses, such apportionment to be based on the relative number square footage of the Unit to the total square footage of all Units in all condominiums operated by the Association.

4. Subject to the provisions of paragraph 2 of COVENANTS, the Developer covenants to operate, maintain, insure, improve and provide other services which may be, in the opinion of the Developer, reasonably related thereto, for the use and benefit of the Community Property for the purpose for which it is intended.

5. If requested in writing by the Association, the Developer covenants to provide the Association with a budget estimating the costs required by paragraph 2 of COVENANTS to be paid by the Association. The budget shall be for a period of twelve (12) months (or such other period, as may be appropriate, in Developer's discretion). If a budget is requested, it shall be provided to the Association within thirty (30) days of the receipt of such request, and periodically thereafter consistent with the term covered by the budget. The Developer may amend a budget or provide a new budget, from time to time, as determined to be necessary or convenient by the Developer. If said estimated payment is less than the amount of cost actually incurred during the period covered by the budget, then the Association shall pay to the Developer the amount of any such deficiency within ten (10) days after receipt of written demand from Developer. If said estimated payment is more than the amount of cost actually incurred during the period covered by the budget, then the Developer shall pay to the Association the amount of

any such surplus within ten (10) days after determination of the amount of such surplus. Within thirty (30) days after the end of any calendar year during which payments are made by the Association to the Developer pursuant to paragraph 2 of COVENANTS, the Developer shall provide to the Association a written report summarizing the amount of cost paid by the Association to the Developer for each one of the subparagraphs listed under paragraph 2 of COVENANTS. Upon receipt of written demand from the Association, the Developer shall make available at a reasonable time and place all books and records of the Developer relative to the amount of costs paid by the Association to the Developer pursuant to paragraph 2 of COVENANTS.

6. The Developer covenants to convey fee simple title to the Community Property to the Association subject to restrictions similar to all restrictions set forth under RESTRICTIONS and subject to reservations similar to the reservations set forth under RESERVATIONS. Such fee simple title shall not be subject to any lien or mortgage made by or payable by the Developer for the improvement of said Community Property by the Developer. Said conveyance shall be executed and delivered by the Developer to the Association as soon as the Developer has closed the sales of all of the units within the development of the Resort or such earlier time as Developer may otherwise agree.

7. The Association covenants to accept the deed conveying the fee simple title to the Community Property and an assignment of any easements properly imposed by the Developer and to cause said deed and easements to be recorded in the public records of Bay County, Florida at the expense of the Association.

8. Beginning at such time as the Association acquires title to the Community Property, the Association covenants to provide insurance on the Community Property and make decisions on the repair or reconstruction of the Community Property after casualty in the manner set forth in Article VIII entitled "INSURANCE" and Article IX entitled "RECONSTRUCTION OR REPAIR AFTER CASUALTY" of the Declaration of Condominium of Calypso Towers I, a condominium.

9. The Association has a lien on each unit of each of the condominiums served by the Community Property for any unpaid assessment (including that portion of the assessment attributable to the costs referred to in paragraph 2 of COVENANTS) with interest and reasonable attorney's fees incurred by the Association incident to the collection of the assessment or the enforcement of the lien. All costs referred to in paragraph 2 of COVENANTS shall be common expenses of the Association and the condominiums served by the Community Property and the lien of the Association which secures the payment of assessments including said costs shall be enforceable as provided in Chapter 718, Florida Statutes.

If, for any reason, the Association shall fail to collect and pay to the Developer those costs referred to in paragraph 2 of COVENANTS, the Developer shall have the right to collect said costs from the Association and the Unit Owners being then served by the Community Property. In order to secure the payment of said costs, the Developer shall have a lien upon the Community Property and upon each unit of each condominium that is served by the Community Property for any of said unpaid costs with interest and reasonable attorney's fees incurred by the

Developer incident to the collection of said costs or the enforcement of the lien. This lien of the Developer shall not be effective until the recordation of a claim of lien executed by the Developer in the public records of Bay County, Florida, which describes the property against which said lien is claimed, the name of the record owner thereof, and the amount of the claim and date when due. Said lien may be foreclosed in the manner provided by law and shall at all times be subordinate and inferior to the lien of any institutional mortgagee filed prior to the recordation of the Developer's lien as provided hereunder.

10. The Association covenants that the use rights and privileges, and all other rights of any nature whatsoever, granted by this Agreement are subordinate to the liens of any mortgages placed upon the Community Property by the Developer in order to secure funds for the development of any condominium operated or to be served by the Community Property. The Developer agrees to pay all amounts required in order to satisfy such mortgages in full and to convey the Community Property to the Association in accordance with the terms and conditions of this Agreement free and clear of all such mortgages.

11. The Association covenants that no amendment shall be made to the Articles of Incorporation or By-Laws of the Association, nor any other act performed or failed to be performed, that would abridge, limit or alter the rights reserved by or granted to the Developer, its successors or assigns, or any successor developer, by this Agreement, the Declaration of Condominium of the condominium operated by the Association, or the Articles of Incorporation or By-Laws, including, but not limited to, the right to grant similar use rights and privileges with respect to the Community Property to additional condominiums that are to be included in the Resort and to add additional lands and improvements to the Community Property, without the prior written consent of the Association or any of its Unit Owners.

12. The Association covenants to indemnify and save harmless the Developer from any and all claims, suits, damages or causes of action arising during the term of this Agreement for any personal injury, loss of life or damage to property sustained in or about the Community Property, or the improvements which may from time to time be located thereon, and all costs, attorney's fees, expenses and liabilities incurred in relation to the same, unless the same shall result solely from the gross negligence of the Developer.

13. All of the reservations, restrictions and covenants contained herein shall run with the Community Property and shall inure to the benefit of the Developer and the Association and its Unit Owners.

14. As the Developer determines in its sole discretion, from time to time, to submit additional lands to this Agreement or to delete lands herefrom, the Developer will file amendments to this Community Property Agreement which will submit to or delete from this Community Property Agreement the lands and improvements described therein. Any and all such amendments need to be signed and acknowledged only by the Developer and need not be approved by the Association, its Unit Owners, the Unit Owners served by the Community Property or by any lienors or mortgagors of any of the Units served by the Community Property, the Association or its Unit Owners, whether or not elsewhere required for an amendment.

15. As improvements are from time to time constructed on the Community Property, the Developer warrants that the improvements will be constructed in a good and workmanlike manner and suited for the purpose for which they are intended, said warranty to commence on the date of substantial completion of the improvements and to terminate one (1) year thereafter. The warranty shall be conditioned upon routine maintenance being performed, unless the maintenance is an obligation of the Developer. The warranty shall inure to the benefit of the Association and its members. THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED.

16. In addition to any other method allowed herein, this Agreement may be amended from time to time in the furtherance of the development of the Resort, during the Development Period of the Resort, by an instrument signed and acknowledged only by the Developer and need not be approved by the Association's Unit Owners, the Owners of Units served by the Community Property, any lienors or mortgagees of any of the units served by the Community Property or any other person whether or not elsewhere required for an amendment. After the Development Period of the Resort, this Agreement may be amended only upon the approval of three-fifths (3/5) of the voting interest of all of the Association members; provided, however, no such amendment shall modify the rights and privileges reserved to the Developer under the provisions set forth herein.

17. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision in this Agreement shall not affect the validity of the remaining portions.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this _____ day of March, 2016.

Signed, sealed and delivered
in the presence of:

CALYPSO TOWER III LLC,
a Florida limited liability company

Print Name of Witness


By: _____
Name: _____
Its: Authorized Agent

Print Name of Witness
(Corporate Seal)

Exhibit “M”
Developer’s Ownership Interest

STATEMENT OF DEVELOPER OWNERSHIP

Calypso Tower III, a Florida limited liability company, owns the land upon which Calypso Tower III, a Condominium will be developed.



Brian D. Leebrick
Attorney for Calypso Tower III,
LLC

Exhibit ‘N’
Easements Affecting Property

in its name by its Chairman and its corporate seal to be affixed and attested by its Secretary the day and year first above written.

Signed, sealed and delivered
in the presence of: (CORPORATE SEAL) STATE ROAD DEPARTMENT OF FLORIDA
BY: F. E. Bayless CHAIRMAN
L. A. Fraleigh, Jr. ATTEST: J. R. McClure SECRETARY
O. R. Rivers
Signature of TWO witnesses
required above by Florida law.
(SEAL)
LEGAL FORM APPROVED
Colin Johnson
ATTORNEY S R D

STATE OF FLORIDA)
COUNTY OF LEON)

I HEREBY CERTIFY, that on this 14 day of June A. D., 1947, before me the undersigned authority, a Notary Public of the State of Florida at Large, personally appeared F. E. BAYLESS and J. R. MCCLURE, respectively Chairman and Secretary of the State Road Department of Florida, to me known to be the persons described in and who executed the foregoing instrument and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned and that they affixed thereto the official seal of said State Road Department of Florida and the said instrument is the act and deed of said department.

WITNESS my hand and official seal the day and year last aforesaid.

(N.P.Seal) L. A. Fraleigh, Jr.
Notary Public - State of Florida at Large
Notary Public, State of Florida at Large,
My commission expires Aug. 22, 1949
Bonded by American Surety Co. of N.Y.

I hereby certify that the foregoing instrument was duly recorded from the original filed in this office for record, this 17th day of June, A. D. 1947 at 10:30 o'clock A.M. and record verified.

W. S. WEAVER, CLERK CIRCUIT COURT
BY Elizabeth H. Hargrave
DEPUTY CLERK.

.....

10% State Tax affixed and cancelled.

DRAINAGE DITCH EASEMENT

Section 4601 BRD NO. 8
State Road 30 (10)

THIS INDENTURE, Made and entered into this 16th day of June A. D. 1947 by and between Casper E. Harris and wife, Sarah R. Harris and Mrs. Marie L. Black (widow) of Bay County, Florida, as Grantors in consideration of One Dollar and other valuable considerations to them in hand paid, receipt whereof is acknowledged, do hereby grant and convey unto the State of Florida, as Grantee, and its assigns, a perpetual exclusive easement, license and right to excavate and maintain a drainage ditch as now located upon and through the following described lands situate in Bay County, Florida, to-wit:

F. A. Blacks Original Plat of NW 1/4 of Section 20, Township 3 South, Range 16 West.
TO HAVE AND TO HOLD the same unto said Grantee and its assigns, together with immunity unto

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said Grantee from all claims for damage to Grantor's contiguous lands, if any, arising from or growing out of such construction and/or maintenance aforesaid.

IN WITNESS WHEREOF, the Grantor has hereunto set their hand and seal this 16th day of June, 1947.

Signed, sealed and delivered

in presence of:

Hallie B. Stone

Casper E. Harris (SEAL)

Thomas Sale

Sarah R. Harris (SEAL)

As to: Casper E. Harris,
Sarah R. Harris and
Marie L. Black

DOCUMENTARY STAMPS
STATE
FEDERAL, ---

Marie L. Black (SEAL)

As to: Signature of TWO witnesses
required above by Florida law

DESCRIPTION APPROVED
DIVISION OF RIGHTS OF WAY
STATE ROAD DEPT. OF FLORIDA
G J DeCamps M.E.
Division Engineer JUN 16 1947

STATE OF FLORIDA

COUNTY OF BAY

Before me personally appeared Casper E. Harris and wife Sarah R. Harris and Mrs. Marie L. Black a widow to me well known and known to me to be the individuals described in and who executed the foregoing instrument, and acknowledged before that they executed the same for the purposes therein expressed.

WITNESS my hand and official seal this 16 day of June, 1947,

(N.P. Seal)

Hallie B. Stone
Notary Public in and for the County and State
Aforesaid.
My Commission expires: June 7, 1949

I hereby certify that the foregoing instrument was duly recorded from the original filed in this office for record this 17th day of June, A. D. 1947 at 10:40 o'clock A.M. and record verified.

W. S. WEAVER, CLERK CIRCUIT COURT
BY Elizabeth H. Hines
DEPUTY CLERK.

10% State Tax affixed and cancelled.
QUIT CLAIM DEED

SRD NO. 6
SECTION 4601
STATE ROAD 30 (10)
BAY COUNTY

THIS INDENTURE Made this 16th day of June, A. D. 1947, between Marie L. Black, a widow as party of the first part, and THE STATE OF FLORIDA, as party of the second part;

WITNESSETH, That the said party of the first part, for and in consideration of the sum of One Dollar and other valuable considerations, paid, receipt of which is hereby acknowledged, does hereby remise, release, quit claim and convey unto the party of the second part, its successors and assigns, all right, title, interest, claim and demand which the party of the first part has in and to the following described land, situate, lying and being in the County of Bay, State of Florida, to-wit:

WAY SIDE PARK

A parcel of land described as, commencing on the West boundary of Section 20, Township 3 South, Range 16 West at a point 1575.3 feet South from the Northwest corner of said Section 20, and to the South boundary line of State Road No. 30, thence South 60 degrees 32 minutes East 457.75 feet, for POINT OF BEGINNING; thence South 29 degrees 28 minutes

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E A S E M E N T

STATE OF FLORIDA
COUNTY OF BAY.

KNOW ALL MEN BY THESE PRESENTS, That the undersigned GEORGE W. THOMPSON, SR., and wife, MARY THOMAS THOMPSON, GEORGE W. THOMPSON, JR., and wife, ANN SINKLER THOMPSON, JOHN A. THOMPSON and wife, ELIZABETH PALMER THOMPSON, and ED. M. THOMPSON and wife, LUCY JONES THOMPSON, of the County of Montgomery, and State of Alabama, in consideration of the sum of Ten Dollars and other valuable considerations, and in carrying out agreements made with the property owners of the parts and parcels of the land hereinafter described to whom the undersigned have sold parcels of said land, the undersigned do hereby give and grant a perpetual easement for a walkway for pedestrian use and travel, over and across the following parcel of land in Bay County, State of Florida, to-wit: (herein called the easement parcel)

Commence at the Northwest Corner of Section 20, Township 3 South, Range 16 West, Tallahassee Meridian, thence run South on and along the West line of said Section 20 a distance of 1534.61 feet to the center line of U. S. Highway 98, thence run South 58 degrees 38 minutes East on and along said center line of Highway 98 a distance of 1448 feet, thence at a 90 degree deflection angle to the left run North 31 degrees 22 minutes East a distance of 50 feet to the Northerly right of way line of U. S. Highway 98, this point also being the Southwest corner of Lot 12 of F. A. Black's Original Flat located in the Northwest Quarter of Section 20, Township 3 South, Range 16 West. Thence South 31 degrees 22 minutes West 100 feet to the South right of way line of U. S. Highway 98, thence Southeasterly along the South right of way line of U. S. Highway 98 a distance of 300 feet to POINT OF BEGINNING of the parcel to be described; Thence continue Southeasterly along the South right of way line of U. S. Highway 98 a distance of 10 feet; thence at an angle of 90 degrees to the right to the water's edge of the Gulf of Mexico; thence in a Northwesterly direction along the water's edge of the Gulf of Mexico to a point which is South 31 degrees 22 minutes West of the point of beginning; thence at right angles to the right to the point of beginning.

TO HAVE AND TO HOLD the easement across the lands aforesaid, in perpetuum, for walkway and pedestrian travel only, for the use and benefit of the owners of the following described lands lying and being in Bay County, State of Florida, and their successors in title, owning all or any part thereof, being the lands described in that certain conveyance from Casper E. Harris et ux. to the undersigned dated April 28, 1955, recorded in Deed Book 207, page 456, records of Bay County, Florida, to-wit:

BOOK 236 PAGE 520

PARCEL NO. ONE: Commence at the SW corner of Lot 12 of F. A. Black's Original Plat located in the NW $\frac{1}{4}$ of Section 20, Township 3 South, Range 16 West for POINT OF BEGINNING of tract to be described; thence continue Southeasterly along the Northerly right-of-way line of U. S. Highway No. 98 a distance of 801.5 feet, more or less, to the Southeasterly corner of Lot 3 of the said F. A. Black's Original Plat; thence Northeasterly along the Easterly line of said Lot 3 extended a distance of 158 feet; thence on an angle of 90 degrees to the right a distance of 65 feet; thence to the left at an interior angle of 60 degrees 36 minutes a distance of 269.6 feet; thence to the left on an interior angle of 119 degrees and 24 minutes and parallel to the Northerly right-of-way line of U. S. Highway No. 98 a distance of 734.1 feet; thence at an angle of 90 degrees to the left a distance of 393 feet to point of beginning.

PARCEL NO. TWO: Commencing at the SW corner of Lot 12 of F. A. Black's Original Plat located in the NW $\frac{1}{4}$ of Section 20, Township 3 South, Range 16 West; thence South 31 degrees 22 minutes West 100 feet to the South right-of-way line of U. S. Highway No. 98 (formerly known as State Road No. 30) for POINT OF BEGINNING of tract to be described; thence Southeasterly along the Southerly right-of-way line of U. S. Highway No. 98 a distance of 801.5 feet; thence to the right at an angle of 90 degrees to the waters edge of the Gulf of Mexico; thence Northwesterly along the waters edge of the Gulf of Mexico to a point South 31 degrees 22 minutes West of the point of beginning; thence Northerly to point of beginning.

The enjoyment of said easement, in perpetuum, as aforesaid, for walkway and pedestrian travel, shall extend to the present and future owners of all or any part of the lands last above described, and their tenants, relatives, friends, guests, invitees and all others using same with their knowledge and consent.

IN WITNESS WHEREOF, the undersigned have hereunto set their respective hands and seals, on this the 7th day of January, A.D. 1957.
Signed, Sealed and Delivered
in the Presence of:

Matthew J. Lee
Carney R. Keller

George W. Thompson, Sr. (SEAL)
George W. Thompson, Sr.

Mary Thomas Thompson (SEAL)
Mary Thomas Thompson

George W. Thompson, Jr. (SEAL)
George W. Thompson, Jr.

Ann Sinkler Thompson (SEAL)
Ann Sinkler Thompson

John A. Thompson (SEAL)
John A. Thompson

Elizabeth Palmer Thompson (SEAL)
Elizabeth Palmer Thompson

Ed. M. Thompson (SEAL)
Ed. M. Thompson

Lucy Jones Thompson (SEAL)
Lucy Jones Thompson

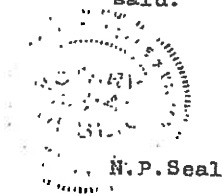
BOOK 236 PAGE 521

STATE OF ALABAMA)
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY, That on this 12 day of January, A. D. 1957, before me personally appeared GEORGE W. THOMPSON, SR., and wife, MARY THOMAS THOMPSON, GEORGE W. THOMPSON, JR., and wife, ANN SINKLER THOMPSON, JOHN A. THOMPSON and wife, ELIZABETH PALMER THOMPSON, ED. M. THOMPSON and wife, LUCY JONES THOMPSON, to me well known to be the persons described in and who executed the foregoing Easement, and they have acknowledged before me that they executed the same for the purposes therein expressed.

AND I FURTHER CERTIFY, That the said MARY THOMAS THOMPSON, ANN SINKLER THOMPSON, ELIZABETH PALMER THOMPSON AND LUCY JONES THOMPSON, known to me to be the wives, respectively, of the said GEORGE W. THOMPSON, SR., GEORGE W. THOMPSON, JR., JOHN A. THOMPSON AND ED. M. THOMPSON, on a separate and private examination taken and made by and before me, separately and apart from their said husbands, did acknowledge that they made themselves parties to the said easement, and executed the same for the purpose of binding all their rights, title and interest, whether of dower, homestead, or of separate property, statutory or equitable, in and to the lands therein described, and that they executed the said easement freely and voluntarily and without any apprehension or fear, compulsion or constraint of or from their said husbands.

Witness my hand and official seal, the day and year last afore-said.



Paul Frizzle
Notary Public, State and County Afore-said. My commission expires the 17 day of April, 1957.

BAY COUNTY FLORIDA
Filed for record JAN 31 1957 at 3:14 p.m. o'clock and duly recorded. Book and page indicated above. Bruce Collins, Clerk Circuit Court.
Bruce Collins

JAN 31 PM 3:14
BAY COUNTY CLERK

FILED

5/10/2016

Landmark Web Official Records Search

File # 2005090619, OR BK 2702 Page 1132, Recorded 11/16/2005 at 03:53 PM,
Harold Bazzel, Clerk Bay County, Florida Doc. D \$0.70 Deputy Clerk RK Trans
718836

**EXHIBIT A
GRANT OF EASEMENT**

This Grant of Easement (the "Easement") dated this 28th day of September, 2005 by and between Comcast of Panama City, Inc., its successors and assigns, hereinafter referred to as "Grantee" and Waterstone Resorts, LLC., hereinafter referred to as "Grantor".

Grantor and Grantee are parties to a Bulk Installation and Services Agreement dated September 28, 2005, pursuant to which Grantee provides certain broadband communications services to the Property described below.

In consideration of One Dollar (\$1.00), Grantor(s), owner(s) of the property described below, hereby grant(s) to Grantee, its successors and assigns, an easement in gross and right-of-way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time a broadband communications system (hereinafter referred to as the "System") consisting of wires, underground conduits, cables, pedestals, vaults, and including but not limited to above ground enclosures, markers and concrete pads or other appurtenant fixtures and equipment necessary or useful for distributing broadband services and other like communications, in, on, over, under, across and along that certain real property (the "Property") located in County of Bay, State of Florida described as follows:

LEGAL DESCRIPTION:
(See Attached Exhibit)

Grantor(s) agree for themselves and their heirs and assigns that the System on the Property shall be and remain the personal property of the Grantee and may not be altered, obstructed or removed without the express written consent of the Grantee. The Grantee, and its contractors, agents and employees, shall have the right to trim or cut trees and/or roots which may endanger or interfere with said System and shall have free access to said System and every part thereof, at all times for the purpose of exercising the rights herein granted: provided, however, that in making any excavation on said Property of the Grantor, the Grantee shall make the same in such manner as will cause the least injury to the surface of the ground around such excavation, and shall replace the earth so removed by it and restore the area to as near the same condition as it was prior to such excavation as is practical.

rev 7/03

8

5/10/2016

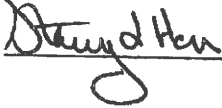
OR BK 2702 PG 1133

Landmark Web Official Records Search


This easement shall run with the land for so long as Grantee, its successors or assigns provides broadband service to the Property.

Executed this 28th day of September, 2005.

WITNESS/ATTEST:



OWNER: WATERSTONE RESORTS, LLC.

By: 
Name: Chad Gilliland
Title: President

ATTEST:



Comcast of Panama City, Inc.

By: 
Name: Steve Dvoskin
Title: Regional Vice President

5/10/2016

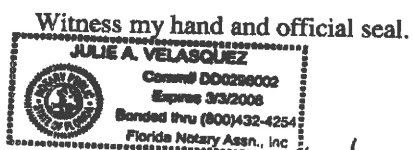
Landmark Web Official Records Search

OR BK 2702 PG 1134

STATE OF Florida)
COUNTY OF Walton) ss.

The foregoing instrument was acknowledged before me this 11th day of October, 2005 by
M. Chad Gilliland, of Watershore Resorts, on
(Print Name)

behalf of the corporation. He/she is (personally known to me) or (has presented
(type of identification) as identification and did/did not take an oath.



Julie A. Velasquez Notary Public
(Print Name) Julie A. Velasquez
000296002

My commission expires: 3/3/2008

STATE OF Florida)
COUNTY OF Sarasota) ss.

The foregoing instrument was acknowledged before me this 28th day of October,
2005 by Steve Dvoskin, of Comcast of Panama City, Inc., on behalf of the corporation. He/She
is personally known to me and did not take an oath.

Witness my hand and official seal.




Cynthia L. Long Notary Public
(Print Name)

My Commission expires: _____

rev 7/03

10



Bay County
Property Appraiser
Rick Barnett

630 Mulberry Ave.
PANAMA CITY, FL 32401
Office (850) 784-4025
Fax (850) 784-6128

Owner Name		Property Address		Parcel Number	
CALYPSO DEV. I LLC, THE		15900 FRONT BEACH RD		33758-000-000	
Owner Address			Business		
101-A BUSINESS CENTRE DR DESTIN, FL 32550			Not all businesses may be listed on this parcel		
Homestead	Primary Millage District	Aggregate Millage Rate	Section-Township-Range	Acreage	Property Type
NO	PANAMA CITY BEACH (13)	14.1190	20-3S-16W	5.287	HOTEL OR MOTEL

VALUES			LEGAL DESCRIPTION
Building Value		70,983	20 3S 16W -9- MAP 29D2 COM AT THE SWLY COR OF LOT 12 F A BLACKS ORIG PLAT TH SELY The legal description shown here may be condensed for assessment purposes. Exact description may be obtained from the recorded deed.
Extra Feature Value		60,623	
Land Value		5,030,561	
Agricultural Value		0	
* Just (Market) Value		5,162,167	
Assessed Value		5,162,167	
Exemption Value		0	
Taxable Value		5,162,167	

* Just (Market) Value is established by the Property Appraiser for ad valorem tax purposes. It does not represent anticipated selling price

BUILDING INFORMATION						
Type	Total Area	Heated Area	Exterior Wall	Roof Cover	Interior Wall	Flooring
STORE, RETAIL	4,000	3,300	MODULAR METAL	STANDING SEAM	DRYWALL	CARPET
Heating Type	A/C Type	Units	Stories	Year Built	Building Notes	
FORCED AIR, DUCTED	CENTRAL	0	1	1992		

LAND INFORMATION				
Description	Frontage	Depth	Land Units	Unit Type
COMM GULF FRONT	261	384	260.880	FRONT FEET

SALES INFORMATION							
OR Book/Page	Sale Date	Sale Price	Instrument	Qualification	Vacant/Improved	Grantor	Grantee
2199/1811	10-29-2002	5,500,000	WARRANTY DEED	QUALIFIED	IMPROVED	SCHILLECI, FRANK S & DONALD J	THE CALYPSO DEVELOPERS I LLC,
1302/204	12-31-1990	350,000	WARRANTY DEED	QUALIFIED	IMPROVED	J ALAN BELL	FRANK S SCHILLECI & DONALD J SCHILLECI

The Bay County Property Appraiser's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, it's use or interpretation. Assessed values are from the last certified taxroll. All data is subject to change before the next certified taxroll.

5/10/2016

Landmark Web Official Records Search

File # 2006016480, OR BK 2747 Page 1685, Recorded 03/09/2006 at 03:41 PM,
Harold Bazzel, Clerk Bay County, Florida Deputy Clerk EG Trans # 739091

Prepared by and return to:
R. Andrew Kent
Beggs & Lane, RLLP
501 Commendancia St.
Pensacola, Florida 32502

EASEMENT FOR COMMUNICATIONS EQUIPMENT

TAX ID#

STATE OF FLORIDA
COUNTY OF BAY

KNOW ALL MEN BY THESE PRESENTS that THE CALYPSO DEVELOPERS III, LLC, A FLORIDA LIMITED LIABILITY COMPANY, whose address is 101-A BUSINESS CENTER DRIVE, DESTIN, FL 32550 (hereinafter "Grantor"), for and in consideration of the sum of One And 00/100 Dollars (\$1.00) in hand paid by KNOLOGY OF PANAMA CITY, INC. A DELAWARE CORPORATION, (Grantee), whose address is 312 W. 8TH STREET, WEST POINT, GEORGIA, 31833, the receipt whereof is hereby acknowledged, does hereby grant and convey to said Grantee, its successors and assigns, the perpetual right to lay, bury, construct, operate, maintain, dig up and repair underground and/or overhead communications lines and equipment, including all necessary connectors, ducts, conduit, connection boxes, facilities and equipment, necessary or convenient in connection therewith from time to time, together with all rights and privileges necessary or convenient for the full enjoyment or use thereof for the aforesaid purposes, including the right of ingress and egress thereto and therefrom, along, under and across the following described property in Bay County, Florida, to-wit:

SEE ATTACHED EXHIBIT "A"

for the transmission, distribution, supply and sale to the public communications products and services, together with all rights and privileges necessary or convenient for the full enjoyment and use thereof, including the right of ingress and egress to and from said lines and also the right to cut down, trim and chemically treat any trees and undergrowth within the easement areas or adjacent to said easement areas that may interfere with the safe operation of said lines. The easement hereby granted shall be limited to the strip of land ten (10) feet in width lying five (5) feet on each side of the facilities installed on the property. It is also agreed and understood that no lines, equipment or facilities shall be placed on the property without the prior consent of the owner of the property.

TO HAVE AND TO HOLD the same to the said Grantee, its successors and assigns, forever.

IN WITNESS WHEREOF, the Grantor has executed this instrument this 2nd day of MARCH, 2006.

WITNESSES

Witness

Witness

(Print or type full name)

Witness

(Print or type full name)

STATE OF Florida
COUNTY OF Bay

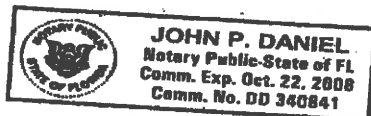
THE CALYPSO DEVELOPERS III, LLC
A Florida limited liability company

By: A & J Holdings, LLC
A Florida limited liability company
Its Member

By: Alan M. O'Neal
Its Manager

The foregoing instrument was acknowledged before me this 2nd day of March, 2006 by ALAN M. O'NEAL as Manager of A & J HOLDINGS, LLC, a Florida limited liability company, on behalf of the company as a Member of THE CALYPSO DEVELOPERS III, LLC, a Florida limited liability company, on behalf of the company, and is personally known to me or who has produced as identification, and who did not take an oath.

STAMP



NOTARY PUBLIC

John P. Daniel

5/10/2016

Landmark Web Official Records Search

OR BK 2747 PG 1686

Exhibit "A"

DESCRIPTION: PARCEL I

A PARCEL OF LAND BEING ALL OF LOT 12, A PORTION OF LOTS 10, 11, 56 AND 57, AND A PORTION OF PALMETTO STREET, F.A. BLACK'S ORIGINAL PLAT, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGE 38 IN THE OFFICE OF THE CLERK OF BAY COUNTY, FLORIDA, AND A PARCEL OF LAND BEING A PORTION OF THE NORTH ONE-HALF OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 18 WEST; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS

FOR A POINT OF BEGINNING, COMMENCE AT THE SOUTHWESTERLY CORNER OF SAID LOT 12, F.A. BLACK'S ORIGINAL PLAT; THENCE NORTH 32 DEGREES 04 MINUTES 53 SECONDS EAST, ALONG THE NORTHWESTERLY LINE OF SAID LOT 12, AND ITS EXTENSION ACROSS SAID PALMETTO STREET, AND ALONG THE NORTHWESTERLY LINE OF SAID LOT 56, 383.00 FEET; THENCE SOUTH 87 DEGREES 34 MINUTES 07 SECONDS EAST, PARALLEL TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 98A (100.00 FOOT WIDE RIGHT-OF-WAY), 111.52 FEET; THENCE SOUTH 12 DEGREES 08 MINUTES 12 SECONDS WEST, 416.07 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID U.S. HIGHWAY NO. 98A; THENCE NORTH 87 DEGREES 55 MINUTES 07 SECONDS WEST, ALONG THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID U.S. HIGHWAY NO. 98A, 254.13 FEET TO THE SOUTHWESTERLY CORNER OF SAID LOT 12, AND THE POINT OF BEGINNING, SAID PARCEL CONTAINING 1.65 ACRES MORE OR LESS.

5/10/2016

Landmark Web Official Records Search

File # 2006014923, OR BK 2745 Page 702, Recorded 03/03/2006 at 01:04 PM,
Harold Bazzel, Clerk Bay County, Florida Doc. D \$0.70 Deputy Clerk DW Trans
737996



This Legal Document
Prepared by D. R. Schofield
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0093

WO#
TAX ID# 33756-000-000
EN#

EASEMENT FOR ELECTRIC SERVICE

STATE OF FLORIDA
COUNTY OF BAY

KNOW ALL MEN BY THESE PRESENTS that THE CALYPSO DEVELOPERS III, LLC, A FLORIDA LIMITED LIABILITY COMPANY, whose address is 101-A BUSINESS CENTER DRIVE, DESTIN, FL 32550 (hereinafter "Grantor"), for and in consideration of the sum of One And 00/100 Dollars (\$1.00) in hand paid by GULF POWER COMPANY, a Maine corporation (Grantee), whose address is One Energy Place, Pensacola, Florida 32520-0093, the receipt whereof is hereby acknowledged, does hereby grant and convey to said Gulf Power Company, its successors and assigns, the perpetual right to lay, bury, construct, operate, maintain, dig up and repair an underground and/or overhead electrical distribution system and necessary related overhead facilities, with all necessary conductors, ducts, conduit, transformers, connection boxes, facilities and equipment, necessary or convenient in connection therewith from time to time, together with all rights and privileges necessary or convenient for the full enjoyment or use thereof for the aforesaid purposes, including the right of ingress and egress thereto and therefrom, along, under and across the following described property in Bay County, Florida, to-wit:

SEE ATTACHED EXHIBIT "A"

for the transmission, distribution, supply and sale to the public for power, heat and light, together with all rights and privileges necessary or convenient for the full enjoyment and use thereof, including the right of ingress and egress to and from said lines and also the right to cut down, trim and chemically treat any trees and undergrowth within the easement areas or adjacent to said easement areas that may interfere with the safe operation of said lines. The easement hereby granted shall be limited to the strip of land ten (10) feet in width lying five (5) feet on each side of the facilities installed on the property. It is also agreed and understood that no facilities shall be placed on the property without the prior consent of the owner of the property.

TO HAVE AND TO HOLD the same to the said Gulf Power Company, its successors and assigns, forever.

IN WITNESS WHEREOF, the Grantor has executed this instrument this 22nd day of August, 2005.

THE CALYPSO DEVELOPERS III, LLC
A Florida limited liability company

By: A & J Holdings, LLC
A Florida limited liability company
Its Member

By: Alan M. O'Neal
Alan M. O'Neal
Its Manager

WITNESSES

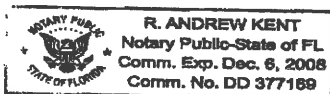
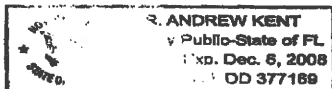
Witness John P. Daves
(Print or type full name)

Witness R. Andrew Kent
(Print or type full name)

STATE OF FLA-DA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 22nd day of August, 2005 by ALAN M. O'NEAL as Manager of A & J HOLDINGS, LLC, a Florida limited liability company, on behalf of the company as a Member of THE CALYPSO DEVELOPERS III, LLC, a Florida limited liability company, on behalf of the company, and is personally known to me or who has produced _____ as identification, and who did/did not take an oath.

STAMP



NOTARY PUBLIC

R. Andrew Kent

5/10/2016

Landmark Web Official Records Search

OR BK 2745 PG 703

Exhibit "A"

DESCRIPTION: PARCEL I

A PARCEL OF LAND BEING ALL OF LOT 12, A PORTION OF LOTS 10, 11, 56 AND 57, AND A PORTION OF PALMETTO STREET, F.A. BLACK'S ORIGINAL PLAT, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGE 38 IN THE OFFICE OF THE CLERK OF BAY COUNTY, FLORIDA, AND A PARCEL OF LAND BEING A PORTION OF THE NORTH ONE-HALF OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 18 WEST; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS

FOR A POINT OF BEGINNING, COMMENCE AT THE SOUTHWESTERLY CORNER OF SAID LOT 12, F.A. BLACK'S ORIGINAL PLAT; THENCE NORTH 32 DEGREES 04 MINUTES 53 SECONDS EAST, ALONG THE NORTHWESTERLY LINE OF SAID LOT 12, AND ITS EXTENSION ACROSS SAID PALMETTO STREET, AND ALONG THE NORTHWESTERLY LINE OF SAID LOT 56, 393.00 FEET, THENCE SOUTH 57 DEGREES 55 MINUTES 07 SECONDS EAST, PARALLEL TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 98A (100.00 FOOT WIDE RIGHT-OF-WAY), 111.52 FEET; THENCE SOUTH 12 DEGREES 08 MINUTES 12 SECONDS WEST, 418.07 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID U.S. HIGHWAY NO. 98A; THENCE NORTH 57 DEGREES 55 MINUTES 07 SECONDS WEST, ALONG THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID U.S. HIGHWAY NO. 98A, 254.13 FEET TO THE SOUTHWESTERLY CORNER OF SAID LOT 12, AND THE POINT OF BEGINNING. SAID PARCEL CONTAINING 1.85 ACRES MORE OR LESS.

5/10/2016

Landmark Web Official Records Search

File # 2006014925, OR BK 2745 Page 706, Recorded 03/03/2006 at 01:04 PM,
Harold Bazzel, Clerk Bay County, Florida Doc. D \$0.70 Deputy Clerk DW Trans
737996



This Legal Document
Prepared by D. R. Schofield
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0093

EASEMENT FOR ELECTRIC SERVICE

WO#
TAX ID# 33755-050-000; 33758-000-000
EN#

STATE OF FLORIDA
COUNTY OF BAY

KNOW ALL MEN BY THESE PRESENTS that THE CALYPSO DEVELOPERS I, LLC, A FLORIDA LIMITED LIABILITY COMPANY, whose address is 101-A BUSINESS CENTER DRIVE, DESTIN, FL 32550 (hereinafter "Grantor"), for and in consideration of the sum of One And 00/100 Dollars (\$1.00) in hand paid by GULF POWER COMPANY, a Maine corporation (Grantee), whose address is One Energy Place, Pensacola, Florida 32520-0093, the receipt whereof is hereby acknowledged, does hereby grant and convey to said Gulf Power Company, its successors and assigns, the perpetual right to lay, bury, construct, operate, maintain, dig up and repair an underground and/or overhead electrical distribution system and necessary related overhead facilities, with all necessary conductors, ducts, conduit, transformers, connection boxes, facilities and equipment, necessary or convenient in connection therewith from time to time, together with all rights and privileges necessary or convenient for the full enjoyment or use thereof for the aforesaid purposes, including the right of ingress and egress thereto and therefrom, along, under and across the following described property in Bay County, Florida, to-wit:

SEE ATTACHED EXHIBIT "A"

for the transmission, distribution, supply and sale to the public for power, heat and light, together with all rights and privileges necessary or convenient for the full enjoyment and use thereof, including the right of ingress and egress to and from said lines and also the right to cut down, trim and chemically treat any trees and undergrowth within the easement areas or adjacent to said easement areas that may interfere with the safe operation of said lines. The easement hereby granted shall be limited to the strip of land ten (10) feet in width lying five (5) feet on each side of the facilities installed on the property. It is also agreed and understood that no facilities shall be placed on the property without the prior consent of the owner of the property.

TO HAVE AND TO HOLD the same to the said Gulf Power Company, its successors and assigns, forever.

IN WITNESS WHEREOF, the Grantor has executed this instrument this 22nd day of August 2005.

THE CALYPSO DEVELOPERS I, LLC
A Florida limited liability company

By: A & J Holdings, LLC
A Florida limited liability company
its Member

By: Alan M. O'Neal
Alan M. O'Neal
its Manager

WITNESSES

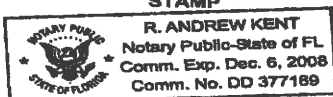
Witness [Signature]
John P. Davila
(Print or type full name)

Witness [Signature]
R. Andrew Kent
(Print or type full name)

STATE OF Florida
COUNTY OF Escambia

The foregoing instrument was acknowledged before me this 22nd day of August, 2005 by ALAN M. O'NEAL as Manager of A & J HOLDINGS, LLC, a Florida limited liability company, on behalf of the company as a Member of THE CALYPSO DEVELOPERS I, LLC, a Florida limited liability company, on behalf of the company, and is personally known to me or who has produced _____ as identification, and who did/did not take an oath.

STAMP



NOTARY PUBLIC

[Signature]

RECEIPT FOR CONDOMINIUM DOCUMENTS

The undersigned acknowledges that the documents checked below have been received or, as to plans and specifications, made available for inspection.

Name of Condominium _____

Address of Condominium _____

Place a check in the column by each document received or, for the plans and specifications, made available for inspection. If a document uses a different name, substitute the correct name or place in parenthesis. If an item does not apply, place "N/A" in the column.

DOCUMENT	RECEIVED BY HARD COPY	RECEIVED BY ALTERNATIVE MEDIA
Prospectus Text		
Declaration of Condominium		
Articles of Incorporation		
Bylaws		
Estimated Operating Budget		
Form of Agreement for Sale or Lease		
Rules & Regulations		
Covenants and Restrictions		
Ground Lease		
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Renewable Management Contracts		
Lease of Recreational and Other Facilities to be Used Exclusively by Unit Owners of Subject Condominium(s)		
Lease of Recreational and Other Facilities to be Used by Unit Owners with Other Condominiums		
Declaration of Servitude		
Sales Brochures		
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Form of Unit Lease if a Leasehold		
Description of Management for Single Management of Multiple Condominiums		
Conversion Inspection Report		
Conversion Termite Inspection Report		
Plot Plan		
Floor Plan		
Survey of Land and Graphic Description of Improvements		
Frequently Asked Questions & Answers Sheet		
Financial Information		
State or Local Acceptance/Approval of Dock or Marina Facilities		
Evidence of Developer's Ownership, Leasehold or Contractual Interest in the Land Upon Which the Condominium is to be Developed		
Executed Escrow Agreement		
Other Documents (Insert Name of Document)		
Alternative Media Disclosure Statement		
Plans and Specifications		

THE PURCHASE AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF EXECUTION OF THE PURCHASE AGREEMENT BY THE BUYER AND RECEIPT BY THE BUYER OF ALL OF THE DOCUMENTS REQUIRED TO BE DELIVERED TO HIM OR HER BY THE DEVELOPER. THE AGREEMENT IS ALSO VOIDABLE BY THE BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OF MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE BUYER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15 DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE DOCUMENTS REQUIRED. BUYER'S RIGHT TO VOID THE PURCHASE AGREEMENT SHALL TERMINATE AT CLOSING.

Executed this _____ day of _____, 20_____.

Signature of Purchaser or Lessee

Signature of Purchaser or Lessee

ANSWERS TO FREQUENTLY ASKED QUESTIONS

Calypso Towers Resort Condominium Association, Inc.

As of 5-10-2016

Q. What Are My Voting Rights in The Condominium Association?

A. Each Unit in the Condominium is entitled to one (1) vote.

Q. What Restrictions Exist in The Condominium Documents on My Right to Use My Unit?

A: There are restrictions on the sale, lease or transfer of your Unit. There are various restrictions on the use of your unit, and these are summarized in Paragraph 6 of the Prospectus and are set forth in detail in Article IX of the Declaration of Condominium.

Q. What Restrictions Exist in The Condominium Documents on The Leasing of My Unit?

A. Any lease shall cover the entire unit, and be for a minimum of three (3) days. Any tenant, guest or invitee must comply with all Rules and Regulations. See Article IX, Section D(1) of the Declaration.

Q. How Much Are My Assessments to The Condominium Association For My Unit Type And When Are They Due?

A. Assessments are due on a monthly basis. Assessments per unit are as follows:

Q. Do I Have to Be a Member in Any Other Association? If So, What Is The Name of The Association And What Are My Voting Rights in This Association? Also, How Much Are My Assessments?

A. No.

Q. Am I Required to Pay Rent or Land Use Fees For Recreational or Other Commonly Used Facilities? If So, How Much Am I Obligated to Pay Annually?

A. As a member of the Association, you will pay a share of the expenses for operating, maintaining, managing and replacing certain community property. All of these are included in your annual assessment. See the Operating Budget attached as Exhibit "D" to the Prospectus.

Q. Is the Condominium Association or Other Mandatory Membership Association Involved in Any Court Cases in Which it May Face Liability in Excess of \$100,000? If So, Identify Each Such Case.

A. No.

NOTE: THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, EXHIBITS HERETO, THE SALES CONTRACT, AND THE CONDOMINIUM DOCUMENTS.

PROSPECTUS
FOR
CALYPSO TOWERS III,
A CONDOMINIUM

**CALYPSO TOWERS III,
A CONDOMINIUM**

- 1. THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.**
- 2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE BUYER SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS AND SALES MATERIALS.**
- 3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS**

**IMPORTANT MATTERS TO BE CONSIDERED IN
ACQUIRING A CONDOMINIUM UNIT**

THIS CONDOMINIUM IS CREATED AND BEING SOLD IN FEE SIMPLE INTERESTS.

See Paragraph 2 of the text of this Prospectus.

UNIT OWNERS ARE REQUIRED TO PAY THEIR SHARE OF THE COSTS AND EXPENSES OF MAINTENANCE, MANAGEMENT, UPKEEP, REPLACEMENT, RENT, AND FEES UNDER THE COMMUNITY PROPERTY AGREEMENT.

See the Community Property Agreement (Exhibit "L" to this Prospectus).

RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION.

See the Community Property Agreement (Exhibit "L" to this Prospectus)

THE DEVELOPER HAS THE RIGHT TO RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS HAVE BEEN SOLD.

See Article VII of the Association's By-Laws (Exhibit "C" to this Prospectus).

THE SALE, LEASE OR TRANSFER OF UNITS IS RESTRICTED OR CONTROLLED.

See Article IX of the Declaration of Condominium (Exhibit "A" to this Prospectus).

THIS CONDOMINIUM IS PART OF A MULTICONDOMINIUM DEVELOPMENT IN WHICH OTHER CONDOMINIUMS MAY BE OPERATED BY THE SAME ASSOCIATION.

See Paragraph 7 of this Prospectus, Article XVII of the Declaration of Condominium and the Community Property Agreement (Exhibit "L" of this Prospectus).

THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FROM THE USE, MAINTENANCE, UPKEEP, OR REPAIR OF THE RECREATIONAL OR COMMONLY USED FACILITIES. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.

See Paragraph 3.B.3. of this Prospectus and Paragraph 9 of COVENANTS of the Community Property Agreement (Exhibit "L" of this Prospectus).

THE BUDGET CONTAINED IN THIS OFFERING CIRCULAR HAS BEEN PREPARED IN ACCORDANCE WITH THE CONDOMINIUM ACT AND IS A GOOD FAITH ESTIMATE ONLY AND REPRESENTS AN APPROXIMATION OF FUTURE EXPENSES BASED ON FACTS AND CIRCUMSTANCES EXISTING AT THE TIME OF ITS PREPARATION. ACTUAL COSTS OF SUCH ITEMS MAY EXCEED THE ESTIMATED COSTS. SUCH CHANGES IN COST DO NOT CONSTITUTE MATERIAL ADVERSE CHANGES IN THE OFFERING.

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**PROSPECTUS (OFFERING CIRCULAR)
FOR
CALYPSO TOWERS III, A CONDOMINIUM**

This Prospectus is submitted by Calypso Tower III, LLC (the "Developer"), in accordance with the disclosure requirements contained in Chapter 718, Florida Statutes (the "Condominium Act").

1. **Description of the Condominium.**

A. The name of the condominium is Calypso Towers III, a Condominium ("Calypso Towers III"). It is located at 15928 Front Beach Road, Panama City Beach, Florida, 32407. The legal description of the land is found in Exhibit "B" to the Declaration (Exhibit "A" to the Prospectus).

B. Calypso Towers III includes one (1) buildings which consists of units as follows:

<u>Unit Type</u>	<u>Number of Units</u>
Unit A (3 bed/3 bath/1,812 sq. ft.)	21
Unit A-1 (3 bed/3 bath/2122 sq. ft.)	21
Unit B (3 bed/2 bath/1,563 sq ft)	82
Unit C (1 bed/1.5 bath/1101 sq. ft.)	42
Unit D (1 bed/2 bath/1,103 sq. ft.)	82
Unit D-1 (1 bed/2 bath/1,235sq. ft.)	2
Retail Unit (4,676 sq. ft.)	1
Reception Desk (120 sq. ft)	1
Snack Bar (1,655 sq. ft)	1
Electrical Closet (65 sq. ft.)	44

Commercial units are entitled to one vote each. Every unit will include an undivided share of the common surplus and common expense based on their respective square footage.

All units are located in a single 22 story tower. The square footage include balconies, if any.

C. The improvements included within Calypso Towers III are more particularly described in Exhibit "E" to the Prospectus.

D. Barring force majeure, the estimated latest date of completion of construction, finishing and equipping of Calypso Towers III is expected to be December 31, 2019.

E. Calypso Resort & Towers is a master-planned development that may be developed in multiple stages consisting of separate condominiums and other forms of development, including retail facilities. Calypso Towers III is the final stage of the Calypso Resort & Towers. Paragraph 8 of this Prospectus describes the Developer's plan in more detail. All the units within the Calypso Resort & Towers may use certain facilities in common. The maximum number of units that may use facilities in common with the condominium, as the project is currently anticipated, is 646 residential units and 49 commercial units.

F. Calypso Towers III is subject to the following easements of record, in addition to the Community Property arrangements described below:

- Drainage Ditch Easement to the State of Florida;
- Easement for a walkway for pedestrian use and travel;
- Easement to Comcast of Panama City, Inc. for cable installation
- Easement to Knology of Panama City, Inc. for cable transmission
- Easements to Gulf Power for electrical service

Copies of the foregoing instruments are attached as Exhibit "N".

2. **Type of Ownership.**

THIS CONDOMINIUM IS CREATED AND BEING SOLD IN FEE SIMPLE INTERESTS.

3. **Commonly-Used Facilities.** Calypso Resort & Towers is proposed to be developed in stages. It includes recreational and other commonly used facilities that are used only by Unit Owners of a particular stage and also includes commonly used facilities that are used by all the owners of all of the stages of Calypso Resort and Towers (the "Community Property"). These two (2) types of commonly used facilities are described in more detail as follows:

A. **Exclusive-Use Facilities.** A description of the recreational and other commonly used facilities that will be used only by Calypso Towers III Unit Owners is attached hereto as Exhibit "I" of the Prospectus. Exhibit "I" includes a description of each room and its intended purposes, location, approximate floor area and the capacity in numbers of people. The Developer does not commit to provide any personal property for the facilities. The Developer anticipates that the facilities will be available no later than December 31, 2019. The approximate location of the recreational and commonly used facilities that will be used only by Calypso Towers III Unit Owners is set forth on Exhibit "D" to the Declaration. Each such room or other facility will be owned by the Unit Owners as a Common Element of Calypso Towers III.

B. **Community Property.**

1. Description. A description of the recreational and other commonly used facilities that will be used by both Calypso Towers III Unit Owners and also the owners of units in other stages of the Calypso Resort & Towers is attached hereto as Exhibit "I" and made a part hereof. The Exhibit includes a description of each room and its intended purposes, approximate floor area and capacity in numbers of people. The Developer does not commit to provide any personal property for the facilities. The Developer anticipates that the facilities will be available no later than December 31, 2019. The Exhibit also includes a description of each swimming pool, and its approximate size and depth, approximate deck size and capacity, and whether it is heated. The Community Property will also include a pedestrian walkover across Highway 98 and a parking garage. Details of these items are included in Exhibit "L". The approximate location of the recreational and commonly used facilities that will be used by all the unit owners within the Calypso Resort and Towers is set forth on Exhibit "E". Each room or other facility that will be used by all of the Unit Owners of Calypso Resort & Towers will be subject to the use rights and privileges granted by the Association for the use and benefit of all of the unit owners of the Calypso Resort & Towers. The maximum number of residential Units that will share the Community Property is 646.

2. Ownership. The commonly-used recreational and other facilities identified as Community Property are not "common elements"; rather, they will initially be owned by the Developer subject to the use rights and privileges granted by the Community Property Agreement to the Association in trust for the unit owners of Calypso Resort & Towers. The Community Property will ultimately be conveyed to the Association in trust for the unit owners of Calypso Resort & Towers. For specific terms, conditions, and other information, refer to the Community Property Agreement attached to this Prospectus as Exhibit "L". Upon the expiration of the Community Property Agreement, the Developer is required to convey the Community Property to the Association, and the

Association is required to accept those facilities. During the term of the Community Property Agreement, the Association covenants to pay the Developer, on a monthly basis, the actual cost incurred by the Developer in operating, maintaining, and insuring or improving the Community Property, including any cost as may in the opinion of the Developer be reasonably related thereto, for the purposes for which the Community Property is intended.

3. Costs.

UNIT OWNERS ARE REQUIRED TO PAY THEIR SHARE OF THE COSTS AND EXPENSES OF MAINTENANCE, MANAGEMENT, UPKEEP, REPLACEMENT, RENT, AND FEES UNDER THE COMMUNITY PROPERTY AGREEMENT.

THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FROM THE USE, MAINTENANCE, UPKEEP, OR REPAIR OF THE RECREATIONAL OR COMMONLY USED FACILITIES. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.

The cost paid by the Association to the Developer will be a common expense of the Association and of each of the condominiums operated by it and will ultimately be paid by each unit owner of Calypso Resort & Towers as part of his monthly Association maintenance assessment. Specific types of costs included are set forth in more detail in Paragraph 2 of the Community Property Agreement (attached as Exhibit "L" to this Prospectus). The rights of the Developer with respect to such costs as set forth in Paragraph 9 of the COVENANTS section of the Community Property Agreement. Estimated costs related to Community Property are included within the estimated operating budget of the Association, attached as Exhibit "D".

4. Developer's Right to Increase Recreational Facilities.

RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION.

Pursuant to the Community Property Agreement, the Developer has reserved the right to expand the Community Property provided that such expansion does not result in more than a fifteen percent (15%) increase of an owner's assessment for Community Property above the current budget levels. Further, at any point during the development period for Calypso Resort & Towers, the amount expended by the Developer for improvements to Community Property shall be at least Fifty Dollars (\$50.00) per unit then served by the Community Property.

4. Developer's Marketing Plan. The Developer's marketing plan does not include a program of leasing units rather than selling them, except that the Developer may lease units after their completion and pending their sale; provided, however, no unit will be transferred subject to any lease.

5. Control of the Association.

Control of the Association has already been turned over to the Unit Owners.

6. Restrictions on Sale or Lease of Unit.

THE SALE, LEASE OR TRANSFER OF UNITS IS RESTRICTED OR CONTROLLED.

Restrictions on the sale, lease, and transfer of Units are described in Article IX of the Declaration of Condominium (Exhibit “A” to this Prospectus).

7. **Multi-Condominium.**

THIS CONDOMINIUM IS PART OF A MULTICONDOMINIUM DEVELOPMENT IN WHICH OTHER CONDOMINIUMS ARE OPERATED BY THE SAME ASSOCIATION.

Calypso Towers III will be operated by Calypso Towers Resort Community Association, Inc., a Florida not-for-profit corporation (the “Association”), that will ultimately be composed of all of the unit owners of all the stages of Calypso Resort & Towers. Members of the Association shall consist of all of the record owners of units in such condominiums as may, from time to time, be submitted to the jurisdiction of the Association. The Unit Owners in Calypso Towers III will be included in the membership of the Association. It is currently anticipated that the Association will operate three (3) separate condominiums included within Calypso Resort & Towers. A summary of those condominiums follow:

<u>Stage</u>	<u>Condominium Name</u>	<u>Number of Buildings</u>	<u># Residential Units</u>
1	Calypso Towers I	3	198
2	Calypso Towers II	1	198
3	Calypso Towers III	1	250

The phases described above will not change. Calypso Towers I and Calypso Towers II are each located on approximately 0.333 acres of land, and Calypso Towers III will be located on approximately 0.982 acres of land.

In addition, the Association will operate those parts of Calypso Resort & Towers which are not included within the real property submitted to the Declaration of Condominium for the various condominiums that are part of Calypso Resort & Towers and which are generally referred to as “Community Property” herein, and which are subject to the Community Property Agreement. All Unit Owners will have the right to use recreational or other facilities located or planned to be located within the Community Property.

Each Unit Owner of each condominium will own an undivided share in the property, common elements, and common surplus of its condominium, and will be liable for an equal share of the common expenses of that condominium. In addition, the Association will assess each Unit Owner a share of the expenses associated with the Community Property based on the proportion that each Unit’s square footage is to the total square footage of all Units.

Calypso Towers I and Calypso Towers II are already constructed on the south side of Highway 98, as depicted on the graphical depictions attached hereto. Calypso Towers III is planned for the north side of Highway 98, across from Calypso Towers II. A master plan showing a general description of the location and acreage of the subsequent stages is included in the Community Property Agreement, Exhibit “L” to this Prospectus.

9. **Restrictions on Use of Condominium Units.** The restrictions on the use of units are set forth in Article IX of the Declaration of Condominium, and in the Association rules and regulations, attached as Exhibit “H” hereto. There are no restrictions on children, except for some special pool rules which apply to children, attached as Exhibit “H” hereto. There are no restrictions on pets other than those set forth in Article IX of the Declaration of Condominium and Rule Number 6.

10. **Utility Service.** Utilities and other services and supplied to Calypso Towers III by the following entities or in the following manner:

- A Sanitary Sewage- City of Panama City Beach
- B. Refuse Collection- Waster Pro, Inc., or a comparable provider
- C. Water Supply- City of Panama City Beach
- D. Storm Drainage- City of Panama City Beach
- E. Electricity- Gulf Power will provide electricity to the condominium building. The electricity will be distributed to the individual condominium units through a system which will be maintained by the developer or its successor.
- F. The Developer has entered into a 10-year bulk purchasing agreement with AT&T for telephone, television, and internet service. AT&T will install its "U-Verse 200" product which will consist of a fiber-optic cable network installed in every residential unit throughout the Calypso Tower III building. The Developer, or another service provider, will resell the service to the Association, which will be a pass-through expense to each individual unit owner in the Calypso Tower III building at a price point that will be less expensive than standard retail pricing. With the "U-Verse 200" product, each residential unit will get high quality HD television programming with approximately 360 channels (including local channels), sports channels, HD-ready DVRs, internet service, and telephone service. The unit owners will have the ability to add premium movie channels directly from AT&T on a cost per channel basis.

Each Unit Owner will be responsible for setting up its own electricity and telephone service, and for paying all utility connection fees. Water, sanitary sewer, cable service, and refuse collection are included in the assessment.

- 11. **Apportionment of Common Expenses and Ownership.** The common expenses and the percentage of ownership of the common elements has been apportioned among the units of Calypso Towers III on the basis that the approximate square footage of each unit bears to the approximate square footage of all the units. In Calypso Towers III.

The common expenses of the Community Property will be apportioned among the various condominiums of Calypso Resort & Towers on the basis of the relative square footage of all the units.

- 12. **Estimated Closing Cost and Title Insurance.** A schedule of the estimated closing costs to be paid by a purchaser is attached hereto as "Exhibit J". An owner's policy of title insurance will be available on or after the closing at Developer's expense. Purchasers shall pay at closing to the Association a sum equal to one (1) monthly maintenance assessment as a capital contribution to the Association. Additionally, a Purchaser will pay the prorated portion of the monthly maintenance payment for the month in which the sale closes from the date of closing to the end of the calendar month.

- 13. **Identify of Developer.**

Even though Calypso Tower III, LLC has no prior experience in condominium development, one of the strengths of the Calypso Resort and Towers development, located in Panama City Beach, Florida, is the experience of the development team.

William H. Smith - Founded Pelican Real Estate and Development Company and is a strategic principal for Calypso Tower III and as such will co-lead the development team for this Project. In 1995, Smith founded Pelican Real Estate & Development Company with one office in Seagrove Beach and six agents. . In 2017, Pelican Real Estate and Development Company merged with Century 21 Blue Marlin to create Mr. Smith's current firm of Century 21 Blue Marlin Pelican with office located throughout northwest Florida. Dubbed the "Billion Dollar Baby" after sales topped \$1,000,000,000 in 2005, Pelican Real Estate and Development is now considered to be the largest independent real estate firm in all of Northwest Florida. Key developments include:

- Majestic Sun: Took over sales and development of this 288-unit luxurious Gulf front condominium at the construction phase. A Pelican sales office was established onsite that upon the project's completion in 2006 closed over \$60,000,000 in sales volume

- Calypso Resort & Towers I & II: Pelican established an onsite sales office at this 396-unit luxury condominium on Panama City Beach. Ninety percent of the units were under reservation within 90 days of release with Pelican agents closing in excess of \$116,000,000 in sales volume upon the project's completion in 2006.
- Magnolia Cottages By the Sea: Released in July, 2004, this community consisting of 63 coastal-style cottages slated for the highly desirable 30-A area experienced \$23,000,000 in sales volume. Each of the homes feature private courtyards and are separated from one another by thick, wooded vegetation.
- Creek Park: Phase II of Magnolia Cottages: 38 single family lots.
- Forest Lakes: Located mere blocks from the sugar-white sands of the Gulf of Mexico's Emerald Coast, Forest Lakes is a family beach community accessible from a scenic highway that traces Florida's natural coastline. This community consists of 150 single family homesites with a sales volume over \$25,000,000.
- Pointe of View: A 172-unit apartment-condo conversion in Destin released October 15, 2003. In a mere 14 days 172 units were under reservation and a sales volume nearing \$18,000,000 was closed within 90 days. An established company clientele accounted for a fully sold-out project with back-up purchasers waiting in the wings.

Thomas D. Johnson, Jr, Mimosa Co-Founder and Managing Member - Thomas holds a MBA from The University of Alabama and a B.S.B.A. degree from Auburn University at Montgomery. Since August 2013, the majority of Thomas's time has been dedicated as the managing member of Mimosa Capital LLC and its affiliated businesses (the Mimosa Companies). Prior to founding the Mimosa Companies, Thomas joined Triton Management Group in February 2010 and assumed the role of Chief Financial Officer serving in that capacity until December 2013.

Prior to affiliating with Triton, Thomas was an officer at Movie Gallery/Hollywood Entertainment, a \$2.5 billion publicly traded-company, serving as its SVP of Finance and then was promoted to EVP and Chief Financial Officer. Prior to joining Movie Gallery, he had over 20 years of experience as a finance executive at Russell Corporation, Wolverine Tube, Blount International, KinderCare Learning Centers, and the Alabama Securities Commission. In addition, Thomas served as the Vice Chairman of the Board of Directors for Childcare Network, Inc., a portfolio company of Glencoe Capital Partners, from November of 2008 through May of 2014. Since 2008, Thomas has served as the Governor's appointee to the Private Colleges and Universities Facilities Authority for the State of Alabama and currently serves as the Chairman of the Authority for the Governor.

Marc E. Evans, Mimosa Capital Principal - After graduating with a B.S.B.A. degree from Auburn University, Marc joined Triton in a full-time capacity in December 2010. As Junior Product Manager, Marc assisted the executive management team with new product development and implementation. In January 2012, he became Vice President of Finance where he developed and managed Triton's commercial lending portfolio. In June 2013, Marc formed Domus Properties, LLC for the purpose of acquiring, refurbishing, and reselling REO, short sale, wholesale, and foreclosure properties. Today, Marc's time is dedicated as a principal of Mimosa Capital LLC and its affiliated business (the Mimosa Companies).

Recent real estate development projects of the Mimosa Capital include:

- WatersEdge of Niceville, Florida: In December of 2015, the Company formed a special purpose entity to acquire and develop 15± acres of waterfront property in Niceville with deep water access on Rocky Bayou. The primary homebuilder for this project is Randy Wise Homes and the development consists of 30 executive lots with price points ranging: between \$124,000 and \$475,000 depending on the lot's size and waterfront view. With approximately 60% of the lots under contract or sold, the Company believes this project will be concluded by June 2018.

- Sea View Trace LLC: In October of 2014, the Company formed special purpose entity for the specific purpose of acquiring a platted subdivision comprised of 8 executive lots in Inlet Beach located in South Walton County Florida. The subdivision was sold in its entirety in March of 2015 to a private executive home builder concluding the activities of this business unit.
- Grande Pointe at Inlet Beach, Florida: In April of 2014, Inlet Beach Holdings ("IBH"), a wholly-owned subsidiary of the Company, closed on the acquisition of the Inlet Beach

Exhibit “A”
Declaration of Condominium

DECLARATION OF CONDOMINIUM
OF
CALYPSO TOWERS III, A CONDOMINIUM

Developer hereby submits the Property, as hereinafter defined, and the improvements constructed and to be constructed thereon, to condominium ownership in the manner provided by the Act, and makes the following declarations:

DEFINITIONS

The following terms shall have the following meanings when capitalized and used in this Declaration. Capitalized words not defined herein shall have the meaning ascribed to them in the Act.

“Act” - Chapter 718, Florida Statutes, as it existed on the date of recording of this Declaration. This Condominium shall be governed by the Act as it existed on the date of recording of this Declaration.

“Articles of Incorporation” - The Articles of Incorporation of the Association.

“Assessments” - A pro-rata share of the funds which are required for the payment of Common Expenses, including expenses arising from the Community Property Agreement, which from time to time are assessed against the Unit Owners.

“Association” - Calypso Towers Resort Community Association, Inc., a Florida not for profit corporation, and the entity responsible for the operation of Common Elements and the Community Property

“By-Laws” - The By-Laws of the Association.

“Calypso Resort and Towers” - The overall project of the Developer, which Developer currently projects will include five buildings, and which is subject to change without notice.

“Commercial Units” – Units not designed for primarily for permanent or transient residential use.

“Common Elements” - That portion of the Property not included in the Units.

“Common Expenses” - All expenses properly incurred by the Association in the performance of its duties, and shall include expenses of administration, expenses of insurance, expenses of maintenance, operation, repair, replacement, reserves, and betterment of the Common Elements and the portions of the Unit to be maintained by the Association, and expenses declared to be common by the provisions of this Declaration, the By-Laws, the Community Property Agreement, or otherwise.

“Common Surplus” - The excess of all receipts by the Association on account of the Condominium over the Common Expenses.

“Community Property” - Property subject to the Community Property Agreement, attached hereto as **Exhibit “A”**.

Community Property Agreement - That certain agreement attached hereto as **Exhibit “A”**, as it may be amended from time to time.

“Condominium” - The Condominium herein created, known as “Calypso Towers III, a Condominium”.

“Declaration” - This Declaration of Condominium.

“Developer” - Calypso Tower III, LLC, a Florida limited liability company.

“Directors” - Members of the Board of Directors of the Association, acting as the Board of Directors consistent with any provisions of the By-Laws or the Articles.

“Property” - The real property hereby submitted to condominium ownership as more particularly described on **Exhibit “B”** hereto, and all improvements thereon and appurtenances thereto, and easements and other rights related thereto.

“Unit” - That portion of the Property subject to exclusive ownership and designated by the Declaration and the exhibits hereto as a Unit.

“Unit Owner” - The record owner of a Unit.

ARTICLE I

NAME

The Condominium shall be known as “Calypso Towers III, a Condominium”

ARTICLE II

PROPERTY

The Property legally described on **Exhibit “B”** hereto is hereby submitted to condominium ownership.

ARTICLE III

DEVELOPMENT PLAN

The Condominium is described and established as follows:

- A. Survey. The survey of the Property showing the improvements on it is attached as **Exhibit “C”**.
- B. Improvements. Improvements upon the Property are constructed substantially in accordance with the graphic description of the improvements attached hereto as composite **Exhibit “D”**. Exhibit “D” identifies each Unit by unique number.
- C. Easements. The Developer hereby creates and reserves the following certain easements, each of which is a covenant running with the Property and the Condominium, and notwithstanding any of the other provisions of this Declaration, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended use and purpose, and shall survive the termination of the Condominium and the exclusion of any lands from the Condominium:
 1. Utility Easements. Easements are reserved through the Property as may be required for utility service or ingress and egress to serve the Condominium adequately and the Developer or Association may grant permits, licenses and easements over, under or upon the Common Elements for utilities, ingress and egress or other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium. Provided, however, such easements to a Unit shall be only according to the plans and specifications for the Property, or as the Property is constructed, unless approved in writing by the Unit Owner, or the Developer during construction.
 2. Cross Easements. Reciprocal easements are hereby created in favor of all

Unit Owners in any condominium associated with the Calypso Resort and Towers which may from time to time be submitted to the governance of the Association, for pedestrian and vehicular ingress and egress, for use of recreational facilities, such as beach access, swimming pools, and for ingress and egress to provide power, electric, telephone, cable, gas, sewer, water and other utility services and lighting facilities, irrigation, television transmission facilities, security service and facilities in connection therewith and other similar purposes; or any one or all of the foregoing. Developer, for itself, its nominee, its assigns and the Association, reserves an easement upon the Common Elements henceforth for any of the foregoing purposes.

3. Easements for Encroachments. The Common Elements of the Condominium may be joined or connected with or may encroach or be encroached upon by the Community Property or Units or portions thereof. In the event of the foregoing, the same is deemed authorized and an easement appurtenant to the extent of any such encroachment and such easement shall exist so long as such encroachment shall exist. Further, all the Property shall be subject to easements for encroachments which now exist or hereafter exist, caused by settlement or movement of a building, or caused by minor inaccuracies in building or rebuilding, which encroachments shall be permitted to remain undisturbed and such shall continue until such encroachments no longer exist. Reconstruction following casualty damage may continue any previously existing encroachment.
4. Ingress and Egress Easement. Each Unit Owner of the Condominium shall have a nonexclusive easement for ingress and egress between said Unit and the private roads and streets serving the Condominium, over the halls, corridors, stairs, walks, driveways, parking areas, covered walkways, exterior access and all other portions of the Common Elements of the Condominium and the Community Property. With respect to Commercial Unit Owners, this right shall extend to all employees, licensees, invitees, tenants, vendors, customers, and all other persons whom the Commercial Unit Owner deems appropriate for the operation of the Commercial Unit.
5. Access to Make Repairs. The Association has an irrevocable right of access to each Unit during reasonable hours, when necessary for maintenance, repair or replacement of any Common Elements or Community Property as necessary to prevent damage to the Common Elements, Community Property or to another Unit. The Association shall have those rights described in Section 718.111(5), F.S. (2016).
6. Structural Support. Every portion of a Unit contributing to the structural support of the Condominium or an adjacent Unit or Community Property shall be burdened with an easement of support for the benefit of all other Units and Common Elements in the Condominium.
7. Perpetual Nonexclusive Easement in Common Elements. The Common Elements shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive easement in favor of all the Unit Owners in the Condominium for their use and the use of their immediate families, guests and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended.
8. Right of Entry into Units in Emergencies. In case of an emergency originating in or threatening any Unit, regardless of whether or not the Unit Owner is present at the time of such emergency, the Association shall have the right to enter such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate and to facilitate entry in the event of any such emergency, each Unit

Owner, if required by the Association, shall deposit under the control of the Association, a key to such Unit. For the purpose of this provision, the term "emergency" shall mean damage to the Common Elements or to a Unit or Units.

9. **Right of Entry for Maintenance of Common Elements.** The Association has the irrevocable right to access each Unit during reasonable hours, when necessary for the maintenance, repair or replacement of any Common Elements or of any portion of a Unit to be maintained by the Association pursuant to the Declaration or as necessary to prevent damage to the Common Elements or to a Unit or Units, and shall have a key for each Unit for that purpose.
10. **Air Space.** An exclusive easement shall exist for the use of the air space occupied by a Unit as it exists at any particular time.
11. **Easements or Encroachments.** Easements for encroachments by the perimeter walls, ceilings and floor surrounding each Unit shall exist.
12. **Easement for Overhangs.** Easement for overhanging troughs or gutters, downspouts, chases, and the discharge therefrom of rainwater and the subsequent flow thereof over Units or any of them, and through chases located therein, shall exist. The area immediately under the overhang of the balconies on the first floor shall be available for the exclusive use of the Commercial Unit Owners adjacent to such area, and the Commercial Unit Owners may place tables, chairs, displays, and other furniture and fixtures in such space.
13. **Party Wall Easement.** In addition to easements provided by the general rule of law regarding party walls there shall be reciprocal appurtenant easements for the maintenance, repair and replacement of any party wall or walls, said easements to extend for a reasonable distance from any point in the common boundary between each Unit for the purpose of completing said maintenance, repair or replacement.
14. **Easement for Emergency Access.** There is hereby created an easement over and across the surface of the Property for access and passage by emergency and public safety, and public utility personnel and vehicles, including, without limitation, police, ambulance, paramedic, firefighting and refuse collection personnel and vehicles on official business. The easement hereby granted shall run to the benefit of the Association and the Unit Owners.
15. **Telephone, Cable, Electricity and Telecommunications Systems.** The Developer reserves unto itself, the exclusive power and authority, but not the obligation, to contract for, construct or install over, through, under, across, and upon any portion of the Property for the use of the Unit Owners and the Developer, its successors and assigns, one or more electrical distribution, telephone, cable, and/or telecommunications receiving and distribution systems, electronic surveillance systems, emergency, medical, or surveillance monitoring or alarm systems, and all associated equipment, lines, antennae, or satellites (hereinafter the "Equipment Systems"), together with the perpetual exclusive right and privilege of (i) unlimited ingress and egress to and upon, and use of, the Property, including Units, for installing, constructing, inspecting, repairing, maintaining, altering, moving, improving, and replacing the Equipment Systems, and (ii) distribution of signals and transmissions of whatever type. The Equipment Systems shall be owned and exclusively controlled by the Developer, its successors and assigns. The Developer, its successors and assigns, shall have a perpetual exclusive easement right and privilege to use portions of the Property for the Equipment Systems as

well as for the services to be provided thereby, in its sole discretion, so long as such use does not unreasonably interfere with the intended use of the Property by the Unit Owners. Services provided through these systems will be available for purchase by the Association or individual unit owners.

16. Easement for Other Sites. The Property is also subject to an easement to the Developer, and its successors and assigns, for the purpose of providing ingress and egress for roadways and utilities, including without limitation to, water, sanitary sewer, electric, gas, cable television, internet and telephone services to parcels of land adjacent to the Condominium and/or Community Property (the "Sites") that are not subject to the Declaration of Condominium.

The easements and other rights created herein for a Unit Owner shall be appurtenant to the Unit of that Unit Owner and all conveyances of title to the Unit shall include a conveyance of the easements and rights as are herein provided, even though no specific reference to such easements and rights appears in any such instrument.

- D. Unit Boundaries. Each Unit shall include that part of the building containing the Unit that lies within the boundaries of the Unit, which boundaries are as follows:

- (1) Upper and Lower Boundaries. The upper and lower boundaries of the Unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

- (a) Upper Boundary. The horizontal plane of the undecorated finished ceiling.

- (b) Lower Boundary. The horizontal plane of the undecorated finished floor.

- (2) Perimetrical Boundaries. The perimetrical boundaries of the Unit shall be the vertical planes of the undecorated finished interior surfaces of the walls bounding the Unit extended to intersections with each other and with the upper and lower boundaries. When there is attached to the building a balcony, deck, patio, canopy, stairway or other portion of the building serving only the Unit being bounded, the perimetrical boundaries shall be extended to include the intersecting vertical plan adjacent to and which include all of such structures and fixtures thereon. In cases where there is no wall separating units, the exhibits to this Declaration shall establish the location and dimension of the Units.

- E. Common Elements. The Common Elements are the portions of the Property not within a Unit.

ARTICLE IV

OWNERSHIP, SURPLUS AND EXPENSE

Each Unit Owner shall own an undivided share in the Property, the Common Elements, and the Common Surplus, and shall be liable for a share of the Common Expenses. The share for each Unit is as set forth on **Exhibit "E"**, attached hereto.

This is the third phase of a multicondominium, multiple condominiums operated by the Association, which shall be a portion of the Calypso Resort and Towers. Unit Owners at each condominium shall own an undivided share in the Property, Common Elements, and the Common Surplus for that condominium, and shall be liable for an equal share of the Common Expenses for such condominium. The Association owns certain facilities, known as "Community Property" which will be used by the Unit Owners of all the condominiums within

the multicondominium. The Association will assess each Unit Owner an equal share for the common expenses associated with the Community Property (i.e., each Unit Owner will be allocated that portion of the common expenses and common surplus associated with the Community Property equal to a fraction, the numerator of which is the square footage of the Unit and the denominator of which is the total square footage of all Units in all condominiums operated by the Association). Such Assessment shall be deemed a Common Expense for all purposes. During the time the Developer owns the Community Property, such Assessment shall be paid out to the Developer for the payment of all costs of operating, maintaining, insuring and improving the Community Property, including any costs as may in the opinion of the Developer be reasonably related thereto, for the purposes for which the Community Property is intended.

ARTICLE V

THE ASSOCIATION

- A. The Association is named "Calypso Towers Resort Community Association, Inc."
- B. Each Unit Owner shall be a member of the Association. Each Unit shall be entitled to one (1) vote, which vote shall be cast by the Unit Owner in the manner prescribed by the By-Laws of the Association. A copy of the Articles of Incorporation for the Association and the By-laws of the Association are attached hereto as **Exhibits "F" and "G"** respectively.
- C. **Limitation Upon Liability of Association.** Notwithstanding the duty of the Association to maintain and repair parts of the Property, the Association shall not be liable to Unit Owners for injury or damage, other than the cost of maintenance and repair, caused by any latent conditions of the property to be maintained and repaired by the Association, or caused by the elements or other Unit Owners or persons. The shares of Unit Owners in the funds, assets and property rights of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.
- D. **Approval or Disapproval of Matters.** Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by written agreement as well as by duly recorded vote and shall, in either event, be expressed by the same person who would cast the vote of the Unit Owner as if in an Association meeting, unless the joinder of record Unit Owners is specifically required by the Declaration.
- E. **Directors.** Directors must be Unit Owners in the Association, except that the Developer may appoint or select non-Unit Owners during the period in which the Developer may appoint Directors.

Section 718.301(1)(a)-(e), Florida Statutes, provides as follows:

"(1) When unit owners other than the developer own 15 percent or more of the units in a condominium that will be operated ultimately by an association, the unit owners other than the developer shall be entitled to elect no less than one-third of the members of the board of administration of the association. Unit owners other than the developer are entitled to elect not less than a majority of the members of the board of administration of an association:

"(a) Three years after 50 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;

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

"(c) When all the units that will be operated ultimately by the association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the developer in the

ordinary course of business;

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

“(e) Seven years after recordation of the declaration of condominium; or, in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to Section 718.403, 7 years after recordation of the declaration creating the initial phase, whichever occurs first. The developer is entitled to elect at least one member of the board of administration of an association as long as the developer holds for sale in the ordinary course of business at least 5 percent, in condominiums with fewer than 500 units, and 2 percent, in condominiums with more than 500 units, of the units in a condominium operated by the association. Following the time the developer relinquishes control of the association, the developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the association or selecting the majority members of the board of administration.”

Except for those matters for which the Condominium Act requires Unit Owner approval, and for those voting rights which the Condominium Act grants to Unit Owners other than the Developer, until required by the Condominium Act including Section 718.301 thereof, or until the Developer or any subsequent developer elects to terminate their control of the Association and the condominiums operated by it, whichever occurs first, the proceedings of all meetings of Unit Owners of the Association shall have no effect unless approved by the Board of Directors. During the time the majority of the directors serving on the Board of Directors are appointees of the Developer, the Developer reserves the right to chair or designate a representative to chair meeting(s) of Unit Owners.

- F. Acquisition, Conveyance of Property. The Association shall be obligated to accept any property designated by the Developer as “Community Property” pursuant to the Community Property Agreement. Subject to the provisions of the Community Property Agreement, the Association may acquire, convey, lease, or manage Association property or make material alterations, modifications or substantial additions to the Common Elements, or to real property owned by the Association by approval of the Directors of the Association at a meeting noticed for that purpose.
- G. In the event any government agency, whether local, state, or federal, determines that the Condominium is a “resort condominium” pursuant to Chapter 509, Florida Statutes, or requires the Developer or the Association to obtain a license as a “resort condominium” for the Condominium, or in the event the Association decides to obtain license to be a “resort condominium”, the Association, at its sole cost and expense, shall apply for and obtain appropriate licensing, and shall take all necessary steps to be in full compliance with the statutes, rules, and other requirements governing such licensing. Unit Owners shall reasonably cooperate with the Association to obtain and maintain such licensing. Unit Owners may live in the residential Units on a full time basis.

ARTICLE VI

ASSESSMENTS

The making and collection of Assessments against Unit Owners for Common Expenses, including Common Expenses incurred pursuant to the Community Property Agreement, shall be pursuant to the By-Laws and subject to the following provisions:

- A. In General. As more particularly provided in the By-Laws, each Unit Owner shall be liable for, and shall be assessed for, a proportionate share of the Common Expenses, such share being as described on **Exhibit "E"**. The Developer hereby specifically incorporates by this reference the provisions of Sections 718.116(1)(a) (liability for Assessments) and 718.116(2) (no waiver), Florida Statutes.
- B. Late Charges. Assessments and installments on such Assessments paid on or before ten (10) days after the date when due shall not bear interest. All sums not paid on or before ten (10) days after the date when due shall bear interest at the maximum legal rate from the date when due until paid. The Association may charge an administrative late fee in addition to such interest, in an amount not to exceed the greater of \$25.00 or five percent (5%) of each installment of the Assessment for each delinquent installment that the payment is late. Any payment received by the Association shall be applied first to any interest accrued by the Association, then to any costs and reasonable attorneys fees incurred in collection, and then to the delinquent Assessment.
- C. Liability of Developer. If the Developer is offering Units for sale, it shall be excused from payment of Assessments against those unsold Units for a period no later than the first day of the fourth calendar month following the month in which the first closing occurs of a purchase contract for a Unit. However, the Developer must pay Common Expenses incurred during such period which exceed regular periodic Assessments against other Unit Owners. So long as the Association has maintained all insurance coverage required by Section 718.111(11)(a), Florida Statutes, Common Expenses incurred during the above period resulting from a natural disaster or an act of God occurring during such period, which are not covered by proceeds from insurance maintained by the Association, may be assessed against all Unit Owners owning Units on the date of such natural disaster or act of God, and their respective successors and assigns, including the Developer with respect to Units owned by the Developer. In the event of such an Assessment, all Units shall be assessed in accordance with the provisions of Article VI(A).

Only regular periodic Assessments for Common Expenses as provided for herein and in the Prospectus and disclosed in Exhibit "D" of the Prospectus shall be used for payment of Common Expenses during any period in which the Developer is excused. No other funds which are receivable from Unit Owners and payable to the Association, including the capital contribution made pursuant to Article VI(D), may be used for payment of such Common Expenses.

- D. Operating Capital. Each purchaser of a Unit from the Developer will pay to the Association at closing a sum equal to one month's maintenance fee on his Unit as a contribution towards operating capital of the Association.
- E. Lien for Assessments. The Association has a lien on each Unit to secure the payment of Assessments, late charges and interest thereon, and the reasonable cost of collection. The lien is effective from and shall relate back to the recording of this Declaration. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien in the Public Records of Bay County, Florida in accordance with law. The Association shall have a lien on each Unit for any unpaid Assessments together with interest thereon, against such Unit Owner. Reasonable attorney's fees incurred by the Association incident to the collection of such Assessment or the enforcement of such lien, shall be payable by the Unit Owner and secured by such lien. The Association's liens shall also include those sums advanced on behalf of each Unit Owner in payment of his obligation for Common Expenses incurred pursuant to the Community Property Agreement or other use charges and operation costs designated by this Declaration as Common Expenses.

- F. **Collection and Foreclosure.** The Association may take such action as it deems necessary to collect Assessments of the Association by personal action or by enforcing and foreclosing the Association's lien, and may settle and compromise same, if in the best interest of the Association. The Association's lien shall be effective as and in the manner provided for by the Condominium Act, and shall have the priorities established by the Condominium Act. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an Assessment lien, and to apply as a cash credit against its bid, all sums due the Association covered by the lien enforced. In case of such foreclosure, the court may require the Unit Owner to pay a reasonable rental for the Unit. If the Unit is leased during the pendency of the foreclosure action, the association is entitled to the appointment of a receiver to collect the rent. The expenses of the receiver shall be paid by the party which does not prevail in the foreclosure action.
- G. **Liability of Mortgagee.** A first mortgagee acquiring title to a Unit as a result of foreclosure, or a deed in lieu of foreclosure, may not, during the period of its ownership of such parcel, whether or not such Unit is unoccupied, be excused from the payment of all or some of the Common Expenses coming due during the period of such ownership. However, the liability of a first mortgagee or its successor or assignees who acquire title to a Unit by foreclosure or by deed in lieu of foreclosure for the unpaid Assessments that became due prior to the mortgagee's acquisition of title is limited to the lessor of:
- (1) The Unit's unpaid Common Expenses and regular periodic Assessments which accrued or came due during the twelve (12) months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or
 - (2) One percent of the original mortgage debt.

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

- H. **Special Assessments.** The Association shall have the right to levy and collect Special Assessments, as more particularly described in the By-Laws. The Special Assessments shall be liens on the Unit.

ARTICLE VII

INSURANCE

The insurance requirements of the Association and the Unit Owners shall be as follows, with the insurance other than title insurance that shall be carried on the Property and the Community Property and the property of the Unit Owners shall be governed by the following provisions:

- A. **Authority to Purchase.** The Association shall maintain at all times such insurance policies as are required by law. Provisions shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of Unit Owners. Such policies shall provide that payment by the insurer for losses shall be made to the Association, or if required by the holder of a first mortgage on one of the Units, an insurance trustee designated by the Association, and all policies and their endorsements shall be deposited with the Association in an interest-bearing account or, if applicable, the insurance trustee. Unit Owners shall obtain coverage at their own expense upon their personal property and for their personal liability and living expense.
- B. **Coverage.**

- (1) Casualty. The Association shall maintain such casualty insurance as is required by law.
 - (2) Liability. Public liability in such amounts and with such coverage as shall be required by the Directors of the Association.
 - (3) Workmen's Compensation. Workmen's compensation policy, if required to meet the requirements of law.
 - (4) Association Insurance. The Association shall purchase fidelity insurance or bond, and may purchase such other insurance as the Directors of the Association, in their sole discretion, may determine from time to time to be in the best interest of the Association and the Unit Owners, including directors' liability insurance. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the Association. The Association shall bear the cost of bonding.
 - (5) Other. Such other insurance as the Directors of the Association shall determine from time to time to be desirable.
- C. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense of this Condominium.
- D. Insurance Trustees; Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees as their interest may appear, and shall provide that all proceeds covering property losses shall be paid to the Association or to such bank located in the State of Florida with trust powers as may be designated as insurance trustee by the Directors of the Association, which trustee is referred to in this instrument as the "insurance trustee." The insurance trustee shall not be liable for payment of premiums, nor the renewal of the sufficiency of policies, nor for the failure to collect any insurance proceeds. The duty of the insurance trustee, or the Association if no insurance trustee is designated, shall be to receive such proceeds as are paid and to hold the proceeds in trust for the purpose elsewhere stated in this instrument and for the benefit of the Unit Owners and their mortgagees in the following shares but which shares need not be set forth on the records of the insurance trustee:
- (1) Unit Owners. An undivided share for such Unit Owner; such share being the same as the undivided share in the Common Elements appurtenant to his Unit.
 - (2) Mortgages. In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interest may appear; provided, however, except as otherwise provided, no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the unit owner and mortgagee pursuant to the provisions of this Declaration.
- E. Distribution of Proceeds. Proceeds of insurance policies received by the Association or the insurance trustee shall be distributed to or for the beneficial

owners in the manner herein provided for in “Reconstruction or Repair After Casualty.”

- F. Association as Agent. The Association is irrevocably appointed agent for each Unit Owner and for each owner of a mortgage or other lien upon a Unit and for each owner of any other interest in the Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claim.

ARTICLE VIII

RECONSTRUCTION OR REPAIR AFTER CASUALTY/CONDEMNATION

- A. Determination to Reconstruct or Repair. If any part of the Property or Community Property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:
- (1) Common Element. If the damaged improvement is a Common Element or Community Property, other than a building housing Units (the “Unit Building”), the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the Condominium shall be terminated.
 - (2) Unit Building.
 - (a) Lesser Damage. If the damaged improvement is a Unit Building and if at least one-third of the Units in the Unit Building are found by the Directors to be tenantable, the damaged property shall be reconstructed or repaired by the Association with all due diligence, unless within sixty (60) days after the casualty it is determined by agreement in the manner elsewhere provided that the Condominium shall be terminated.
 - (b) Major Damage. If the damaged improvement is a Unit Building and if less than one-third of the Units in the Unit Building are found by the Directors to be tenantable, then the damaged property will be reconstructed or repaired by the Association with all due diligence, unless within sixty (60) days after the casualty the Unit Owners of three-fourths (3/4) of the Units and the mortgagee holding the greatest number of recorded mortgages on all Units consents in writing to terminate the Condominium, notwithstanding the provisions of Article XVIII.
 - (3) Certificate. The insurance trustee may rely upon a certificate of the Association made by its president and secretary to determine whether or not the damaged property is to be reconstructed or repaired.
- B. Plans and Specifications. Subject to any code, statute or regulation, any reconstruction or repair must be substantially in accordance with the plans and specifications on file with the architect; or if not, then according to plans and specifications approved by the Directors, and if the damaged property is the Unit Building, by the Unit Owners, which approval shall not be unreasonably withheld.
- C. Responsibility. Responsibility for the cost of repair and replacement of any portion of the Condominium Property shall be determined by law.
- D. Estimates of Costs. Immediately after a determination is made to rebuild or repair damage to property for which the Association has the responsibility for reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

- E. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair by the Association, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, Assessment shall be made against all Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such Assessments shall be in proportion to the Unit Owner's share in the Common Elements.
- F. Construction Funds. The funds for payment of the costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Association or the insurance trustee and funds collected by the Association from Assessments against Unit Owners shall be disbursed in payment of the costs in the following manner:
- (1) Association. If the total construction funds held by the Association in order to provide funds for payment of costs of reconstruction and repair that is in the responsibility of the Association is more than Ten Thousand Dollars (\$10,000.00), then the sums paid upon such Assessments shall be deposited by the Association into an FDIC-insured, interest-bearing account with the insurance trustee if one has been designated. In all other cases, the Association shall hold the sums paid upon such Assessments and disburse them in payment of the costs of reconstruction and repair.
 - (2) Construction Fund. The proceeds of insurance collected on account of a casualty, and the proceeds from collections of Assessments against Unit Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:
 - (a) Association Lesser Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is less than Ten Thousand Dollars (\$10,000.00), then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request of a mortgagee that is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such funds shall be disbursed in the manner provided for the reconstruction and repair of major damage.
 - (b) Association Major Damage. If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Association is more than Ten Thousand Dollars (\$10,000.00), then the construction fund shall be disbursed in payment of such costs in the manner required by the Directors of the Association upon approval by an architect qualified to practice in Florida and employed by the Association to supervise the work.
 - (c) Unit Owner. Notwithstanding whether the construction fund remains in the possession of an insurance trustee or the Association Directors no Unit Owner shall be entitled to possession of said funds, or any part thereof, for the purpose of effecting his or her own Unit repairs so long as the insurance trustee or Association Directors undertakes to effect said repairs and replace the damaged Property, including common Elements and Units, with property of like kind and quality to that which existed prior to the casualty for which said proceeds were received. Neither the Association nor the insurance trustee shall be under any obligation to expend any part of the construction funds received for casualty claims arising under insurance policies purchased by the Association as

designated in any adjustment report for said claim or casualty, so long as the Association undertakes to effect repairs to provide the Unit Owners with Property, including Common Elements and Units, of like kind and quality to that which existed prior to the casualty, for which said proceeds were received.

- (d) **Surplus.** It shall be presumed that the first monies disbursed in payment of costs for reconstruction and repair shall be from insurance proceeds. If there is a balance in construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated; except, however, that any mortgagee shall receive at most the lessor of (1) the part of the distribution that is in excess of Assessments paid by the Owner into the construction fund, if any, or (2) the outstanding principal balance of the mortgage.
 - (e) **Certificate.** Notwithstanding the provisions of this instrument, the insurance trustee shall not be required to determine whether or not sums paid by the Unit Owners upon Assessments shall be deposited by the Association with the insurance trustee, nor to determine whether the disbursement is to be made from the construction fund nor to determine the payee nor the amount to be paid. Instead, the insurance trustee may rely upon a certificate of the Association made by its president and secretary as to any or all, of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when a mortgagee is required in this instrument to be a named payee, the insurance trustee shall also name the mortgagee as a payee of any distribution of insurance proceeds to a Unit Owner; and further provided that when the Association, or a mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund so requires, the approval of an architect named by the Association shall be obtained prior to disbursements in payment of costs of reconstruction and repair.
- G. **Condemnation.** If all or any part of the Common Elements shall be taken by eminent domain, each Unit Owner shall be entitled to notice of such taking and to participate through the Association in all condemnation and other proceedings. Any damages shall be for the taking as a whole, and shall be collected by the Association and distributed by it among Unit Owners in proportion to their respective undivided interests in the Common Elements so taken, except that such funds as are deemed by the Association necessary or appropriate to be applied to the repair or restoration of property so injured or destroyed may be so applied. Any decision by the Association to terminate the Condominium due to any taking by eminent domain must be agreed upon as elsewhere provided herein.

ARTICLE IX

USE RESTRICTIONS/UNIT MAINTENANCE OBLIGATIONS

- A. **Inquiry Obligation.** Any first priority Institutional Mortgagee making a mortgage loan for the purpose of financing the purchase of a Unit shall not be required to inquire whether or not its mortgagor's grantor complied with the provisions of this Article, and any failure of such mortgagor's grantor to so comply will not operate to affect the validity or priority of such mortgage.
- B. **Common Elements.** The Common Elements shall be used only for the purpose for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

- C. Regulations. The Association may adopt reasonable rules and regulations concerning the use of the Units and the Common Elements from time to time in the manner provided in the Articles of Incorporation and the By-laws. The Developer declares that the initial set of Rules and Regulations included in the Prospectus are within the reasonable authority of the Association. Notwithstanding the foregoing, rules and regulations for the Commercial Units require an amendment to this Declaration.
- D. Mandatory Provisions. Notwithstanding any contrary provision in the Rules and Regulations adopted by the Association from time to time, the following regulations shall be in full force and effect. The restrictions on Units may be strengthened but not weakened without an amendment to the Declaration. Notwithstanding the foregoing, the restrictions on Commercial Units may not be modified without an amendment to this Declaration.
1. Except for Commercial Units, All Units shall be used and occupied only as a permanent or temporary residence by the Unit Owner and Unit Owner's guests, tenants and invitees. A Unit Owner may lease or rent his or her Unit but only for periods of at least three (3) nights each. Any tenant or lessee of the Unit shall abide by, and be subject to, all of the terms and conditions of this Declaration and all the Rules and Regulations of the Association.
 2. No Unit may be divided or subdivided into a smaller unit nor any portion thereof sold or otherwise transferred, except that the Commercial Units may be divided or subdivided into smaller spaces for the purpose of renting such space to an individual tenant thereof.
 3. Nothing shall be hung, displayed or placed on the exterior walls or windows of the Units (other than the Commercial Units) or the Condominium without the prior written consent of the Association. Provided however, that nothing in this section shall be construed to prohibit the display of one, portable, removable United States Flag in a respectful manner by a Unit Owner, or on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veteran's Day, a portable, removable official flag, not larger than 4 ½ feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard. A written request by a Unit Owner to install a doorbell, door lock, tinted windows, or hurricane shutters shall not be unreasonably denied by the Association, but the Association may mandate particular colors, styles or models to insure uniformity. Commercial Unit Owners may hang, display, or place on the exterior walls of the Commercial Unit or the portion of the Condominium immediately adjacent thereto such signage as may be permitted by applicable local signage laws.
 4. No Unit Owner shall make, allow or cause to be made, any structural addition to or alteration of Unit Owner's Unit or the Common Elements without the prior written consent of the Association and by amendment to this Declaration if such amendment is required under Article XVII hereof. Nothing herein shall prevent the Commercial Unit Owners from dividing such Unit into multiple areas for the purpose of renting or operating in such space.
 5. The Common Elements shall be used only for the purpose for which they are intended.
 6. No nuisances shall be allowed on the Property nor any use or practice which interferes with the peaceful possession and proper use of the Property by its Unit Owners. All parts of the Property shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage shall be

allowed to accumulate or any fire hazard allowed to exist thereon. No Unit Owner shall permit any use of Unit Owner's Unit or of the Common Elements which will increase the rate of insurance upon the Property.

7. No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof, and all applicable valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed and complied with. The responsibility for meeting the requirements of governmental bodies which require maintenance, modification or repair of the Property shall be the same as the responsibility for the maintenance and repair of the Property.
8. No sign, advertisement or notice of any type or nature whatsoever shall be erected or displayed upon any Unit or upon any of the Common Elements, except where express prior written approval of the size, shape, content and location thereof has been obtained from the Association. The Association is under no obligation to approve any such sign. Notwithstanding the foregoing, during the period of time set forth in Article 9(E) hereof, the Developer or designated agent shall be permitted to post and display advertising signs on the Property.
9. Vehicles, the length or width of which prohibits the vehicle from fitting into a designated parking space, as shown on **Exhibit "D"**, shall not be permitted to park temporarily or permanently upon the Common Elements. Vehicles with more than four (4) wheels shall not be permitted to park temporarily or permanently upon the Common Elements. In the event that an inoperable vehicle or a vehicle with an expired license tag shall remain upon any portion of the Common Elements for more than twenty-four (24) hours, the Association shall have the right, without further notice to the owner of such vehicle, to have it removed at such owner's expense. Boats, trailers of any sort, recreational/camper-type vehicles, personal watercraft and commercial vehicles may not be stored, or parked, permanently or temporarily, or left standing on any portion of the Common Elements, unless prior approval is secured from the Association. Nothing herein shall prohibit delivery trucks or similar vehicles from temporarily parking upon the Property or Common Elements in the normal course.
10. Subject to the provisions of Section 163.04, Florida Statutes, no clothesline, or other clothes-drying facility shall be permitted to be located upon the Property. Towels and clothes shall not be permitted to be hung from balconies.
11. All garbage and trash containers must be placed and maintained in accordance with rules and regulations adopted by the Association. The Association shall use reasonable efforts to promulgate rules and regulations which insure that all garbage and trash is properly disposed of and that no garbage or trash originating from the Property is littered upon or contaminates the grounds of any nearby properties. No garbage or trash shall be placed anywhere except as aforesaid and no portion of the Property or adjacent properties shall be used for dumping refuse.
12. Unless prior written approval has been obtained from the Association, no exterior radio or television aerials, satellite dishes or other receiving or transmitting devices for reception of private or commercial radio, television, cable, telephone or telecommunications broadcast of any kind shall be permitted upon the Property, Units or Common Elements. Notwithstanding the foregoing, this restriction is not intended to prohibit the smallest and least obtrusive facility which would be required to be allowed by Rule 1.4000 of Chapter 47 of the Code of Federal Regulations, provided that such facility remain entirely within the Owner's Unit.

13. No structure of a temporary character, trailer, tent, shack, barn, shed or other outbuilding shall be permitted on any of the Property at any time, except temporary structures installed by the Developer during construction, or temporary structures installed by the Developer or the Association and necessitated by the approved maintenance or repairs, and except for any portable facility which may be used by the Developer or its assignee or successor for providing food, beverages, or beach-related services or goods on the Community Property and in accordance with the Community Property Agreement.
14. No fuel or gas storage tanks, except in connection with maintenance of the Common Elements, shall be permitted on any part of the Property, except for the Commercial Units, and except for any portable facility which may be used by the Developer or its assignee or successor for providing food or beverages on the Property.
15. Except as may be provided by the Association, no mailbox or paper box or any other receptacle of any kind for the use and delivery of mail, newspapers, magazines or similar materials shall be erected or located on any Unit or the Common Elements.
16. One pet per Unit may be kept by a Unit Owner in Unit Owner's Unit, but only if such pet does not cause a disturbance or annoyance on the Property or to other Unit Owners or does not pose any danger to rare or endangered or indigenous species of animals, if any, whose habitat may be near the Property. The Association, in its discretion, may approve the having of more than one pet in a Unit. All pets must be held, or kept leashed and attended at all times that they are in the Common Elements, or otherwise out-of-doors on the grounds of the Property, and all owners of pets shall be held strictly responsible to immediately collect and properly dispose of the wastes and litter of his or her pets. The Association reserves the right to designate specific areas within the Common Elements where pets may be walked on leashes by their owners. No Unit Owner may walk a pet on the beach or dunes. No pet weighing more than 25 pounds shall be kept within the Condominium. The Association further reserves the right to demand that a Unit Owner permanently remove from the Property any and all pets which create disturbances and annoyances which are to the reasonable displeasure of neighbors or other Owners or cause danger to rare or endangered or indigenous species of animals, if any. Without limiting the generality of the foregoing sentence, the Association reserves the right to demand that a Unit Owner remove from the Property any and all pets which have or have attempted to bite or attack a human or another animal, or which barks, whines, howls, or otherwise produces any noise in an excessive, continuous, or untimely fashion, or which causes or emits an offensive odor which can be detected outside the Unit Owner's Unit, or which is kept in a manner which causes a breeding place for flies, lice, fleas, other vermin, or disease. The Association shall strictly regulate the keeping of pets by Unit Owners so as to insure the protection of rare, endangered or indigenous species of animals whose habitat may be around or near the Property. Each Unit Owner maintaining a pet or pets in the Unit Owner's Unit hereby agrees to indemnify the Association and hold it harmless against any and all claims, demands, judgments, losses or liability of any kind whatsoever arising from, or in connection with a Unit Owner's having or maintaining a pet.

The keeping of a dog at the Condominium is a conditional license. The conditional license is subject to the following conditions: (i) a dog must be on leash at all times when outside of the Unit Owner's Unit; (ii) a dog must not be curbed at any place on the property of the Condominium except such places which may be from time to time designated for such

purposes (if any); (iii) pets are never to be left unattended in any public area; (iv) Unit Owners must clean up after their pet; (v) no pit bulldogs, part-pit bulldogs, Rottweilers or part-Rottweilers are allowed on the premises; (vi) no dogs are allowed that have had attack training, even if law enforcement or military, and even if deprogrammed. For the purpose of this provision, a "pit bull" is defined as any canine which is, or appears to be, at least twenty five (25%) American Staffordshire Terrier, Staffordshire Terrier, American Pit Bull Terrier, Bull Terrier, Miniature Bull Terrier or Staffordshire Bull Terrier, and a Rottweiler is any canine which is, or appears to be, at least twenty five (25%) Rottweiler.

17. The Common Elements shall be used only for the purpose for which they are intended which are generally as follows:
 - A. For the furnishing and providing of services and amenities to the Unit Owners;
 - B. To provide to the Unit Owners, their guests and invitees recreational areas for their use;
 - C. To provide to the Unit Owners, their guests and invitees, open space for their use.
- E. Proviso. Notwithstanding any other provision herein, until the Developer has completed all of the contemplated improvements of the Calypso Resort and Towers and closed the sales of all of the Units and other improvements in all portions of the Calypso Resort and Towers, neither the Unit Owners nor the Association nor their use of the Property shall interfere with the completion of all contemplated improvements and the sale of all Units, and the Developer may make such use of the unsold Units and Common Elements to facilitate such completion and sale, including, but not limited to, maintenance of a sales office, showing of the Property and the display of signs. Without limitation, the Developer or its authorized agent shall be entitled to use one or more Units as "model Units" for the purpose of showing and marketing Units to prospective purchasers.
- F. Maintenance of Units. Responsibility for the maintenance for the Units, and restrictions upon its alterations and improvements shall be as follows:
 - (1) By the Association. The Association shall maintain, repair and replace as a common expense of this Condominium:
 - (a) All portions of a Unit contributing to the support of the Condominium, which portion shall include but not be limited to the outside walls of the Condominium and all fixtures on its exterior, those portions of the boundary walls of Units, floor and ceiling decking not part of a Unit, load bearing columns and load bearing walls and all balconies, porches, patios, or similar facilities serving the Unit;
 - (b) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the portion of a Unit maintained by the Association; and all such facilities contained within a Unit that service part or parts of the Condominium other than the Unit within which contained;
 - (c) All portions of a Unit which are damaged as a result of a casualty for which the Association has secured insurance coverage;
 - (d) All incidental damage caused to a Unit by such work shall be repaired promptly at the expense of the Association.

- (e) Notwithstanding the foregoing, the Association shall have the authority to require Unit Owners, at their expense, to maintain, repair and replace all windows, all exterior doors, including sliding glass doors, all screens and glass for windows or doors and all air conditioning and heating equipment, stoves, refrigerators, microwaves, fans and other appliances and equipment, including pipes, wiring, ducts, fixtures or other facilities, required to provide utilities (including HVAC services) to a Unit, when any or all of the foregoing shall serve only one (1) Unit.
- (2) By the Unit Owner. The responsibility of the Unit Owner shall be as follows:
- (a) To keep and maintain the Unit Owner's Unit, its equipment and fixtures in good order, condition and repair and to perform promptly all maintenance and repair work within the Unit which, if omitted, would affect the Condominium in its entirety or in a part belonging to others. Each Unit Owner is expressly responsible for the damages and liability caused by the failure of the Unit Owner to comply with this paragraph. Notwithstanding anything contained in this Declaration, each Unit Owner shall be liable and responsible for the maintenance, repair and replacement as the case may be, of all air conditioning and heating equipment which is contained in the Unit Owner's Unit, and all stoves, refrigerators, microwaves, fans and other appliances and equipment, including pipes, wiring, ducts, fixtures and their connection required to provide water, light, power, air conditioning and heating, telephone, cable, sewage and sanitary service to Unit Owner's Unit which may now or hereafter be situated in Unit Owner's Unit.
 - (b) To maintain, repair and replace any and all walls, ceilings and floor interior surfaces, painting, decorating and furnishings, and all other accessories which such Unit Owner may desire to place and maintain in Unit Owner's Unit.
 - (c) To promptly report to the Association any defect or need for repairs for which the Association is responsible.
 - (d) To pay for plumbing and electrical repairs to fixtures and equipment located within Unit Owner's Unit and exclusively servicing Unit Owner's Unit.
 - (e) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the Unit, Condominium or Property. The Association shall not unreasonably deny a request to install a doorbell, door lock, window tinting, or hurricane shutters, but may mandate particular colors, styles or models to insure uniformity.
- (3) Alteration and Improvement. Except as elsewhere reserved to Developer, neither any Unit Owner nor the Association shall make any alteration in the portions of any Condominium that are to be maintained by the Association, or remove any portion of such, or make any additions to them, or to do anything that would jeopardize the safety or soundness of any such Condominium, or impair any easement, without first obtaining approval in writing of all Unit Owners in whose Units such work is to be done and the approval of the Association. The Association may require that a copy of plans of all such work prepared by an architect licensed to practice in this state shall be filed with the Association prior to the start of work.

ARTICLE X

MAINTENANCE, ALTERATION AND IMPROVEMENT OF COMMON ELEMENTS

Responsibility for the maintenance for the Property, and restrictions upon its alterations and improvements shall be as follows:

- (1) By the Association. The maintenance and operation of the Common Elements shall be the responsibility of the Association and a Common Expense of this Condominium.
- (2) Alteration and Improvement. After the completion of the improvements included in the Common Elements contemplated by this Declaration, there shall be no material alteration nor further substantial additions to the Common Elements or to the real property which is Association property without prior approval by the Unit Owners of not less than two-thirds of the Units within this Condominium. No such alteration or improvement shall materially interfere with the rights of any Unit Owner without his consent. This provision is intended to operate instead of the restrictions on material alterations and substantial additions contained in Section 718.113(2), Florida Statutes.

RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION.

- (3) Enlargement. Land or other property interests acquired by the Association, including but not limited to the Community Property, may be added to the Property or other property interests submitted to Condominium ownership hereby. This may be done by an amendment to this Declaration that includes the description of the interests in the property being added to the Common Elements, submit same to the Declaration and shall vest title to the property added to the Common Elements in the Unit Owners as a part of the Common Elements, without naming them and without further conveyance, in the same proportion as the undivided shares in the Common Elements that are appurtenant to the Units owned by them. Such enlargement of the Common Elements shall be effective upon the recording in the Public Records of Bay County, Florida, of a certificate of the Association certifying that the amendment was adopted, which certificate shall be executed by the officers of the Association with the formalities of a deed. Notwithstanding other provisions hereof, the Developer may add such land or other property interests without the necessity of consent by the Unit Owners or the Association. This provision is intended to operate instead of the restrictions on material alterations and substantial additions contained in Section 718.113(2), Florida Statutes.
- (4) Land Not Incorporated. Except as otherwise provided in the Community Property Agreement, any land acquired by the Association that is not incorporated as a part of the Common Elements by amendment of this Declaration, may be sold, mortgaged, or otherwise disposed of by the Association with the prior approval of the Directors without the approval of the Unit Owners. This approval shall be evidenced by a certificate stating that the approval was duly given, which certificate shall be executed by the officers of the Association with the formalities of a deed and delivered to a purchaser of mortgagee of such land.
- (5) Personal Property. Any personal property acquired by the Association may be sold, mortgaged or otherwise disposed of by appropriate vote of

the Association without approval of the Unit Owners.

ARTICLE XI

COMMUNITY PROPERTY AGREEMENT

The Association has entered into the Community Property Agreement with the Developer, pursuant to the Condominium Act, specifically including but not necessarily limited to Section 718.114, Florida Statutes. This Agreement is intended to provide for the enjoyment, recreation and other use or benefit of the Unit Owners and the expenses of operation, replacements and other undertakings in connection therewith, as set forth in more detail therein, and are hereby declared to be Common Expenses of the Condominium. Additionally, the Community Property Agreement includes covenants and restrictions concerning use by Unit Owners as well as other provisions, all of which are set forth in more detail in the Community Property Agreement, attached as **Exhibit "A"** and made a part hereof.

ARTICLE XII

NOTIFICATION OF TRANSFER OF INTEREST

The transfer of fee ownership or other interest in Units in the Condominium by sale, lease, gift, devise, inheritance, foreclosure or other method, shall not be subject to the prior approval of the Association; however, both the transferor and the transferee shall notify the Association of the transfer unless same is a lease or rental for a term of less than one (1) month, at least ten (10) days prior to the date of the transfer, together with such other information concerning the transferee as the Association may reasonably require.

ARTICLE XIII

COMPLIANCE AND DEFAULT

Each Unit Owner shall be governed by and shall comply with the terms of this Declaration, the Articles of Incorporation and By-Laws and rules and regulations adopted pursuant to those documents, and all of such as they may be amended from time to time. Failure of a Unit Owner to comply with such documents and regulations shall entitle the Association or to the following relief in addition to the remedies provided by the Condominium Act:

- A. **Negligence.** A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association.
- B. **Fines.** The Directors may upon reasonable notice and opportunity for hearing before a committee of other Unit Owners appointed by the Association, impose a fine for an infraction by a Unit Owner, or its occupant, licensee, or invitee to comply with any provisions of this Declaration, By-Laws or the reasonable rules and regulations of the Association. The Association may levy a fine on the basis of each day of continuing violation provided that no such fine shall exceed \$100 per violation, or in the aggregate exceed \$1,000.00. No fine shall constitute a lien against the Unit. If the committee of Unit Owners does not agree with the fine, the fine may not be levied.
- C. **Costs and Attorney's Fees.** In any proceeding, including alternative dispute resolution, arising because of an alleged failure of a Unit Owner or the Association to comply with the terms of the Declaration, Articles of Incorporation of the Association, the By-Laws or the regulations adopted pursuant to them, and

the documents and regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court or other dispute resolution process.

- D. No Waiver of Rights. The failure of the Association or any Unit Owner to enforce any covenant, restriction or other provision of the Condominium Act, this Declaration, the Articles of Incorporation of the Association, or the By-Laws shall not constitute a waiver of the right to do so thereafter.

ARTICLE XIV

SPECIFIC RIGHTS OF INSTITUTIONAL MORTGAGEES

In addition to the rights and privileges expressly granted to business entities holding mortgages of Units in other Articles of this Declaration of Condominium ("Institutional Mortgagee"), each and every Institutional Mortgagee shall have the following rights and entitlements:

- A. Upon written request to the Association, the Association shall make available to Institutional Mortgagees current copies of the Declaration of Condominium and its Exhibits including but not necessarily limited to the By-Laws and rules of the Association, and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.
- B. An Institutional Mortgagee shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year of the Association.
- C. Upon written request to the Association identifying the name and address of the Institutional Mortgagee, such Institutional Mortgagee will be entitled to timely written notice of the following:
- (1) Any condemnation, loss or other casualty loss which affects a material portion of the Condominium or any Unit which is encumbered by a mortgage held by the Institutional Mortgagee;
 - (2) Any delinquency in the payment of Assessments or Common Expenses owed by Unit Owner subject to a mortgage held by an Institutional Mortgagee, which remains uncured for a period of sixty (60) days;
 - (3) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
 - (4) Any proposed action which would require the consent of a specified percentage of mortgage holders.

ARTICLE XV AMENDMENTS

Except as elsewhere provided otherwise, this Declaration of Condominium may be amended in the following manner:

- A. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.
- B. Adoption. A resolution for the adoption of a proposed amendment may be proposed by either the Directors of the Association or by the members of the Association, at a meeting called for this purpose. Except as elsewhere provided, such approval must be either by:

- (1) Approval by two-thirds (2/3) of the Unit Owners of this Condominium; or
 - (2) Until the first election of Directors, only by all of the Directors, provided the amendment does not increase the number of Units nor alter the boundaries of the Common Elements, nor create timeshare entities, nor change the configuration, size, or appearance of Units, nor make any other change which would require the consent of Unit Owners.
 - (3) If there is an omission or error in this Declaration or in other documents required by law to establish the Condominium, or any part thereof, the Association may correct the error or omission by an amendment to the Declaration, or the other documents required to create the Condominium and such amendment need only be approved by a majority of the Unit Owners when proposed by the members of the Association. This procedure for amendment cannot be used if such an amendment would materially or adversely affect property rights of Unit Owners, unless the affected Unit Owners consent in writing. This subsection does not restrict the powers of the Association to otherwise amend the Declaration, or other documentation, but authorizes a simple process of amendment requiring a lesser vote for the purpose of curing defects, errors, or omissions when the property rights of Unit Owners are not materially or adversely affected.
- C. Proviso. Provided, however, notwithstanding the foregoing, any amendment changing any Unit or the share in the Common Elements appurtenant to it, or increasing a Unit Owner's share of the Common Expenses, shall require the approval of the such Unit Owner, all record owners of mortgages on such Unit, and at least a majority of the Unit Owners. An amendment making any change in the section entitled "Reconstruction or Repair After Casualty" shall require the consent of the record owners of all mortgages upon the Condominium. Any consent or joinder of mortgage holder may not be unreasonably withheld. Any amendment restricting unit owner's rights relating to the rental of units shall apply only to unit owners who consent to such amendment and to unit owners who purchase their units after the effective date of that amendment.
- D. Special Amendments. In addition to any other method of amending this Declaration provided for elsewhere herein, Developer reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Unit Ownerships, (iii) to bring this Declaration into compliance with the Florida Condominium Act, (iv) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any amendment thereto or (v) to make any other nonmaterial change in this Declaration or any Exhibit hereto or any amendment thereto. In furtherance of the foregoing, an irrevocable power coupled with an interest is hereby reserved and granted to the Developer to make or consent to a Special Amendment on behalf of each Unit Owner, mortgagee or other lienholder. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Developer to make, execute and record Special Amendments.

Furthermore, notwithstanding any other provision hereof, the Developer reserves the right, at any time, without the approval of the Association or any Unit Owner,

to correct a scrivener's error pursuant to Section 718.110(5), Florida Statutes, or to correct an error or omission pursuant to Section 718.110(9), Florida Statutes.

The reserved rights of the Developer under this Article shall terminate upon transfer of control of the Association to Unit Owners other than the Developer.

- E Execution and Recording. A copy of each amendment shall be attached to or incorporated in a certificate certifying that the amendment was adopted, which certificate shall be executed by the Association with the formalities of a deed. The amendment shall be effective when such amendment is recorded in the Public Records of Bay County, Florida.

ARTICLE XVI MERGER OF CONDOMINIUM

- A. Single Complex. This Condominium is one of several proposed Condominiums that make up a single complex and form a development known as Calypso Resort and Towers. A number of separate Condominiums may be developed as a part of Calypso Resort and Towers. All of the separate Condominiums which form a part of Calypso Resort and Towers are operated by a single condominium Association. One or more of the separate Condominiums may desire to merge with one or more of the other Condominiums in Calypso Resort and Towers in order to achieve certain additional operating efficiencies, to reduce expenses and to reduce the workload of the Directors of the Association with respect to the preparation of separate operating budgets for the separate Condominiums operated by the Association. When the Directors intend to merge the Condominium, the Board shall notify the Division of Florida Condominiums, Timeshares, and Mobile Homes (the "Division") before taking any action to merge the Condominium or the Association.
- B. Merger Procedure. The merger of this Condominium with any one or more of the other condominiums in Calypso Resort and Towers shall occur upon the following conditions:
1. The issue of merger shall be determined upon the approval of one hundred percent (100%) of all of the Unit Owners of each condominium to be merged and of all record holders of liens; and
 2. A new or amended declaration of condominium for the merged condominium(s) shall be adopted and recorded upon the approval of one hundred percent (100%) of all of the Unit Owners of each condominium to be merged and of all record holders of liens. Upon recordation of the instrument evidencing consent of all of the Unit Owners to merge the Condominium, the Association within 30 business days shall notify the Division of the termination and the date the document was recorded, the county where the document was recorded, and the book and page number of the Public Records where the document was recorded, and shall provide the Division a copy of the recorded termination notice certified by the clerk; and
 3. The new or amended declaration of condominium for the merged condominium(s) shall provide that the fractional share of the Common Elements to be owned by the Unit Owners and the fractional share of the Common Expenses and Common Surplus to be shared by the Unit Owners shall be derived by either of the following two formulas: (a) the numerator shall be 1 and the denominator shall be the total number of Units in the merged condominium(s); or (b) the numerator shall be the square footage of a Unit as determined by the Association and the denominator shall be the total square footage of all of the Units in the merged condominium(s) as determined by the Directors of the Association. The issue of which of the two formulas shall be used shall be determined upon the approval of

one hundred percent (100%) of all the Unit Owners of each condominium to be merged and of all record holders of liens.

- C. Construction. The terms and provisions of this Article XVI entitled "MERGER OF CONDOMINIUM" shall supersede and take precedence over any other provision contained in this Declaration of Condominium which may be contrary or inconsistent herewith.

ARTICLE XVII TERMINATION

Pursuant to Section 718.117, F.S., in addition to the manners provided by the Condominium Act as it existed on the date of recording this Declaration, in the event the circumstances described in Section 718.117(2)(a)(1) or (3) apply, the Condominium may be terminated by the consent to a plan of termination approved by eighty percent (80%) of the voting interests of the Unit Owners.

ARTICLE XIX DISPUTE RESOLUTION

Any disputes between the Unit Owners, or between a Unit Owner and the Association, arising out of this Declaration, or related to the Condominium, if not resolved informally, shall be submitted to alternative dispute resolution as provided in the Bylaws of the Association.

ARTICLE XX GENDER

Whenever the context of this Declaration reasonably allows the same, the singular shall include the plural and the plural the singular and the masculine shall include the feminine and the neuter.

ARTICLE XXI NOTICE

Any notice, payment, request, instruction, or other document to be delivered hereunder shall be deemed sufficient given if in writing, and (a) hand delivered to any party, or (b) sent by Federal Express or other nationally-recognized guaranteed overnight courier service to the address of such party set forth below, and if hand-delivered shall be deemed delivered upon receipt, and if sent by Federal Express or other nationally-recognized guaranteed overnight courier service, shall be deemed delivered one day after have been properly and timely deposited with the courier service if designated for next day delivery and addressed as follows:

- A. If to Developer, to:

Calypso Tower, III, LLC
15900 Front Beach Rd., Unit #102
Panama City Beach, FL 32413

With a copy to:

Bryan J. Kiefer, Esq.
Kiefer Law Group, PLLC
327 South County Highway 393, Suite 202
Santa Rosa Beach, FL 32459

B. If to Association:

Calypso Towers Resort Community Association, Inc.
15817 Front Beach Rd.
Panama City Beach, FL 32407

IN WITNESS WHEREOF the Developer has executed this Declaration the day and year first above written.

Signed, sealed and delivered
in the presence of:

Calypso Tower III, LLC
a Florida limited liability company

Print Name: _____

By: _____
Its: _____

Print Name: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____ as _____ of Calypso Tower III, LLC, a Florida limited liability company (notary **must** check applicable box)

_____ is personally known to me

_____ produced a current _____ driver's license as identification

_____ produced _____ as identification

(SEAL)

Print Name: _____
Notary Public
Serial # _____
My Commission Expires: _____

THIS INSTRUMENT PREPARED BY:

Bryan J. Kiefer, Esq.
Kiefer Law Group, PLLC
327 South County Hwy. 393, Suite 202
Santa Rosa Beach, FL 32459

EXHIBIT “A”
Community Property

SEE EXHIBIT “L” TO PROSPECTUS

EXHIBIT “B”
Legal Description

A PARCEL OF LAND BEING ALL OF LOT 12, A PORTION OF LOTS 10, 11, 56, AND 57 AND A PORTION OF PALMETTO STREET, FA BLACK’S ORIGINAL PLAT, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGE 36 IN THE OFFICE OF THE CLERK OF BAY COUNTY, FLORIDA, AND A PARCEL OF LAND BEING A PORTION OF THE NORTH ONE-HALF OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 16 WEST, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF BEGINNING, COMMENC E AT THE SOUTHWESTERLY CORNER OF SAID LOT 12, FA BLACK’S ORIGINAL PLAT; THENCE NORTH 32 DEGREES 04 MINUTES 53 SECONDS EAST, ALONG THE NORTHWESTERLY LINE OF SAID LOT 12, AND ITS EXTENSION ACROSS SAID PALMETTO STREET, AND ALONG THE NORTHWESTERLY LINE OF SAID LOT 56, 393.000 FEET; THENCE SOUTH 57 DEGREES 55 MINUTES 07 SECONDS EAST PARALLEL TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 98A (100.00 FOOT WIDE RIGHT-OF-WAY), 111.52 FEET; THENCE SOUTH 12 DEGREES 08 MINUTES 12 SECONDS WEST, 418.07 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID U.S. HIGHWAY NO. 98A; THENCE NORTH 57 DEGREES 55 MINUTES 07 SECONDS WEST ALONG THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID U.S HIGHWAY NO. 98A, 254.13 FEET TO THE SOUTHWESTERLY CORNER OF SAID LOT 12 AND THE POINT OF BEGINNING.

EXHIBIT “C”
Survey

[TO BE ADDED AS AN AMENDMENT]

EXHIBIT “D”
Plot Plan and Unit Floor Plan

SEE EXHIBIT “E” TO PROSPECTUS

EXHIBIT “E”
Schedule of Shares

SEE EXHIBIT “K” TO PROSPECTUS

EXHIBIT “F”
Articles of Incorporation

SEE EXHIBIT “B” TO PROSPECTUS

EXHIBIT “G”
By-Laws

SEE EXHIBIT “C” TO PROSPECTUS

Exhibit “B”
Articles of Incorporation

**ARTICLES OF INCORPORATION
OF
CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.**

The undersigned, acting as incorporator of a Corporation under the Florida Not for Profit Corporation Act, adopts the following Articles of Incorporation for such corporation:

1. **Name.** The name of this corporation is Calypso Towers Resort Community Association, Inc. (the "Corporation").
2. **Purpose.** This Corporation is organized for the purpose of operating and governing such condominiums as are submitted to its jurisdiction, and to do all such other things as may be permitted by law. A condominium is submitted to the jurisdiction of the Corporation if the Declaration of Condominium provides that the operation of the condominium shall be by the Corporation.
3. **Powers.** This Corporation shall have all such powers of a Corporation not for profit not in conflict with the terms of the Declaration of Condominium for any condominium submitted to the jurisdiction of the Corporation.
4. **Members.** The qualification of members and the manner of their admission shall be as regulated by the By-Laws of the Corporation. All unit owners of any condominium submitted to the jurisdiction of the Corporation must be members of the Corporation. All members of the Corporation must pay dues or assessments. A portion of the money collected from dues or assessments must be used, in part, for the operation and maintenance of the stormwater management facility.
5. **Initial Principal Office and Registered Agent.** The street address of the initial principal office of the corporation in the State of Florida is 220 McKenzie Avenue, Panama City, FL 32401, and the name of the initial registered agent is J. Robert Hughes, Esq., whose address is 220 McKenzie Avenue, Panama City, Florida, 32401.

Prepared by:
Brian D. Leebrock, Esq.
Florida Bar No. 172634
Barron, Redding, Hughes, Fite,
Fensom, Sanborn & Kiehn, P. A.
220 McKenzie Avenue
Panama City, FL 32401

SECRETARY OF STATE
TALLAHASSEE, FLORIDA
2002 MAR 29 AM 6:20

FILED

03-28-2002 05:00PM FROM BARRON & REDDING

TO 18502050381 P.03
Fax Audit #H02000067886 0

6. **Board of Directors.** The election or appointment of the Board of Directors shall be regulated by a method of election as stated in the By-Laws of the Corporation. The first Board of Directors is as follows:

<u>NAME</u>	<u>ADDRESS</u>
Robert E. Blackerby	3750 Claridge Road North Mobile, AL 36608
Diane Butcher	22 St. Charles Place Daphen, AL 36526
Mary Mock	7000 Ponce de Leon Drive Spanish Fort, AL 36527

7. **Term of Existence.** This corporation is to exist perpetually.
8. **Incorporator.** The name of the person signing these Articles is J. Robert Hughes, whose address is 220 McKenzie Avenue, Panama City, Florida 32401.

IN WITNESS WHEREOF, the undersigned subscriber has executed these Articles of Incorporation this 28th day of March, 2002.

J. Robert Hughes
J. Robert Hughes

STATE OF FLORIDA
COUNTY OF BAY

The foregoing Articles of Incorporation of Calypso Towers Resort Community Association, Inc., was acknowledged before me this 28th day of March, 2002, by J. Robert Hughes, who is personally known to me.



Carolyn M. Mirek
(Print Name)

Notary Public
Commission # DD 081602

My Commission Expires: 1/2/06

Fax Audit #H02000067886 0

03-28-2002 05:02PM FROM BARRON & REDDING

TO

185022050381 P.04

Fax Audit #H02000067886 0

**ACCEPTANCE OF DESIGNATION OF REGISTERED AGENT
OF
CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.**

Having been named to accept service of process for the above-named corporation,
at the place designated in the Articles of Incorporation, I hereby accept to act in this
capacity, and agree to comply with the provisions of the Florida Business Corporation
Act relative to keeping open said office.

Dated this 28th day of MARCH, 2002.


J. Robert Hughes, Esq.
Registered Agent

FILED
2002 MAR 29 AM 8:20
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Fax Audit #H02000067886 0

TOTAL P.04

Jan 12 04 11:15a

Barron and Redding

850 785 2599

p.2

Fax Audit No. H03000341199 3

**ARTICLES OF AMENDMENT OF THE
ARTICLES OF INCORPORATION OF
CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.**

Pursuant to the provisions of FSA § 607.1006, the undersigned Florida nonprofit corporation adopts the following articles of amendment to its articles of incorporation:

I. The following article is hereby amended and adopted as follows:

6. Board of Directors. The election or appointment of the Board of Directors shall be regulated by a method of election as stated in the By-Laws of the Corporation. The name and address of the Board of Directors are as follows:

NAME	ADDRESS
Alan O'Neal	1390 Sunset Beach Drive Niceville, FL 32578
Michael Heidelberg	781 Larson Street Jackson MS 39202
William Smith	4039 E. Cty Hwy 30-A Seagrove Beach, FL 32459

II. The date of adoption for this amendment was on August 27, 2003:

III. Each amendment was adopted by: The members and the number of votes cast for the amendment was sufficient for approval.

IV. These amendments will be effective on the date of filing.

Date: December 31, 2003

By: Alan M. O'Neal
Its: Authorized Agent / President

FILED
04 JAN 12 PM 12:53
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Jan 12 04 11:15a Barron and Redding

850 785 2998

P.3

Fax Audit No. H03000341199 3

STATE OF ~~FLORIDA~~ ^{Georgia}
COUNTY OF ~~Sumter~~ ^{Gwinnett}

The foregoing instrument was acknowledged before me this 31 day of December, 2003, by Alan M. Neal as President of Calypso Towers Resort Community Association, Inc., a Florida non-profit corporation, on behalf of the corporation, who: (notary must check applicable line)

☒ is personally known to me.
☐ produced a current Florida driver's license as identification.
☐ produced _____ as identification.

James T. Whitney
Notary Public
My Commission Expires: 7-16-07



THIS INSTRUMENT PREPARED BY:
Brian D. Leebrick, Esq.
Fla. Bar No. 0172634
BARRON, REDDING, HUGHES, FITE,
BASSETT, FENSOM & SANBORN, P.A.
220 McKenzie Avenue
Panama City, FL 32401

Articles of Amendment
to
Articles of Incorporation
of

Calypto Towers Resort Community Association, Inc.

(Name of Corporation as currently filed with the Florida Dept. of State)

N 02000002296

(Document Number of Corporation (if known))

Pursuant to the provisions of section 607.1006, Florida Statutes, this *Florida Profit Corporation* adopts the following amendment(s) to its Articles of Incorporation:

A. If amending name, enter the new name of the corporation:

The new name must be distinguishable and contain the word "corporation," "company," or "incorporated" or the abbreviation "Corp.," "Inc.," or "Co.," or the designation "Corp.," "Inc.," or "Co.". A professional corporation name must contain the word "chartered," "professional association," or the abbreviation "P.A."

B. Enter new principal office address, if applicable:

(Principal office address **MUST BE A STREET ADDRESS**)

C. Enter new mailing address, if applicable:

(Mailing address **MAY BE A POST OFFICE BOX**)

D. If amending the registered agent and/or registered office address in Florida, enter the name of the new registered agent and/or the new registered office address:

Name of New Registered Agent:

New Registered Office Address:

(Florida street address)

(City)

Florida

(Zip Code)

New Registered Agent's Signature, if changing Registered Agent:

I hereby accept the appointment as registered agent. I am familiar with and accept the obligations of the position.

Signature of New Registered Agent, if changing

09 NOV 23 PM 12:11
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

APPROVED
AND
FILED

If amending the Officers and/or Directors, enter the title and name of each officer/director being removed and title, name, and address of each Officer and/or Director being added:
 (Attach additional sheets, if necessary)

<u>Title</u>	<u>Name</u>	<u>Address</u>	<u>Type of Action</u>
Pres	Allen Fox	5701 W Orkney Circle Broken Arrow, OK 74011	<input type="checkbox"/> Add <input checked="" type="checkbox"/> Remove
Pres	Felicia Crouch	226 Jamerson Farm Rd Collierville, TN 38017	<input checked="" type="checkbox"/> Add <input type="checkbox"/> Remove
Sec	Bill Smith	42 Business Center Dr #106 Deston, FL 32551	<input type="checkbox"/> Add <input checked="" type="checkbox"/> Remove

E. If amending or adding additional Articles, enter change(s) here:
 (attach additional sheets, if necessary). (Be specific)

F. If an amendment provides for an exchange, reclassification, or cancellation of issued shares, provisions for implementing the amendment if not contained in the amendment itself:
 (if not applicable, indicate N/A)

If amending the Officers and/or Directors, enter the title and name of each officer/director being removed and title, name, and address of each Officer and/or Director being added:
(Attach additional sheets, if necessary)

<u>Title</u>	<u>Name</u>	<u>Address</u>	<u>Type of Action</u>
Sec	Fred Hayes	5641 Barrington Co. Dallensville TN 37063	<input checked="" type="checkbox"/> Add <input type="checkbox"/> Remove
Dir	David Kelley	41601 Brennan Hwy Mishawaka, In 46544	<input checked="" type="checkbox"/> Add <input type="checkbox"/> Remove
			<input type="checkbox"/> Add <input type="checkbox"/> Remove

E. If amending or adding additional Articles, enter change(s) here:
(attach additional sheets, if necessary). (Be specific)

F. If an amendment provides for an exchange, reclassification, or cancellation of issued shares, provisions for implementing the amendment if not contained in the amendment itself:
(if not applicable, indicate N/A)

The date of each amendment(s) adoption: 11-07-09
(date of adoption is required)
Effective date if applicable: 11-07-09
(no more than 90 days after amendment file date)

Adoption of Amendment(s) (CHECK ONE)

- ☐ The amendment(s) was/were adopted by the shareholders. The number of votes cast for the amendment(s) by the shareholders was/were sufficient for approval.
- ☐ The amendment(s) was/were approved by the shareholders through voting groups. The following statement must be separately provided for each voting group entitled to vote separately on the amendment(s):

"The number of votes cast for the amendment(s) was/were sufficient for approval

by _____"
(voting group)

- ☒ The amendment(s) was/were adopted by the board of directors without shareholder action and shareholder action was not required.
- ☐ The amendment(s) was/were adopted by the incorporators without shareholder action and shareholder action was not required.

Dated 11/16/09

Signature Connie Lang, CAM, As Agent for the BOA of the Assoc.
(By a director, president or other officer - if directors or officers have not been selected, by an incorporator - if in the hands of a receiver, trustee, or other court appointed fiduciary by that fiduciary)

Connie Lang - Sec. of Association
(Typed or printed name of person signing)

Connie Lang, CAM
(Title of person signing)

Exhibit “C”
By-Laws

BY-LAWS
OF
CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.

a corporation not-for-profit
under the laws of the State of Florida

ARTICLE I

NAME

The name of the Association is "Calypso Towers Resort Community Association, Inc." (the "Association").

ARTICLE II

PURPOSE

These are the By-Laws of Calypso Towers Resort Community Association, Inc., a corporation not-for-profit formed under the laws of the State of Florida. The Association has been organized for the purpose of (a) providing for the operation, management, maintenance, control and administration of such one or more condominiums of the planned development known as Calypso Resort and Towers (including, without limitation Calypso Towers I, a Condominium and Calypso Towers II, a Condominium), as from time to time be submitted to the jurisdiction of the Association, and with regard to such condominiums, the legal entity created pursuant to Chapter 718, Florida Statutes (the "Act"), and (b) providing an entity to operate, manage, maintain, control and administer all or such parts thereof of the real property located in Bay County, Florida described as Community Property in the Community Property Agreement together with the recreational, greenspace, ingress and egress, parking and related amenities as may be from time to time constructed thereon. The Community Property Agreement may be amended from time to time and is Exhibit "A" to the Declaration of Condominium of Calypso Towers I, a Condominium and Calypso Towers II, a Condominium. Pursuant to any Community Property Agreement entered into by and between the Association and The Calypso Developers I LLC; Calypso Developers II LLC; Calypso Developers III LLC; and The Calypso Group LLC (collectively the "Developer"), and upon the termination of the Community Property Agreement, the Association will receive fee simple title to the Community Property from the Developer subject to and pursuant to the covenants and agreements of the Community Property Agreement.

ARTICLE III

OFFICES

The initial office of the Association shall be at 15817 Front Beach Road, Panama City Beach, FL 32407. The Association Board of Directors may from time to time designate a different location for the Association office.

ARTICLE IV

FISCAL YEAR

The fiscal year of the Association shall be the calendar year.

ARTICLE V

SEAL

The seal of the corporation shall bear the name of the Association, the word "Florida" and the words "corporation not-for-profit," and the year of incorporation, "2002," an impression of which is as follows:

ARTICLE VI

PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation or these By-Laws.

ARTICLE VII

MANAGEMENT

A. Board of Directors.

1. In General; Number of Directors. The affairs of the Association shall be managed by a Board of Directors of three (3) directors. All of the powers and duties of the Association existing under the Act, the Declaration of Condominium of any condominium operated by the Association, the Articles of Incorporation of the Association and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees subject only to the approval by the Unit Owners when such approval is specifically required. Notwithstanding any other provision hereof, Directors must be Unit Owners, except that the Developer may appoint Directors who are not Unit Owners during the period in which it can select Directors.
2. Director's Term. The two (2) directors receiving the greatest number of votes during the first election in which Unit Owners other than the Developer elect a majority of the Board of Directors shall serve a term of two (2) years and the other director elected at that election shall serve a term of one (1) year. Thereafter, the terms of each director's service shall be for two (2) years and shall extend thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.
3. Meetings of the Board of Directors.
 - (a) Board of Director's Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected.
 - (b) Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time, by a majority of the Board of Directors, but no less regularly than quarterly. Notice of regular meetings shall be given to each director, personally by mail, telephone, telegraph or electronic means, at least three (3) days prior to the day named for such meeting.
 - (c) Special Meeting. Special meetings of the Board of Directors may be called by the President and must be called by the Secretary at the written request of a majority of the directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone, telegraph or electronic means, which notice shall state the time, place and purpose of the meeting.
 - (d) Notice of Meetings of the Board of Directors. Adequate notice of all meetings, which notice shall specifically incorporate an identification of

agenda items, shall be posted conspicuously on the condominium property at least 48 continuous hours preceding the meeting except in an emergency. Written notice of any meeting at which *non-emergency* special assessments, or at which an amendment to rules regarding use of Units will be proposed, discussed or approved, shall be mailed, delivered, or electronically transmitted to the Unit Owners and posted conspicuously on the condominium property not less than 14 days prior to the meeting. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the secretary and filed among the official records of the Association. Notice of any meeting in which regular assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessment.

- (e) Open Meetings and Records. Meetings of the Board of Directors shall be open to all Unit Owners. Minutes of all meetings of the members or the Board of Directors shall be kept in a book available for inspection by Unit Owners or their authorized representatives, and Board members at any reasonable time. Said minutes shall be retained for a period of not less than seven (7) years.
- (f) Waiver of Notice. Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.
- (g) Quorum. A quorum at director's meetings shall consist of a majority of the entire Board of Directors, which may include persons appearing telephonically in accordance with law. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors as required by the Declaration of Condominium of any condominium operated by the Association, the Articles of Incorporation of the Association and these By-Laws.
- (h) Adjourned Meetings. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present and after notice has been provided.
- (i) Director Action.
 - (i) A member of the board of administration or a committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.
 - (ii) A director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. Directors may not vote by proxy or by secret ballot at Board of Directors meetings. A vote or abstention for each member present shall be recorded in the minutes.
- (j) Presiding Officer. The presiding officer of the Board of Directors meetings shall be the chairman of the Board of Directors if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer, the Board of Directors present shall designate one of their number to preside.

- (k) Order of Business. The order of business at a Board of Directors meeting shall be: calling of roll; proof of due notice of meeting; reading and disposal of any unapproved minutes; report of officers and committees; election of officers (if appropriate); unfinished business; new business; adjournment.
- 4. Board of Directors Compensation. The Board of Directors shall receive no fees or other compensation for their services.
- 5. Election of Board of Directors. Election of the Board of Directors shall be conducted in the following manner:
 - (a) Timing. Election of the Board of Directors shall be held at the annual meeting of the Members of the Association.
 - (b) Manner. The election shall be by secret ballot and by plurality of the Unit Owners. The owner of each Unit shall be entitled to cast a vote for each of as many candidates as there are vacancies to be filled. There shall be no cumulative voting. Proxies shall in no event be used in electing the Board of Directors, either in general elections or elections to fill vacancies caused by resignation. To the extent permitted by law, Unit Owners other than the Developer may vote, in person or by limited proxy, to fill a vacancy on the Board of Directors previously occupied by a member of the Board of Directors elected by Unit Owners other than the Developer. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors. No Unit Owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. A Unit Owner who needs assistance in casting the ballot for the reasons stated in Section 101.051, Florida Statutes, may obtain assistance in casting the ballot. Any Unit Owner violating this provision may be fined by the Association in accordance with Section 718.303 of the Act. The regular election shall occur on the date of the annual meeting. Notwithstanding the provisions of this Subparagraph, an election and balloting are not required unless more candidates file notices of intent to run than vacancies exist on the Board of Directors.
 - (c) Notice and Nominations. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing, delivery, or transmission including regularly published newsletters, to each Unit Owner entitled to a vote, a first notice of the date of the election. Any Unit Owner or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the Association not less than 40 days before a scheduled election. Upon request of a candidate, the Association shall include an information sheet, no larger than 8 ¼ inches by 11 inches which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot, with the costs of mailing, delivery, or transmission and copying to be borne by the Association. However, the Association has no liability for the contents of the information sheets prepared by the candidates. In order to reduce costs, the Association may print or duplicate the information sheets on both sides of the paper. Together with the written notice and agenda as set forth in Article VIII(D) of these Bylaws, the Association shall mail, deliver, or electronically transmit a second notice of the election meeting to all Unit Owners entitled to vote therein not less than thirty (30) days prior to the election meeting, together with a ballot which shall list all candidates.
 - (d) Subject to the provisions of Section 718.301 of the Act, any member of the Board of Directors may be recalled and removed from office with or without

cause by the vote or agreement in writing by a majority of all the Unit Owners. A special meeting of the Unit Owners to recall a member or members of the Board of Directors may be called by ten (10%) percent of the Unit Owners giving notice of the meeting as required for a meeting of Unit Owners, and the notice shall state the purpose of the meeting. Electronic transmission may not be used as a method of giving notice of a meeting called in whole or in part for this purpose.

- (i) If the recall is approved by a majority of all Unit Owners by a vote at a meeting, the recall shall be effective as provided herein. The Board of Directors shall duly notice and held a Board of Directors meeting within five (5) full business days of the adjournment of the Unit Owner meeting to recall one or more Board of Directors members. At the meeting, the Board of Directors shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the Board of Directors within five (5) full business days any and all records and property of the Association in their possession, or shall proceed as described in subparagraph (iii).
 - (ii) If the proposed recall is by an agreement in writing by a majority of all Unit Owners, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized by chapter 48 of the Florida Rules of Civil Procedure. The Board of Directors shall duly notice and hold a meeting of the Board of Directors within five (5) full business days after receipt of the agreement in writing. At the meeting, the Board of Directors shall either certify the written agreement to recall a member or members of the Board of Directors, in which case such member or members shall be recalled effective immediately and shall turn over to the Board of Directors within five (5) full business days any and all records and property of the Association in their possession, or proceed as described in subparagraph (iii).
 - (iii) If the Board of Directors determines not to certify the written agreement to recall a member or members of the Board of Directors, or does not certify the recall by a vote at a meeting, the Board of Directors shall, within five (5) business days after the meeting, file with the Division of Florida Condominiums, Timeshares and Mobile Homes (the "Division") a petition for arbitration pursuant to the procedures of Section 718.1255 of the Act. For purposes of this section, the Unit Owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the Board of Directors, the recall will be effective upon mailing of the final order of arbitration upon the Association. If the Association fails to comply with the order of the arbitrator, the Division may take action pursuant to Section 718.501 of the Act. Any member or members so recalled shall deliver to the Board of Directors any and all records of the Association in their possession within 5 full business days of the effective date of the recall.
- (e) Notwithstanding any of the foregoing, turnover of the Association by the Developer will be governed by Section 718.301(1)(a)-(e), which provides as follows:
- “(1) When unit owners other than the developer own 15 percent or more of the units in a condominium that will be operated ultimately by an association, the unit owners other than the developer shall be entitled to elect no less than

one-third of the members of the board of administration of the association. Unit owners other than the developer are entitled to elect not less than a majority of the members of the board of administration of an association:

“(a) Three years after 50 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;

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

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

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

“(e) Seven years after recordation of the declaration of condominium; or, in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to Section 718.403, 7 years after recordation of the declaration creating the initial phase, whichever occurs first. The developer is entitled to elect at least one member of the board of administration of an association as long as the developer holds for sale in the ordinary course of business at least 5 percent, in condominiums with fewer than 500 units, and 2 percent, in condominiums with more than 500 units, of the units in a condominium operated by the association. Following the time the developer relinquishes control of the association, the developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the association or selecting the majority members of the board of administration.”

Until required by the Act including Section 718.301 of the Act, or until the Developer or any subsequent developer elects to terminate their control of the Association and the condominiums operated by it, whichever occurs first, the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors. During the time the majority of the persons serving on the Board of Directors are appointees of the Developer, the Developer reserves the right to chair or designate a representative to chair meeting(s) of members.

- B. **Officers.** The executive officers of the Association shall be a President, who shall be a director, a Vice President, who shall be director, a Treasurer, a Secretary, and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Board of Directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be the Secretary or an Assistant Secretary. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board of Directors shall find to be necessary or convenient to manage the affairs of the Association.

1. Titles and Duties of Officers.

- (a) **President.** The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the

office of President of an Association, including but not limited to the power to appoint committees from among the members from time to time, as he in his discretion may determine appropriate, to assist in the conduct of the affairs of the Association. After transfer of control of the Association to Unit Owners other than the Developer has occurred, the President shall appoint standing budget committees for each condominium included in the Calypso Resort and Towers, the majority of the membership of which shall be comprised of owners of Units in the development for the particular budget committee. The President, on behalf of the Board of Directors, shall provide each budget committee a copy of the annual budget (or any amendment thereto or any special assessment proposal made in addition to the annual budget) proposed or to be proposed for adoption and shall solicit the budget committee's comments and recommendations regarding the budget; such comments and recommendations shall be submitted for consideration along with the budget itself to the Board of Directors or membership, as the case may be, when the budget is voted on for approval.

- (b) Vice President. The Vice President in the absence or disability of the President shall exercise the powers and perform the duties of the President. He also shall assist the President generally and exercise such other power and perform such other duties as shall be prescribed by the Board of Directors.
- (c) Secretary. The Secretary shall keep the minutes of all proceedings of the Board of Directors and the members in a businesslike manner and available for inspection by Unit Owners and the Board of Directors at all reasonable times. He shall attend to the giving and serving of all notices to the members and Board of Directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the Board of Directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.
- (d) Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; he shall submit treasurer's reports to the Board of Directors at reasonable intervals, not less than monthly; he shall prepare a budget; he shall make the treasurer's records available for inspection by the Board of Directors or Members at reasonable times; and he shall perform all other duties incident to the office of treasurer.

The Association may, with the approval of the Board of Directors, retain a management company to perform all or some of the duties of the officers.

ARTICLE VIII

MEMBERS

- A. In General. Each Unit Owner shall be a Member of the Association, with the right to vote on any matter for which a Unit Owner is entitled to vote. At any meeting of the members, the Unit Owner of each Unit shall be entitled to cast one (1) vote for each Unit he owns, which shall not be cumulative.

If a Unit is owned by one (1) person or entity, the right to vote on behalf of such Unit shall be established by the record title to the Unit. If a Unit is owned by more than one (1) person, the person or entity entitled to cast the vote for the Unit shall be designated by a voting certificate signed by all of the record owners of the Unit and filed with the Secretary of the

Association. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or a change in the ownership of the Unit concerned. A certificate designating a person entitled to cast the vote of a Unit may be revoked by any owner of a Unit. If such a certificate is not on file, the vote of such owner shall not be considered in determining the requirement for a quorum nor for any other purpose.

Notwithstanding the foregoing, whenever any Unit is owned by a husband and wife they may, but shall not be required to, designate a Voting Member. In the event a Voting Certificate designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote:

1. Where both husband and wife are present at a meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Unit owned by them. In the event they are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.
 2. Where only one (1) spouse is present at a meeting the spouse present may cast their vote without establishing the concurrence of the other spouse, absent any prior written notice to the contrary to the Association by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, their vote shall not be considered.
 3. Where neither spouse is present, the person designated in a proxy or Voting Certificate signed by either spouse may cast the vote, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different Voting Member by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different Voting Member by the other spouse, the vote shall not be considered.
- B. Members Meetings. The annual Members meeting shall be held each year at the office of the corporation on a date during the month of November as from time to time determined by the Board of Directors. The Members may transact at the annual members meeting any business authorized to be transacted by the Members.
- C. Special Meetings. Special meetings of the Members shall be held whenever allowed by the Act or called by the President.
- D. Notice. Notice of all members meetings stating the time and place and identifying each agenda item for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be posted at a conspicuous place designated by the Board of Directors on the condominium property at least thirty (30) continuous days preceding the meeting and shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed, delivered, or electronically transmitted not less than thirty (30) days nor more than thirty four (34) days prior to the date of the meeting. An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed, hand delivered, or electronically transmitted in accordance with this provision, to each Unit Owner at the address last furnished to the Association. Notice of meeting may be waived before the meetings.
- E. Quorum. A quorum of members meetings shall consist of persons holding one-third of the Unit Owners of the entire membership. The acts approved by a majority of the Unit Owners present at a meeting at which a quorum is present shall constitute the act of the members, except when approval by a greater number of Unit Owners is required by the Declaration of Condominium of any condominium operated by the Association, the Articles of

Incorporation of the Association or these By-Laws. In determining whether a quorum is present, proxies may be counted as Unit Owners, present.

- F. Proxies. Votes may be cast in person or by proxy subject to the provisions of this Paragraph. A proxy may be made or revoked by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting, provided that in no event shall a proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given.

Unit Owners may vote by limited proxy, and not general proxy, in the following instances: (1) to waive the financial reporting requirements of Section 718.111(13), Florida Statutes, (2) to waive or reduce reserves, (3) to amend the Declaration, Articles of Incorporation or the By-Laws, (4) to fill a vacancy caused by a recall of a Board member as provided in Rule 61B-23.0026, F.A.C., (5) to vote to forego retrofitting fire sprinkler systems or other engineered life safety systems, and (6) for any other matter which requires or permits a vote of the Unit Owners. Limited proxies must conform substantially to forms adopted by the Division.

Unit Owners may not vote by limited or general proxy in the election of members of the Board of Directors.

General proxies may be used only for matters for which limited proxies are not required and may also be used in voting for non-substantial changes to items for which a limited proxy is required and given.

- G. Lack of Quorum. If any meeting of members cannot be organized because a quorum is not present, the Unit Owners who are present, either in person, or by proxy, may adjourn the meeting from time to time until a quorum is present.
- H. Order of Business. The order of business at annual meetings and as far as practical at other members meetings shall be: (1) Collection of election ballots; (2) Election of chairman at meeting; (3) Call of the roll and certifying of proxies; (4) Proof of notice of meeting or waiver of notice; (5) Reading and disposal of any unapproved minutes; (6) Report of officers; (7) Report of committees; (8) Election of inspectors of an election; (9) Election of the Board of Directors; (10) Unfinished business; (11) New business; (12) Adjournment.

ARTICLE IX

FINANCIAL MANAGEMENT

Provisions for fiscal management of the Association as set forth in the Declaration of Condominium of each of the condominiums operated by the Association, the Articles of Incorporation, the Community Property Agreement and the Act shall be supplemented by the following provisions:

- A. Classification of Receipts and Expenditures. The receipts and expenditures of the Association shall be divided into two (2) general classifications. One general classification shall be for receipts and expenditures arising out of the use, ownership or maintenance of the Community Property or other similar receipts or expenditures received or incurred for the benefit of all owners served by the Community Property or for the benefit of all members of the Association. The second general classification shall be for receipts and expenditures specific to one of the condominiums or other developments served by the Association, such as the maintenance, repair or replacement of the common elements or limited common elements of a condominium. The second general classification shall be further divided into separate classifications, one such classification for each of the condominiums or other developments served by the Association. Any decision by the Board of Directors determining the classification of a particular receipt or expenditure shall be final.

B. Budgets.

1. The Board of Directors shall adopt a budget for each fiscal year for each condominium or other development served by the Association and for the Association. The budget for the Association shall include the estimated receipts and expenditures arising out of the use, ownership, operation and maintenance of the Common Elements, Limited Common Elements and the Community Property as set forth in the Community Property Agreement.
2. All budgets adopted by the Board of Directors shall include the estimated funds required to defray the common expenses and to provide and maintain funds according to good accounting practices by accounts and expense classifications including, if applicable, but not limited to the following: (1) Administration of the Association; (2) Management fee; (3) Maintenance; (4) Community Property expense for recreational and other commonly used facilities; (5) Taxes upon Association Property; (6) Taxes upon leased area; (7) Insurance; (8) Security Provisions; (9) Other expenses; (10) Operating Capital; (11) Reserves; (12) Fees payable to Division, if any; (13) Betterments (Betterments shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be a part of the common elements of the condominium or the property of the Association); (14) Operations. The cost of the Limited Common elements shall be borne by the Unit Owners having rights to such Limited Common elements, as provided in Paragraph 9.C.1 of these Bylaws.
3. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which deferred maintenance expense or replacement cost exceeds Ten Thousand Dollars (\$10,000). The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. This subsection shall not apply to budgets in which the members of the Association have, by a majority vote at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection. However, prior to transfer of control of the Association by the Developer to Unit Owners other than the Developer pursuant to Section 718.301 of the Act, the Developer may vote to waive the reserves or reduce the funding of reserves for the first two years of the operation of the Association, after which time reserves may only be waived or reduced upon vote of a majority of the Unit Owners other than the Developer present at a duly called meeting of the Association. If a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and no such result is attained or a quorum is not attained, the reserves as included in the budget shall go into effect.

Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the Unit Owners, voting in person or by limited proxy at a duly called meeting of the Association. Prior to turnover of control of the Association by the Developer to Unit Owners other than the Developer under Section 718.301 of the Act, the Developer-controlled Association shall not vote to use reserves for purposes other than that for which they were

intended without the approval of a majority of all Unit Owners other than the Developer, voting in person or by limited proxy at a duly called meeting of the Association.

If a meeting of the Unit Owners affected by a budget has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect.

4. For the purpose of the Budget, "Operations" shall include the gross revenues, if any, from the use of the common elements or other property owned by the Association and only the additional direct expense required by the revenue producing operation. Any surplus from such operations shall be used to reduce the assessments in the year following the year in which the surplus is realized. Any losses from such operation shall be met by assessments in the year following the year in which the loss is realized, unless funds cannot be adequately and timely raised in such fashion, in which event the required funds shall be provided by special assessment.
5. Adoption of Budgets. A copy of the proposed annual budget of common expenses shall be mailed to the Unit Owners affected by the budget not less than fourteen (14) days prior to the meeting at which the budget will be considered, together with a notice of that meeting. The Unit Owner shall be given written notice of the time and place at which such meeting of the Board of Directors to consider the budget shall be held, and such meeting shall be open to the Unit Owners. If an adopted budget requires assessment against the Unit Owners in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of the assessments for the preceding year, and if the Board of Directors receives, within twenty one (21) days after adoption of the annual budget, a written request from at least ten percent (10%) of the Unit Owners affected by the budget, the Board of Directors shall conduct a special meeting of the Unit Owners to consider a substitute budget. The special meeting shall be held within sixty (60) days after adoption of the annual budget. At least fourteen (14) days prior to such special meeting, the Board of Directors shall hand deliver to each Unit Owner affected by the budget, or mail to each such Unit Owner at the mailing address last furnished to the Association, a notice of the meeting.

In any event, the Board of Directors may propose a budget to the Unit Owners at a meeting of the members, and if the budget or proposed budget is approved by the Unit Owners affected by the budget at the meeting; the budget so approved shall be adopted. If a meeting of the Unit Owners affected by a budget has been called and a quorum of those Unit Owners affected by the budget in question is not attained or a substitute budget is not adopted, the budget adopted by the Board of Directors shall go into effect as scheduled.

In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium or development property, as the case may be, anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the condominium or development property, as the case may be, shall be excluded from the computation. However, as long as the Developer is in control of the Board of Directors, the Board of Directors shall not impose an assessment for any year greater than one hundred fifteen (115%) of the prior fiscal or calendar year's assessment without approval of a majority of the Unit Owners.

C. Assessments.

1. The Board of Directors shall make assessments against each Unit for its share of the items of each budget in an amount not less than required to provide funds in advance for payment of all the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. The costs of maintenance of the limited common elements shall be apportioned equally among those entitled to use such limited common elements, which costs shall be charged in the same manner as an assessment.
2. The assessments shall be made quarterly in advance and shall be due in equal, quarterly installments on the first day of each quarter for which the assessments are made.
3. If a quarterly assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and such quarterly assessments shall be due on the first day of each quarter of each quarter until changed by an amended assessment.
4. In the event the quarterly assessment shall be insufficient in the judgment of the Board of Directors, the Board of Directors shall amend each budget and shall make amended assessments for the balance of the quarter in sufficient amounts to meet the expenses for the quarter; provided, however, that any account of an amended budget that exceeds the limit upon increases shall be subject to approval of membership of the Association affected by that particular budget as previously required in these By-Laws.
5. Assessments for common expenses that cannot be paid from the annual assessment for common expenses shall be made only after notice of the need for such is given to the Unit Owners concerned. After such notice, Special Assessments may be made in one of two ways, depending on the purpose of the Special Assessment. When the purpose of the Special Assessment is limited to the payment of costs of reconstruction and repair immediately necessary to avoid damage to the condominium, it may be made by the Board of Directors, without approval of the Unit Owners or their mortgagees, upon a two-thirds (2/3) vote of the Board of Directors, a quorum being present. Such assessment shall be effective and paid as determined by the Board of Directors and indicated in the notice of assessment. All other Special Assessments must be approved in writing by persons entitled to cast more than three-fourths (3/4) of the Unit Owners, and thereupon the assessment shall become effective, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of assessment.

D. Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Directors and in which the monies from such accounts shall be withdrawn only by checks signed by such persons as are authorized by the Board of Directors.

E. Annual Financial Report. Within 90 days after the end of the fiscal year, or annually on a date provided in the Bylaws, the Association shall prepare and complete, or cause to be prepared and completed by a third party, a financial report for the preceding fiscal year. Within 21 days after the financial report is completed or received by the Association from the third party, the Association shall mail to each Unit Owner at the address last furnished to the Association by the Unit Owner, or hand deliver to each Unit Owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the Unit Owner, without charge, upon receipt of a written request from the Unit Owner.

ARTICLE X

DISPUTE RESOLUTION

Disputes, as defined in Section 718.1255, F.S., shall be submitted for mediation or arbitration as provided therein.

ARTICLE XI

OFFICIAL RECORDS

- A. From the inception of the Association, the Association shall maintain a copy of each document described in Section 718.111(12)(a) of the Act, and any other document required to be maintained in the State of Florida by the Association in accordance with all applicable laws.
- B. The official records of the Association are open to inspection by any Association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies at the reasonable expense, if any, of the Association member. The Association may adopt reasonable rules regarding the frequency, time, location, notice and manner of record inspection and copying. However, in no event shall the Association fail to provide the records within five (5) working days after receipt of a written request. A Unit Owner who is denied access to official records is entitled to such damages and remedies as are provided in Section 718.111(12)(c), Florida Statutes. The Association shall maintain an adequate number of copies of the Declaration, Articles of Incorporation, By-Laws, and rules, and all amendments to each of the foregoing, as well as the Question and Answer Sheet provided for in Section 718.504, Florida Statutes, on the condominium property to ensure their availability to Unit Owners and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the same.
- C. The Association shall prepare a Question and Answer Sheet as described in Section 718.504 of the Act, and shall update it annually.
- D. Notwithstanding any of the foregoing, the Association is not required to provide a prospective purchaser or lienholder with information about the condominium or the association other than information or documents required by Florida law or to be made available or disclosed. The association or its authorized agent may charge a reasonable fee to the prospective purchaser, lienholder, or the current unit owner for providing good faith responses to requests for information by or on behalf of a prospective purchaser or lienholder, other than that required by law, if the fee does not exceed \$150 plus the reasonable cost of photocopying and any attorney's fees incurred by the Association in connection with the response. The Association and its authorized agent are not liable for providing such information in good faith pursuant to a written request if the person providing the information includes a written statement in substantially the following form: "The responses herein are made in good faith and to the best of my ability as to their accuracy."

ARTICLE XII

FINES

In addition to all remedies provided in the Declaration of Condominium of any condominium operated by the Association, the Articles or these By-Laws, the Board of Directors of the Association may, upon reasonable notice of not less than 14 days and an opportunity for hearing, fine and charge any offending member a sum not to exceed One Hundred Dollars \$100.00 for each infraction of the provisions of said Declaration, Articles, By-Laws or reasonable rules and regulations of the Association. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000.00. No fine may be levied except after giving reasonable notice and opportunity for a hearing to the Unit Owner and, if applicable, its licensee or invitee. The hearing must be held before a committee of Unit Owners. If the committee does not agree with the fine, the fine may not be levied.

The Notice shall include the following:

- a. Statement of date, time and place of hearing.
- b. Statement of provisions allegedly violated (Declaration, By-Laws, Rules) and
- c. Short and plain statement of the matters asserted by the Association.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence and to provide written or oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the committee, if the committee agrees with the fine, the Board of Directors shall receive the report of the committee and if the Board approves the recommendation of the committee, the Board of Directors may levy the fine. No fines shall become a lien against the Unit. The provisions of this paragraph shall not apply to unoccupied units.

ARTICLE XIII

TRANSFER FEE

No fee shall be charged by the Association in connection with a transfer, lease, sale or sublease of a Unit.

ARTICLE XIV

AMENDMENTS

In addition to any other method provided under the Declaration or Articles of Incorporation, these By-Laws may be amended in the following manner:

- A. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
- B. Approval. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the Unit Owners of the Association. Except as elsewhere provided, such approvals must be either by:
 1. Not less than two-thirds (2/3) of the Unit Owners of the Association.
 2. Two-thirds (2/3) of the Board of Directors, until the transfer of control from the Developer to the Unit Owners.
 3. No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text underlined, and the 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 By-Law. See By-Law __ for present text."

Non-material errors or omissions in the By-Law process shall not invalidate an otherwise properly promulgated amendment.
- C. Execution and Recording. A copy of each amendment shall be attached to or incorporated in a certificate certifying that the amendment was duly adopted as an

amendment of the Declaration and By-Laws, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be valid and effective when such certificate, with a copy of the amendment attached thereto or incorporated therein, is recorded in the public records of Bay County, Florida.

ARTICLE XV

INTERPRETATION

These By-Laws shall be deemed to include any mandatory provision of Section 718.112(2) of the Act as if fully restated herein. Whenever the context requires the same, the singular shall include the plural and the plural the singular and the masculine shall include the feminine and the neuter. Any reference to the "Developer" shall mean any of the Developers identified herein and each of their successors and assigns. The Developer may exercise the powers hereby granted in any manner agreeable among such entities. To the extent allowed by law, any notice or document which must or can be mailed or otherwise delivered to a Unit Owner pursuant to these By-Laws may be sent, at the option of the Unit Owner, by electronic mail to such address provided to the Association by the Unit Owner, or, at the option of the Unit Owner, may be posted on a website controlled by the Association with an appropriate notice to the Unit Owner of such new content.

ARTICLE XVI

OTHER PROVISIONS

- A. **Certificate of Compliance.** A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board of Directors as evidence of compliance of the Units to the applicable fire and life safety code. Notwithstanding the provisions of Chapter 633, Florida Statutes, or of any other code, statute, ordinance, administrative rule, or regulation, or any interpretation of the foregoing, the Association, Condominium, or Unit Owner is not obligated to retrofit the Units of the Condominium with a fire sprinkler system or other engineered life safety system in the Condominium, if the Unit Owners have voted to forego such retrofitting and engineered life safety system by the affirmative vote of two-thirds of all voting interests in the Condominium. A vote to forego retrofitting may be obtained by limited proxy or by a ballot personally cast at a duly called Unit Owner meeting, or by execution of a written consent by the Unit Owner, and shall be effective upon the recording of a certificate attesting to such vote in the public records of Bay County, Florida. The Association shall mail, hand deliver, or electronically transmit to each Unit Owner written notice at least fourteen (14) days prior to such membership meeting at which the vote to forego retrofitting of the required fire sprinkler system is to take place. Within thirty (30) days after the Association's opt-out vote, notice of the results of the opt-out vote shall be mailed, hand delivered, or electronically transmitted to all Unit Owners. Evidence of compliance with this 30-day notice shall be made by affidavit executed by the person providing the notice and filed among the official records of the Association. After such notice is provided to each Unit Owner, a copy of such notice shall be provided by the current owner to a new owner prior to closing and shall be provided by a unit owner to a renter prior to signing a lease.
- B. **Conveyances to Condemning Authorities.** The Association is hereby granted a limited power to convey a portion of the Common Elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion, or other public purposes, whether negotiated or as the result of eminent domain proceedings.
- C. **Written Inquiries.** When a Unit Owner files a written inquiry by certified mail with the Board of Directors, the Board of Directors shall respond as provided in Section 718.112(2)(a)(2), F.S., and failure to comply with the provisions of such Section shall have the consequences identified therein. The Board of Directors shall adopt reasonable rules and regulations regarding the frequency and manner of responding to such inquiries.

The foregoing was adopted as the By-Laws of Calypso Towers Resort Community 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 ____ day of _____, 2003.

President

Exhibit “D”
Estimated Operating Budget

Calypso Towers and Resort Community Association Tower 3 Association Budget - Estimate
01/01/2018 to 12/31/2018
(For period beginning with the recordation of the declaration and ending on the last day
of the fiscal year which the declaration was recorded)

Income	Annual Budget	Monthly Budget
*45000.1 Quarterly Assessments Tower 1	N/A	N/A
*45000.2 Quarterly Assessments Tower 2	N/A	N/A
*45000.3 Quarterly Assessments Tower 3	1,011,308.59	84,275.72
*45005.1 Parking Assessments	N/A	N/A
*45010.3 Community Prop Assessments	N/A	N/A
*45010.3 Community Prop Assessment-Dev	N/A	N/A
*45025.1 Late Fees T1	N/A	N/A
*45025.2 Late Fees T2	N/A	N/A
*45025.3 Late Fees T 3	2,120.00	176.67
*45026 Estoppel Fees	62,500.00	5,208.33
*45035.1 Transfer Fees T1	N/A	N/A
*45035.2 Transfer Fees T2	N/A	N/A
*45035.3 Transfer Fees T3	N/A	N/A
*45037.1 Rent for Recreational and other commonly used facilities	N/A	N/A
*45040.1 Interest Income	290.00	24.17
*45065.1 Vending Machine	2,492.00	207.67
*45067.1 Armband	69,153.00	5,762.75
*45069.1 Comercial Space Assessments	17,591.00	1,465.92
*45080.1 Insurance Claim Income	N/A	N/A
*45085.4 Settlement Income	N/A	N/A
*45090.1 Miscellaneous Income	N/A	N/A
*45095.1 Collection Fees 1	N/A	N/A
*45095.2 Collection Fees 2	N/A	N/A
*45095.3 Collection Fees 3	2,500.00	208.33
*45096.3 Sprinkler Head Repair	N/A	N/A
*45096.3 Commercial Revenue	N/A	N/A
*45097.3 Cell Tower Income	16,500.00	1,375.00
45098.3 Tower 3-Initial Capital Contribution		
Operating Capital	88,397.08	7,366.42
Registration Fees	N/A	N/A
Total Income	1,272,851.67	106,070.98

Calypso Towers and Resort Community Association Tower 3 Association Budget - Estimate
01/01/2018 to 12/31/2018

General & Administrative		Annual Budget	Monthly Budget
*50005.1	Accounting Professional Fees	20,800.00	1,733.34
*50006.1	Accounting Collection Costs	N/A	N/A
*50013.1	Annual Meeting	1,500.00	125.00
*50014.1	Legal fees General Matters	N/A	N/A
*50015.1	Fees to Division	1,000.00	83.33
*50017.1	Water Coolers	1,500.00	125.00
*50020.1	Office Supplies and Expenses	6,500.00	541.66
*50021.1	Armbands	2,500.00	208.34
*50022.1	Printing	2,500.00	208.34
*50025.1	Employee Uniforms	1,000.00	83.33
*50030.1	Permits & Licenses	2,300.00	191.67
*50032.1	FL Condo Fee	1,000.00	83.34
*50035.1	Bank Charges	200.00	16.67
*50042.1	Taxes Expense	N/A	N/A
Total Administrative		40,800.00	3,400.00
Repairs & Maintenance			
*52010.1	Grounds & Palms	N/A	N/A
*52015.1	Elevator- Maintenance	492.00	41.67
*52022.1	Building Repairs	7,500.00	625.00
*52035.1	Fire System Maintenance	500.00	41.67
*52045.1	Furniture & Fixture Repair	2,000.00	167.00
*52055.1	Maintenance Supplies/Equip	5,500.00	458.34
*52056.1	Maint Supplies- Parking	N/A	N/A
*52057.1	Mait-Parking LCE	N/A	N/A
*52060.1	Cleaning Supplies	8,550.00	712.50
*52065.1	Generator Maintenance	1,500.00	125.00
*52070.1	Parking Garage (NORTH)	N/A	N/A
*52075.1	HVAC	N/A	N/A
*52080.1	Sky-Bridge	N/A	N/A
*52085.1	Security Cameras	20,000.00	1,666.67
*52090.1	Plumbing	N/A	N/A
*52091.1	Swimming Pool	9,500.00	792.00
*52095.1	Misc Maint Expense	N/A	N/A
Total Repairs & Maintenance		55,542.00	4,629.85

Calypso Towers and Resort Community Association Tower 3 Association Budget - Estimate
01/01/2018 to 12/31/2018

	Contracts	Annual Budget	Monthly Budget
*56000.1	Elevator-Contract	42,500	3,541.67
*56025.1	Pest Control-Contract	3,000	250.00
*56030.1	Lawn-Contract	7,500	625.00
*56040.1	Pool- Contract	N/A	N/A
*56050.1	Fire Alarm Systems	7,000	581.98
*56060.1	GAB Insurance Appr.	N/A	N/A
*56070.1	Garbage	35,000	2,916.67
*56075.1	Mat Service	N/A	N/A
*56096.1	Website	N/A	N/A
*56080.1	HVAC	6,000	500.00
*56095.1	Office Copier/Fax	900	75.00
	Total Contracts	101,900	8,491.67
	Insurance		0.00
*56005.1	Insurance Expense	192,250	16,020.83
*56006.1	Workmans Comp Ins	15,000	1,250.00
*56010.1	Insurance Interest	516	43.00
*56015.1	Insurance Refund	N/A	N/A
	Total Insurance	207,766	17,313.83
	Salaries & Benefits		0.00
* 57010.1	Salaries-Maintenace	68,250.00	5,687.50
*57012.1	Salaries-Management	65,500.00	5,458.33
*57013.1	Salaries-Administration of Association	N/A	N/A
*57015.1	Salaries- Grounds	76,960.00	6,413.33
*57020.1	Salaries- Seasonal	20,820.00	1,735.00
*57025.1	Payroll-Admin Fee	310.00	25.83
*57026.1	Taxes upon leased areas	N/A	N/A
*57027.1	Taxes upon Association Property	N/A	N/A
*57040.1	Payroll- Taxes	31,000.00	2,583.33
*57060.1	Salaries Courtesy Patrol	17,166.00	1,430.50
*57061.1	Employee Benefits	N/A	N/A
*57065.1	Temp Security	35,106.00	2,925.50
	Total Salaries & Benefits	315,112.00	26,259.33
	Utilities		
*55005.1	Natural Gas	18,000.00	1,500.00
*55015.1	Telephone	5,340.00	445.00
*55020.2	Water/Sewer	146,000.00	12,166.67
*55025.1	Cable	48,000.00	4,000.00
*55026.1	Internet	47,475.00	3,956.25
*55030.2	Electricity	113,950.00	9,495.83
	Total Utilities	378,765.00	31,563.75

Calypso Towers and Resort Community Association Tower 3 Association Budget - Estimate
01/01/2018 to 12/31/2018

	Reserves	Annual Budget	Monthly Budget
*59000.1	Reserves Tower 1	N/A	N/A
*59000.2	Reserves Tower 2	N/A	N/A
*59000.3	Reserves Tower 3	172,966.67	14,413.89
*59000.5	Reserves Parking	N/A	N/A
	Total Reserves	172,966.67	14,413.89
	Other		
*58040	Insurance Claims	N/A	N/A
*58041	Owner Expense: rent for unit if subject to a lease	N/A	N/A
*58042	Owner Expense: Rent payable by unit owner directly to the lessor or agent under any recreational lease or lease for the use of the commonly used facilities, which use and payment is a mandatory condition of ownership and is not included in the common expenses for assessments for common maintenance paid by unit owners to the Association	N/A	N/A
*58050.1	Bad Debt	N/A	N/A
*58060.1	Construction Legal & Professional	N/A	N/A
*58075.3	Limited Parking Assess Expense	N/A	N/A
*58100.3	Facility Improvements	N/A	N/A
*58101.1	Other Expense	N/A	N/A
	Total Other	0.00	0.00
	Total Expenses	1,272,851.67	106,072.32
	Net Income	0.00	0.00
	Total Expenses (W/O Reserve Funding)	1,099,885	91,657.08
	Net Income	0	0

THE BUDGET CONTAINED IN THIS OFFERING CIRCULAR HAS BEEN PREPARED IN ACCORDANCE WITH THE CONDOMINIUM ACT AND IS AN ESTIMATE ONLY AND REPRESENTS AN APPROXIMATION OF FUTURE EXPENSES BASED ON CURRENT CIRCUMSTANCES AND COSTS AT THE TIME OF PREPARATION. ACTUAL COSTS MAY EXCEED THE ESTIMATES. SUCH CHANGES IN COSTS DO NOT CONSTITUTE MATERIAL CHANGES IN THE OFFERING

(FOR PERIOD BEGINNING WITH RECORDATION OF DECLARATION AND ENDING THE LAST DAY OF THE FISCAL YEAR DURING WHICH THE DECLARATION WAS RECORDED)

Calypso Towers and Resort Community Association
01/01/2018 to 12/31/2018
Tower -3 Square Footage Estimates

Plans	Number Units	Square Footage	Total Sq. Footage
Type A	21	1809	37989
Type A-1	21	2117	44457
Type B	82	1563	128166
Type C	42	1074	45108
Type D	82	1103	90446
Type D-1	2	1182	2364
Retail Unit	1	2776	2776
Reception Desk	1	166	166
Snack Bar	1	1077	1077
Electrical Closet	44	65	2860
Total	297		355409

Calypso Towers and Resort Community Association
01/01/2018 to 12/31/2018
Tower -3 Unit Assessmentswith Reserve Funding Estimates

Assessments	Monthly	Quarterly	Annually	(Reserve Funding)
Type A	428.96	1286.87	5147.47	Estimated
Type A-1	501.99	1505.97	6023.88	Estimated
Type B	370.62	1111.87	4447.48	Estimated
Type C	254.67	764.01	3056.04	Estimated
Type D	261.55	784.64	3138.56	Estimated
Type D-1	280.28	840.84	3363.36	Estimated
Retail Unit	658.25	1974.76	7899.05	Estimated
Reception Desk	39.36	118.09	472.35	Estimated
Snack Bar	255.38	766.15	3064.58	Estimated
Electrical Closet	15.41	46.24	184.96	Estimated

Calypso Towers and Resort Community Association
01/01/2018 to 12/31/2018
Tower -3 Unit Assessments without Reserve Funding Estimates

Assessments	Monthly	Quarterly	Annually	(Without Reserve Funding)
Type A	355.59	1,066.77	4,267.08	Estimated
Type A-1	416.13	1,248.40	4,993.60	Estimated
Type B	307.23	921.70	3,686.82	Estimated
Type C	211.11	633.34	2,533.36	Estimated
Type D	216.81	650.44	2,601.77	Estimated
Type D-1	232.34	697.03	2,788.11	Estimated
Retail Unit	545.67	1,637.01	6,548.05	Estimated
Reception Desk	32.63	97.89	391.56	Estimated
Snack Bar	211.70	635.11	2,540.44	Estimated
Electrical Closet	12.78	38.33	153.32	Estimated

CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.

Approved Operating Budget

January 1 through December 31, 2018

	Annual Budget 2018	Projected Jan-Dec 17	Jan - Aug 17	Annual Budget 2017
Income				
45000.1 · Quarterly Assessments Tower 1	1,217,820.52	1,217,820.52	811,792.95	1,217,820.52
45000.2 · Quarterly Assessments Tower 2	1,195,716.48	1,195,716.48	797,056.96	1,195,716.48
45005.1 · Parking Assessments	3,005.00	3,005.00	2,053.58	3,005.00
45010.3 · Community Prop Assessment-Dev.	13,680.00	13,680.00	10,260.00	13,680.00
45025.1 · Late Fees T1	4,000.00	5,500.00	4,978.80	4,000.00
45025.2 · Late Fees T2	4,000.00	6,500.00	5,946.86	4,000.00
45035.1 · Transfer Fees T1	1,250.00	3,000.00	2,870.00	1,250.00
45035.2 · Transfer Fees T2	1,250.00	2,500.00	2,440.00	1,250.00
45040.1 · Interest Income	1,250.00	1,500.00	861.92	1,250.00
45065.1 · Vending Machine	1,500.00	1,500.00	837.84	1,500.00
45067.1 · Armband	15,000.00	20,000.00	17,883.67	12,000.00
45080.1 · Insurance Claim Income	0.00	3,400.00	3,335.00	0.00
45085.4 · Settlement Income	0.00	1,000.00	1,000.00	0.00
45090.1 · Miscellaneous Income	500.00	700.00	629.01	500.00
45095.1 · Collection Fees T1	750.00	750.00	640.44	1,000.00
45095.2 · Collection Fees T2	1,000.00	1,000.00	853.92	1,000.00
45096.3 · Sprinkler Head Repair	0.00	2,900.00	2,886.00	0.00
45097.3 · Cell Tower Income	50,000.00	36,000.00	21,582.62	50,000.00
Registration Fees	20,000.00	0.00	0.00	0.00
45100.1 · Application of PY Fund Balance	140,000.00	150,000.00	0.00	150,000.00
Total Income	2,670,722.00	2,666,472.00	1,687,909.57	2,657,972.00
Expense				
ADMINISTRATIVE				
50005.1 · Accounting Professional Fees	38,000.00	37,000.00	27,401.00	37,000.00
50006.1 · Accounting Collection Costs	600.00	600.00	500.00	1,000.00
50013.1 · Annual Meeting	1,500.00	1,500.00	447.24	1,500.00
50014.1 · Legal- General Matters	50,000.00	150,000.00	133,432.21	40,000.00
50017.1 · Water Coolers	1,200.00	1,200.00	876.37	1,500.00
50020.1 · Office Supplies and Expenses	3,700.00	3,700.00	2,331.62	3,500.00
50021.1 · Armbands	4,000.00	4,000.00	0.00	5,500.00
50022.1 · Printing	2,000.00	500.00	0.00	3,000.00
50025.1 · Employee Uniforms	2,000.00	2,000.00	1,887.39	2,000.00
50030.1 · Permits & Licenses	5,600.00	1,575.00	1,575.00	1,500.00
50032.1 · FL Condo Fee	1,650.00	1,650.00	61.25	1,650.00
50035.1 · Bank Charges	50.00	50.00	50.00	300.00
50042.1 · Taxes Expense	9,000.00	6,500.00	6,480.00	2,000.00
Total ADMINISTRATIVE	119,300.00	210,275.00	175,042.08	100,450.00
MAINTENANCE & REPAIRS				
52010.1 · Grounds & Palms	5,000.00	5,000.00	1,405.82	6,000.00
52015.1 · Elevator-Maintenance	7,000.00	2,500.00	1,750.33	3,500.00
52022.1 · Building Repairs	35,000.00	35,000.00	19,070.13	35,000.00
52035.1 · Fire System Maintenance	12,000.00	16,000.00	12,434.12	15,000.00
52045.1 · Furniture & Fixture Repair	2,000.00	2,000.00	1,875.57	1,500.00
52055.1 · Maintenance Supplies/Equip	11,500.00	11,200.00	9,859.28	9,000.00
52056.1 · Maint Supplies - Parking	250.00	200.00	103.92	250.00
52057.1 · Maint-Parking LCE	750.00	800.00	759.60	750.00
52060.1 · Cleaning Supplies	18,000.00	18,000.00	13,709.11	18,000.00
52065.1 · Generator Maintenance	6,500.00	6,500.00	6,420.19	3,000.00
52070.1 · Parking Garage	2,500.00	1,000.00	522.32	5,000.00
52075.1 · HVAC	17,000.00	17,000.00	9,137.43	25,000.00
52080.1 · Sky-bridge	0.00	0.00	0.00	1,500.00
52085.1 · Security Cameras	5,000.00	5,000.00	4,973.52	2,000.00
52090.1 · Plumbing	5,000.00	5,000.00	3,863.68	6,000.00
52091.1 · Swimming Pool	8,500.00	8,500.00	5,918.96	4,000.00
52095.1 · Misc Maint Expense	500.00	500.00	205.08	1,500.00
Total MAINTENANCE & REPAIRS	136,500.00	134,200.00	92,009.06	137,000.00

CALYPSO TOWERS RESORT COMMUNITY ASSOCIATION, INC.

Approved Operating Budget January 1 through December 31, 2018

	Annual Budget 2018	Projected Jan-Dec 17	Jan - Aug 17	Annual Budget 2017
CONTRACTS				
56000.1 · Elevator-Contract	38,000.00	38,000.00	22,990.00	38,000.00
56025.1 · Pest Control- Contract	6,000.00	16,500.00	15,009.28	11,000.00
56030.1 · Lawn-Contract	19,000.00	19,000.00	12,380.00	19,000.00
56040.1 · Pool Contract	42,000.00	40,000.00	26,800.00	40,000.00
56050.1 · Fire Alarm Systems	10,000.00	10,000.00	3,034.29	11,000.00
56060.1 · GAB Insurance & Reserve Appr.	3,500.00	450.00	450.00	450.00
56070.1 · Garbage	42,000.00	42,000.00	32,073.04	40,000.00
56075.1 · Mat Service	21,000.00	21,000.00	14,380.77	20,000.00
56080.1 · HVAC	12,000.00	12,000.00	5,767.50	15,000.00
56095.1 · Office Copier/Fax	3,100.00	3,100.00	1,876.36	2,500.00
56096.1 · Website	950.00	950.00	918.00	950.00
Total CONTRACTS	197,550.00	203,000.00	135,679.24	197,900.00
INSURANCE				
56005.1 · Insurance Expense	348,000.00	331,000.00	221,321.84	369,000.00
56006.1 · Workmans Comp Ins	34,000.00	34,000.00	22,493.36	17,000.00
56010.1 · Insurance Interest & Fees	1,550.00	1,550.00	1,507.58	2,500.00
Total INSURANCE	383,550.00	366,550.00	245,322.78	388,500.00
SALARIES & BENEFITS				
57010.1 · Salaries- Maintenance	136,500.00	95,000.00	64,895.67	124,000.00
57012.1 · Salaries-Admin	142,000.00	122,000.00	78,206.22	120,000.00
57015.1 · Salaries- Grounds	210,000.00	237,000.00	148,176.52	204,000.00
57020.1 · Salaries- Seasonal	36,000.00	15,000.00	14,545.19	39,000.00
57025.1 · Payroll Fee	650.00	650.00	470.75	750.00
57040.1 · Payroll Taxes	60,000.00	46,000.00	30,980.71	59,000.00
57060.1 · Salaries-Courtesy Patrol	64,000.00	61,000.00	38,631.53	62,000.00
57061.1 · Employee Benefits	58,500.00	8,000.00	5,066.70	10,500.00
57065.1 · Temp Security	121,000.00	120,000.00	91,069.62	121,000.00
Total SALARIES & BENEFITS	828,650.00	704,650.00	472,042.91	740,250.00
UTILITIES				
55005.1 · Natural Gas	11,000.00	11,000.00	7,922.12	12,000.00
55015.1 · Telephone	11,500.00	9,500.00	6,190.85	10,000.00
55020.1 · Water/Sewer	230,000.00	225,000.00	166,161.69	230,000.00
55025.1 · Cable	90,000.00	90,000.00	64,741.87	93,000.00
55026.1 · Internet	75,000.00	32,000.00	7,191.59	91,000.00
55030.1 · Electricity	175,000.00	170,000.00	110,093.92	188,000.00
Total UTILITIES	592,500.00	537,500.00	362,302.04	624,000.00
RESERVE FUNDING				
59000.1 · Reserves Tower 1	45,645.00	42,408.00	28,272.00	42,408.00
59000.2 · Reserves Tower 2	46,200.00	45,103.00	30,068.64	45,103.00
59000.3 · Reserves CP	211,350.00	209,150.00	139,433.36	209,150.00
59000.5 · Reserves Parking	2,255.00	2,255.00	1,503.36	2,255.00
Total RESERVE FUNDING	305,450.00	298,916.00	199,277.36	298,916.00
OTHER				
58050.1 · Bad Debt	5,000.00	5,000.00	0.00	30,000.00
58060.1 · Engineering Fees	10,000.00	8,000.00	5,719.44	25,000.00
58075.3 · Limited Parking Assess Expense	0.00	50.00	27.99	48.00
Registration Fee Software & Equipment	80,500.00	0.00	0.00	0.00
58100.3 · Facility Improvements	11,722.00	34,000.00	8,886.35	115,908.00
Total OTHER	107,222.00	47,050.00	14,633.78	170,956.00
Total Expense	2,670,722.00	2,502,141.00	1,696,309.25	2,657,972.00
Net Income	0.00	164,331.00	-8,399.68	0.00

Calypso Resort & Towers
Tower 3
Reserves for Capital Expenditures and Deferred Maintenance
For Fiscal Year:
January 01, 2018 - December 31, 2018

Asset	Estimated Life	Estimated Remaining Life (YRS)	Replacement Cost	Estimated Balance (01/01/18)	2018 Expenses	Remaining Funding Requirement	2018 Annual Funding Requirement
1.1 Building Painting	10	10	850,000.00	-	-	850,000.00	85,000.00
2.1 Roof Replacement	20	20	85,000.00	-	-	85,000.00	4,250.00
3.1 Paving	10	10	58,000.00	-	-	58,000.00	5,800.00
4.1 HVAC	12	12	240,000.00	-	-	240,000.00	20,000.00
5.1 Elevator Repairs/Replacement	20	20	440,000.00	-	-	440,000.00	22,000.00
6.1 Alarms and Controls	15	15	193,000.00	-	-	193,000.00	12,866.67
7.1 Swimming Pool Resurfacing	12	12	66,000.00	-	-	66,000.00	5,500.00
8.1 Signage	10	10	19,000.00	-	-	19,000.00	1,900.00
9.1 Balcony Railings	20	20	313,000.00	-	-	313,000.00	15,650.00
Total			2,264,000.00	-	-	2,264,000.00	172,966.67

Total Units	250
Contributions (Yearly)	172,966.67
Contributions (Monthly)	14,413.89

LEVEL III REPORT
RESERVE STUDY UPDATE WITHOUT SITE INSPECTION

Calypso Resort & Towers: Tower 3

**For Fiscal Year:
January 01, 2018 - December 31, 2018**

MAY 17, 2018

Introduction

Common interest developments (CIDs) are defined by shared property and restrictions in the deed on use of the property. A CID is governed by a mandatory association which administers the property and enforces its restrictions. The association is responsible for repairing, replacing, or maintaining the common areas. The owner of each separate interest is responsible for maintaining that separate interest and any exclusive use common area appurtenant to the separate interest.

Importance of Reserve Studies

A reserve study provides a current estimate of the costs of repairing and replacing major common area components (such as roofs or pavement) over the long term. Ideally, all major repair and replacement costs will be covered by funds set aside by the association as reserves, so that funds are there when needed. This requires:

- examination of the association's repair and replacement obligations;
- determination of costs and timing of replacement;
- determination of the availability of necessary (reserve) cash resources.

Because the board has a fiduciary duty to manage association funds and property, a replacement reserve budget is very important. Not only does this information supplement the annual pro forma operating budget in providing owners with financial information; the reserve study is also an important management information tool as the association strives to balance and optimize long-term property values and costs for the membership.

How Do Reserves Fit into the Overall Financial Plan?

The reserves are an important part of the association's annual pro forma operating budget. The replacement reserves relate to association budgeting in two important ways:

- The pro forma operating budget will include planned replacement reserve funding and the accrual-basis expense for the year.
- The reserve estimates depend on assumptions about the association's maintenance program, and maintenance expense is a part of the operations budget.

It is important that association members understand the difference between operations and replacement reserve activities. Boards should establish policy to distinguish between reserve expenses (funded from the replacement reserve account) and operating expenses (funded through the non-reserve operating budget).

In common interest developments, the following division of maintenance and replacement responsibility is typical, although actual items included in each category will vary according to each association's physical plan and governing documents:

- individual responsibility for maintenance;
- association responsibility for day-to-day maintenance of common area;
- association responsibility for non-annual maintenance and replacement of common area; and
- association responsibility for improvements.

Steps to Providing Adequate Reserves

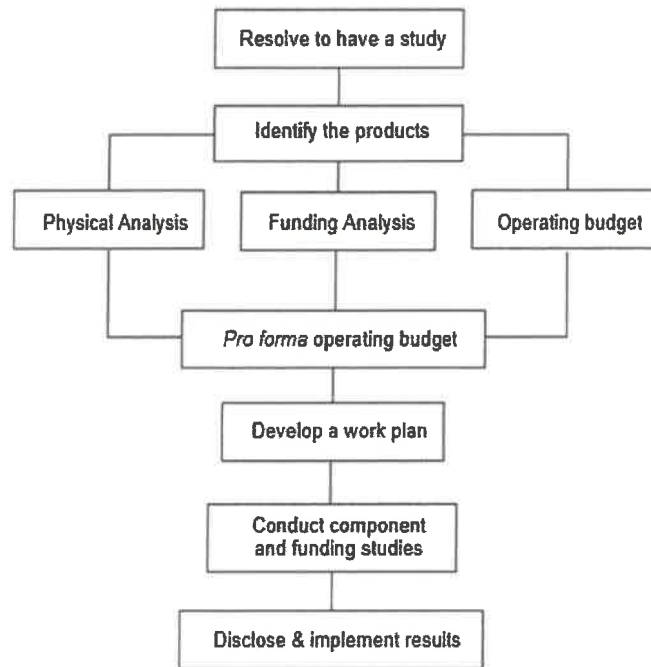


Figure 1: Reserve Study Flowchart

Important Reserve Study Terminology

Cash Flow Method – A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component – The individual line items in the reserve study developed or updated in the physical analysis. These elements form the building blocks for the reserve study. Components typically are: 1) association responsibility; 2) with limited useful life expectancies; 3) predictable remaining useful life expectancies; 4) above a minimum threshold cost; 5) as required by local codes.

Component Assessment and Valuation – The task of estimating useful life, remaining useful life, and repair or replacement costs for the reserve components. This task is accomplished either with or without on-site visual observations, based on the level of service selected by the client.

Component Inventory – The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of established association precedents and discussion with appropriate association representative(s) of the association or cooperative.

Component Method – A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for individual components. See “cash flow method”.

Condition Assessment – The task of evaluating the current condition of the component based on observed or reported characteristics.

Deficit – An actual (or projected) reserve balance less than the fully funded balance. The opposite would be a “surplus”.

Field Inspection – A site visit which includes a visual inspection of all components. In cases where plans of the property are unavailable, it would also include the quantity survey.

Financial Analysis – The portion of a reserve study where current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (reserve funding plan) are derived and the projected reserve income and expense over time is presented. The financial analysis is one of the two parts of a reserve study.

Fully Funded Balance (FBB) – Total accrued depreciation. An indicator against which actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life “used up” of the current repair or replacement cost. This number is calculated for each component and summed together for an association total.

$$FFB = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$$

Fund Status – The status of the reserve fund as compared to an established benchmark such as percent funding.

Funding Goals – Independent of methodology utilized, the following represent the basic categories of funding plan goals:

- **Baseline Funding** – Establishing a reserve funding goal of keeping the reserve cash balance above zero.
- **Full Funding** – Setting a reserve funding goal of attaining and maintaining reserves at or near 100% funded.
- **Statutory Funding** – Establishing a reserve funding goal of setting aside the specific minimum amount of reserves required by local statutes.
- **Threshold Funding** – Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold, this may be more or less conservative than “fully funding”.

Percent Funded – The ratio, at a particular point of time (typically the beginning of the fiscal year), of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage.

Physical Analysis – The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

Remaining Useful Life (RUL) – Also referred to as “remaining life” (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have “zero” remaining useful life.

Replacement Cost – The cost of replacing, repairing, or restoring a reserve component to its original functional condition. The current replacement cost would be the cost to replace, repair, or restore the component during that particular year.

Reserve Balance – Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as reserves, reserve accounts, cash reserves. Based upon information provided and not audited.

Special Assessment – An assessment levied on the members of an association in addition to regular assessments. Special assessments are often regulated by governing documents or local statutes.

Surplus – An actual (or projected) reserve balance greater than the fully funded balance. See “deficit”.

Useful Life (UL) – Total useful life or depreciable life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

Disclaimer

The information contained in this report is a PROJECTION GOOD FOR ONE (1) YEAR ONLY. The “component list”, “useful life”, “remaining useful life”, “beginning balance”, “projection of inflation”, and “interest (all inputs) have all been provided to FJStrategic Solutions Inc. to prepare this report. FJStrategic Solutions Inc. assumes no responsibility to the accuracy of any of information provided to prepare this report.

Calypso Resort & Towers: Tower 3

Because the reserve study is a projection, the estimated lives and costs of components will more than likely change over time depending on a variety of factors such as:

- (i) future inflation rates;
- (ii) levels of maintenance applied by future boards;
- (iii) unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement while others may cost more. For this reason, these variables make it possible to project exactly how much a given component will cost to replace in the future, or exactly how much a given community association should be funding annually.

Budget Assumptions and Recommendations

Starting info

- Period Start: **January 01, 2018**
- Period End: **December 31, 2018**
- Number of units: **250**
- Report Level: **D.I.Y. Reserve Study**

Report Parameters

- Current Reserve Contribution: **\$172,967**
- Projected Starting Balance: **\$0**
- Interest Projection: **1.50 %**
- Inflation Projection: **3.50 %**
- Fully Funded Balance: **\$0**

Current Percent Funded



Recommendations

- Recommended Next Years Reserve Contribution: **\$195,729**
- Special assessments recommended for Fiscal Year 2018-01-01 - 2018-12-31: **\$0**

Table 1: Planned and recommended Special Assessments

Year	Amount	Purpose	Year	Amount	Purpose
2018	\$0	NA	2033	\$0	NA
2019	\$0	NA	2034	\$0	NA
2020	\$0	NA	2035	\$0	NA
2021	\$0	NA	2036	\$0	NA
2022	\$0	None	2037	\$0	NA
2023	\$0	NA	2038	\$0	NA
2024	\$0	NA	2039	\$0	NA
2025	\$0	NA	2040	\$0	NA
2026	\$0	NA	2041	\$0	NA
2027	\$0	NA	2042	\$0	NA
2028	\$0	NA	2043	\$0	NA
2029	\$0	NA	2044	\$0	NA
2030	\$0	NA	2045	\$0	NA
2031	\$0	NA	2046	\$0	NA
2032	\$0	NA	2047	\$0	NA

Thirty Years Cash Flow Projection

Current Funding Plan

Table 2: Current Funding Plan

Year	Starting Balance	Reserve Contribution	Percent Change	Special Assessments	Interest Earned	Expenditures	Ending Balance	Fully Funded Balance	Percent Funded
2018	\$0	\$172,967	0.00 %	\$0	\$1,306	\$0	\$174,273	\$0	100.00 %
2019	\$174,273	\$179,020	3.50 %	\$0	\$3,984	\$0	\$357,277	\$179,020	97.35 %
2020	\$357,277	\$185,286	3.50 %	\$0	\$6,795	\$0	\$549,359	\$370,572	96.41 %
2021	\$549,359	\$191,771	3.50 %	\$0	\$9,745	\$0	\$750,876	\$575,314	95.49 %
2022	\$750,876	\$198,483	3.50 %	\$0	\$12,840	\$0	\$962,199	\$793,933	94.58 %
2023	\$962,199	\$205,430	3.50 %	\$0	\$16,084	\$0	\$1,183,713	\$1,027,151	93.68 %
2024	\$1,183,713	\$212,620	3.50 %	\$0	\$19,484	\$0	\$1,415,817	\$1,275,721	92.79 %
2025	\$1,415,817	\$220,062	3.50 %	\$0	\$23,046	\$0	\$1,658,925	\$1,540,433	91.91 %
2026	\$1,658,925	\$227,764	3.50 %	\$0	\$26,776	\$0	\$1,913,464	\$1,822,113	91.04 %
2027	\$1,913,464	\$235,736	3.50 %	\$0	\$30,680	\$0	\$2,179,880	\$2,121,622	90.19 %
2028	\$2,179,880	\$243,987	3.50 %	\$0	\$24,892	\$1,307,625	\$1,141,133	\$2,439,866	89.34 %
2029	\$1,141,133	\$252,526	3.50 %	\$0	\$19,142	\$0	\$1,412,802	\$1,424,395	80.11 %
2030	\$1,412,802	\$261,364	3.50 %	\$0	\$19,820	\$462,387	\$1,231,599	\$1,735,614	81.40 %
2031	\$1,231,599	\$270,512	3.50 %	\$0	\$20,644	\$0	\$1,522,756	\$1,588,302	77.54 %
2032	\$1,522,756	\$279,980	3.50 %	\$0	\$25,113	\$0	\$1,827,849	\$1,923,872	79.15 %
2033	\$1,827,849	\$289,779	3.50 %	\$0	\$27,354	\$323,342	\$1,821,640	\$2,280,987	80.13 %
2034	\$1,821,640	\$299,922	3.50 %	\$0	\$29,778	\$0	\$2,151,340	\$2,326,085	78.31 %
2035	\$2,151,340	\$310,419	3.50 %	\$0	\$34,837	\$0	\$2,496,596	\$2,717,917	79.15 %
2036	\$2,496,596	\$321,284	3.50 %	\$0	\$40,134	\$0	\$2,858,013	\$3,134,327	79.65 %
2037	\$2,858,013	\$332,529	3.50 %	\$0	\$45,677	\$0	\$3,236,219	\$3,576,557	79.91 %
2038	\$3,236,219	\$344,167	3.50 %	\$0	\$24,956	\$3,511,977	\$93,365	\$4,045,904	79.99 %
2039	\$93,365	\$356,213	3.50 %	\$0	\$4,100	\$0	\$453,678	\$908,827	10.27 %
2040	\$453,678	\$368,680	3.50 %	\$0	\$9,636	\$0	\$831,994	\$1,309,317	34.65 %
2041	\$831,994	\$381,584	3.50 %	\$0	\$15,448	\$0	\$1,229,026	\$1,736,727	47.91 %
2042	\$1,229,026	\$394,940	3.50 %	\$0	\$16,269	\$698,699	\$941,536	\$2,192,452	56.06 %
2043	\$941,536	\$408,762	3.50 %	\$0	\$17,307	\$0	\$1,367,606	\$1,954,798	48.17 %
2044	\$1,367,606	\$423,069	3.50 %	\$0	\$23,851	\$0	\$1,814,525	\$2,446,285	55.91 %
2045	\$1,814,525	\$437,877	3.50 %	\$0	\$30,713	\$0	\$2,283,114	\$2,969,781	61.10 %
2046	\$2,283,114	\$453,202	3.50 %	\$0	\$37,906	\$0	\$2,774,222	\$3,526,926	64.73 %
2047	\$2,774,222	\$469,064	3.50 %	\$0	\$45,443	\$0	\$3,288,729	\$4,119,433	67.34 %

Calypso Resort & Towers: Tower 3

Threshold Funding Plan

Table 3: Threshold Funding Plan

Year	Starting Balance	Reserve Contribution	Percent Change	Special Assessments	Interest Earned	Expenditures	Ending Balance	Fully Funded Balance	Percent Funded
2018	\$0	\$180,811	4.53 %	\$0	\$1,365	\$0	\$182,176	\$0	100.00 %
2019	\$182,176	\$187,139	3.50 %	\$0	\$4,165	\$0	\$373,480	\$179,020	101.76 %
2020	\$373,480	\$193,689	3.50 %	\$0	\$7,104	\$0	\$574,272	\$370,572	100.78 %
2021	\$574,272	\$200,468	3.50 %	\$0	\$10,187	\$0	\$784,928	\$575,314	99.82 %
2022	\$784,928	\$207,484	3.50 %	\$0	\$13,422	\$0	\$1,005,834	\$793,933	98.87 %
2023	\$1,005,834	\$214,746	3.50 %	\$0	\$16,813	\$0	\$1,237,394	\$1,027,151	97.92 %
2024	\$1,237,394	\$222,262	3.50 %	\$0	\$20,368	\$0	\$1,480,024	\$1,275,721	97.00 %
2025	\$1,480,024	\$230,042	3.50 %	\$0	\$24,091	\$0	\$1,734,157	\$1,540,433	96.08 %
2026	\$1,734,157	\$238,093	3.50 %	\$0	\$27,990	\$0	\$2,000,240	\$1,822,113	95.17 %
2027	\$2,000,240	\$246,426	3.50 %	\$0	\$32,072	\$0	\$2,278,738	\$2,121,622	94.28 %
2028	\$2,278,738	\$255,051	3.50 %	\$0	\$26,468	\$1,307,625	\$1,252,632	\$2,439,866	93.40 %
2029	\$1,252,632	\$263,978	3.50 %	\$0	\$20,913	\$0	\$1,537,523	\$1,424,395	87.94 %
2030	\$1,537,523	\$273,217	3.50 %	\$0	\$21,793	\$462,387	\$1,370,147	\$1,735,614	88.59 %
2031	\$1,370,147	\$282,780	3.50 %	\$0	\$22,830	\$0	\$1,675,756	\$1,588,302	86.26 %
2032	\$1,675,756	\$292,677	3.50 %	\$0	\$27,520	\$0	\$1,995,954	\$1,923,872	87.10 %
2033	\$1,995,954	\$302,921	3.50 %	\$0	\$29,992	\$323,342	\$2,005,524	\$2,280,987	87.50 %
2034	\$2,005,524	\$313,523	3.50 %	\$0	\$32,658	\$0	\$2,351,705	\$2,326,085	86.22 %
2035	\$2,351,705	\$324,496	3.50 %	\$0	\$37,970	\$0	\$2,714,171	\$2,717,917	86.53 %
2036	\$2,714,171	\$335,854	3.50 %	\$0	\$43,530	\$0	\$3,093,555	\$3,134,327	86.60 %
2037	\$3,093,555	\$347,609	3.50 %	\$0	\$49,349	\$0	\$3,490,513	\$3,576,557	86.50 %
2038	\$3,490,513	\$359,775	3.50 %	\$0	\$28,914	\$3,511,977	\$367,225	\$4,045,904	86.27 %
2039	\$367,225	\$372,367	3.50 %	\$0	\$8,358	\$0	\$747,950	\$908,827	40.41 %
2040	\$747,950	\$385,400	3.50 %	\$0	\$14,207	\$0	\$1,147,557	\$1,309,317	57.13 %
2041	\$1,147,557	\$398,889	3.50 %	\$0	\$20,345	\$0	\$1,566,791	\$1,736,727	66.08 %
2042	\$1,566,791	\$412,850	3.50 %	\$0	\$21,505	\$698,699	\$1,302,448	\$2,192,452	71.46 %
2043	\$1,302,448	\$427,300	3.50 %	\$0	\$22,898	\$0	\$1,752,646	\$1,954,798	66.63 %
2044	\$1,752,646	\$442,255	3.50 %	\$0	\$29,811	\$0	\$2,224,712	\$2,446,285	71.65 %
2045	\$2,224,712	\$457,734	3.50 %	\$0	\$37,058	\$0	\$2,719,504	\$2,969,781	74.91 %
2046	\$2,719,504	\$473,755	3.50 %	\$0	\$44,652	\$0	\$3,237,911	\$3,526,926	77.11 %
2047	\$3,237,911	\$490,336	3.50 %	\$0	\$52,607	\$0	\$3,780,854	\$4,119,433	78.60 %

Calypso Resort & Towers: Tower 3

Full Funding Plan

Table 4: Full Funding Plan

Year	Starting Balance	Reserve Contribution	Percent Change	Special Assessments	Interest Earned	Expenditures	Ending Balance	Fully Funded Balance	Percent Funded
2018	\$0	\$195,729	13.16 %	\$0	\$1,478	\$0	\$197,207	\$0	100.00 %
2019	\$197,207	\$202,580	3.50 %	\$0	\$4,508	\$0	\$404,295	\$179,020	110.16 %
2020	\$404,295	\$209,670	3.50 %	\$0	\$7,690	\$0	\$621,655	\$370,572	109.10 %
2021	\$621,655	\$217,008	3.50 %	\$0	\$11,028	\$0	\$849,691	\$575,314	108.05 %
2022	\$849,691	\$224,604	3.50 %	\$0	\$14,530	\$0	\$1,088,824	\$793,933	107.02 %
2023	\$1,088,824	\$232,465	3.50 %	\$0	\$18,201	\$0	\$1,339,489	\$1,027,151	106.00 %
2024	\$1,339,489	\$240,601	3.50 %	\$0	\$22,048	\$0	\$1,602,138	\$1,275,721	105.00 %
2025	\$1,602,138	\$249,022	3.50 %	\$0	\$26,079	\$0	\$1,877,239	\$1,540,433	104.01 %
2026	\$1,877,239	\$257,738	3.50 %	\$0	\$30,299	\$0	\$2,165,276	\$1,822,113	103.03 %
2027	\$2,165,276	\$266,759	3.50 %	\$0	\$34,718	\$0	\$2,466,753	\$2,121,622	102.06 %
2028	\$2,466,753	\$276,095	3.50 %	\$0	\$29,467	\$1,307,625	\$1,464,690	\$2,439,866	101.10 %
2029	\$1,464,690	\$285,758	3.50 %	\$0	\$24,280	\$0	\$1,774,728	\$1,424,395	102.83 %
2030	\$1,774,728	\$295,760	3.50 %	\$0	\$25,546	\$462,387	\$1,633,647	\$1,735,614	102.25 %
2031	\$1,633,647	\$306,112	3.50 %	\$0	\$26,986	\$0	\$1,966,745	\$1,588,302	102.85 %
2032	\$1,966,745	\$316,826	3.50 %	\$0	\$32,097	\$0	\$2,315,668	\$1,923,872	102.23 %
2033	\$2,315,668	\$327,914	3.50 %	\$0	\$35,009	\$323,342	\$2,355,249	\$2,280,987	101.52 %
2034	\$2,355,249	\$339,391	3.50 %	\$0	\$38,136	\$0	\$2,732,776	\$2,326,085	101.25 %
2035	\$2,732,776	\$351,270	3.50 %	\$0	\$43,927	\$0	\$3,127,973	\$2,717,917	100.55 %
2036	\$3,127,973	\$363,565	3.50 %	\$0	\$49,989	\$0	\$3,541,527	\$3,134,327	99.80 %
2037	\$3,541,527	\$376,289	3.50 %	\$0	\$56,331	\$0	\$3,974,148	\$3,576,557	99.02 %
2038	\$3,974,148	\$389,459	3.50 %	\$0	\$36,443	\$3,511,977	\$888,073	\$4,045,904	98.23 %
2039	\$888,073	\$403,090	3.50 %	\$0	\$16,457	\$0	\$1,307,620	\$908,827	97.72 %
2040	\$1,307,620	\$417,199	3.50 %	\$0	\$22,900	\$0	\$1,747,719	\$1,309,317	99.87 %
2041	\$1,747,719	\$431,801	3.50 %	\$0	\$29,658	\$0	\$2,209,178	\$1,736,727	100.63 %
2042	\$2,209,178	\$446,914	3.50 %	\$0	\$31,465	\$698,699	\$1,988,858	\$2,192,452	100.76 %
2043	\$1,988,858	\$462,556	3.50 %	\$0	\$33,532	\$0	\$2,484,945	\$1,954,798	101.74 %
2044	\$2,484,945	\$478,745	3.50 %	\$0	\$41,147	\$0	\$3,004,837	\$2,446,285	101.58 %
2045	\$3,004,837	\$495,501	3.50 %	\$0	\$49,126	\$0	\$3,549,464	\$2,969,781	101.18 %
2046	\$3,549,464	\$512,844	3.50 %	\$0	\$57,482	\$0	\$4,119,790	\$3,526,926	100.64 %
2047	\$4,119,790	\$530,793	3.50 %	\$0	\$66,232	\$0	\$4,716,815	\$4,119,433	100.01 %

Summary

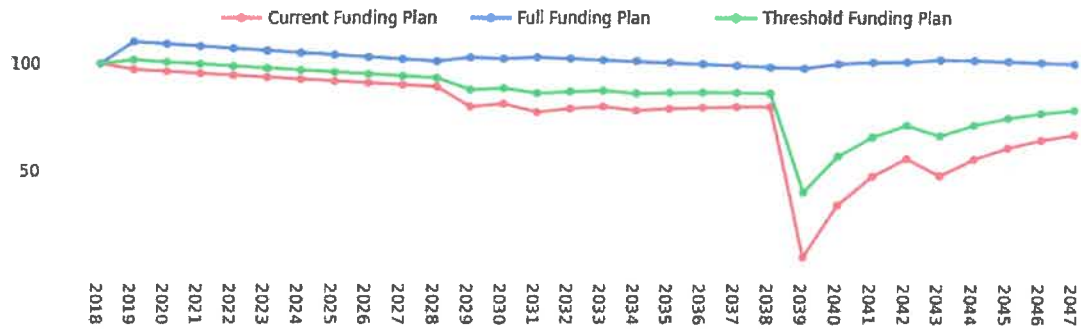


Figure 2: Current Percent Funded (%)

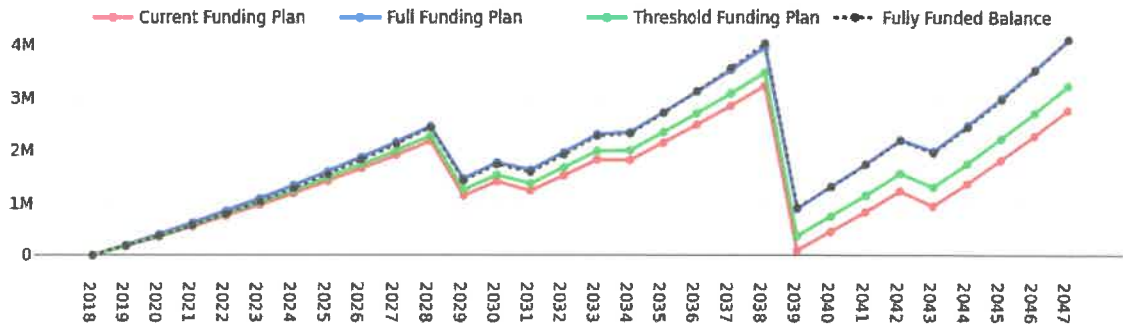


Figure 3: Projected Starting Balance VS Fully Funded Balance (\$)

Units, Components, Loans and other Expenditures

Description

Table 5: Funded Components

Component Title	Description	Useful Life (years)	Remaining Useful Life (years)	Current Replacement Cost	Assessment Notes
1 Painting					
1 1.1 Painting	Painting	10	10	\$850,000	Fixed
2 Roofs					
2 2.1 Roof	Roof	20	20	\$85,000	Fixed
3 Pavement					
3 3.1 Paving	Paving	10	10	\$58,000	Fixed
4 HVAC					
4 4.1 HVAC	HVAC	12	12	\$240,000	Fixed
5 Elevators					
5 5.1 Elevators	Elevators	20	20	\$440,000	Fixed
6 Fire Safety Systems					
6 6.1 Fire Protection	Fire Protection	15	15	\$193,000	Fixed
7 Pool & Spa					
7 7.1 Swimming Pools	Swimming Pools	12	12	\$66,000	Fixed
8 Signage					
8 8.1 Signage	Signage	10	10	\$19,000	Fixed
9 Railings					
9 9.1 Balcony Railings	Balcony Railings	20	20	\$313,000	Fixed

Contribution and Fund Breakdown

Table 6: Assessment Calculations by individual components

Component Title	FFB	Yearly Cost	Current Funding Plan		Threshold Funding Plan		Full Funding Plan	
			FB	RC	FB	RC	FB	RC
1 1.1 Painting	\$0	\$87,975	\$0	\$85,000	\$0	\$88,855	\$0	\$96,186
2 2.1 Roof	\$0	\$4,399	\$0	\$4,250	\$0	\$4,443	\$0	\$4,809
3 3.1 Paving	\$0	\$6,003	\$0	\$5,800	\$0	\$6,063	\$0	\$6,563
4 4.1 HVAC	\$0	\$20,700	\$0	\$20,000	\$0	\$20,907	\$0	\$22,632
5 5.1 Elevators	\$0	\$22,770	\$0	\$22,000	\$0	\$22,998	\$0	\$24,895
6 6.1 Fire Protection	\$0	\$13,317	\$0	\$12,867	\$0	\$13,450	\$0	\$14,560
7 7.1 Swimming Pools	\$0	\$5,692	\$0	\$5,500	\$0	\$5,749	\$0	\$6,224
8 8.1 Signage	\$0	\$1,966	\$0	\$1,900	\$0	\$1,986	\$0	\$2,150
9 9.1 Balcony Railings	\$0	\$16,198	\$0	\$15,650	\$0	\$16,360	\$0	\$17,710
Total	\$0		\$0	\$172,967	\$0	\$180,811	\$0	\$195,729

Notes:

FFB: Fully Funded Balance

FB (Funded Balance): Distribution of Starting Balance over Components

RC (Reserve Contribution): Distribution of Yearly Reserve Contribution + Special Assessments over Components

Calypso Resort & Towers: Tower 3

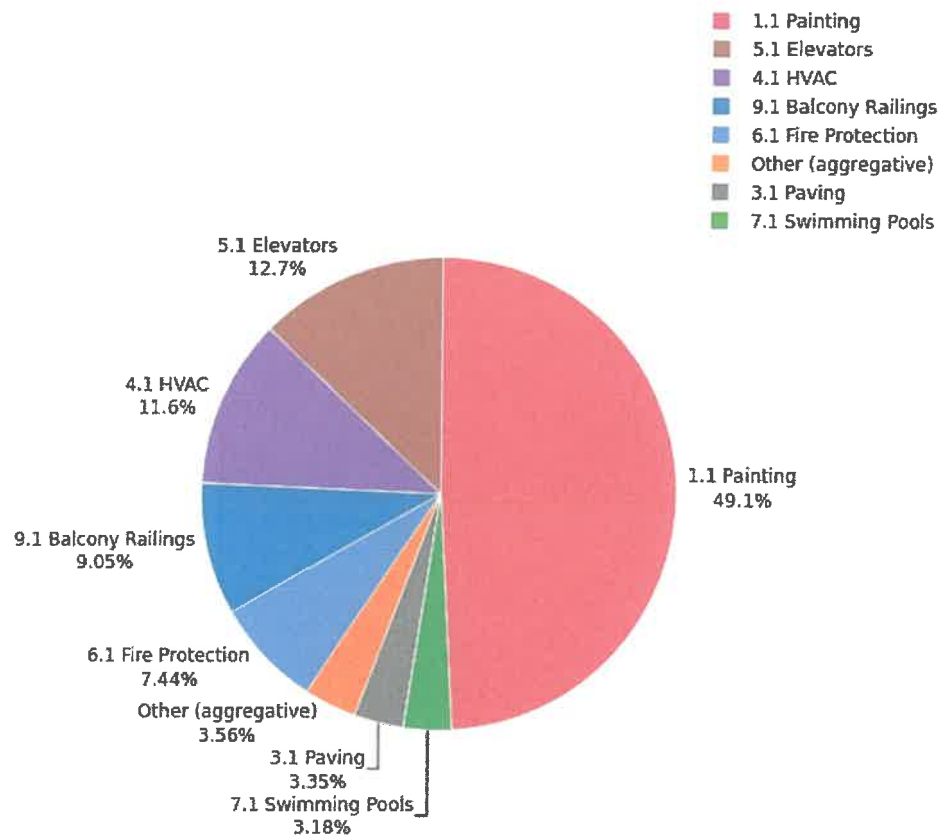


Figure 4: Costs segmentation by individual components

Table 7: Assessment Calculations by main components category

Category	FFB	Yearly Cost	Current Funding Plan		Threshold Funding Plan		Full Funding Plan	
			FB	RC	FB	RC	FB	RC
1 1 Painting	\$0	\$87,975	\$0	\$85,000	\$0	\$88,855	\$0	\$96,186
2 2 Roofs	\$0	\$4,399	\$0	\$4,250	\$0	\$4,443	\$0	\$4,809
3 3 Pavement	\$0	\$6,003	\$0	\$5,800	\$0	\$6,063	\$0	\$6,563
4 4 HVAC	\$0	\$20,700	\$0	\$20,000	\$0	\$20,907	\$0	\$22,632
5 5 Elevators	\$0	\$22,770	\$0	\$22,000	\$0	\$22,998	\$0	\$24,895
6 6 Fire Safety Systems	\$0	\$13,317	\$0	\$12,867	\$0	\$13,450	\$0	\$14,560
7 7 Pool & Spa	\$0	\$5,692	\$0	\$5,500	\$0	\$5,749	\$0	\$6,224
8 8 Signage	\$0	\$1,966	\$0	\$1,900	\$0	\$1,986	\$0	\$2,150
9 9 Railings	\$0	\$16,198	\$0	\$15,650	\$0	\$16,360	\$0	\$17,710
Total	\$0		\$0	\$172,967	\$0	\$180,811	\$0	\$195,729

Calypso Resort & Towers: Tower 3

Table 7: Assessment Calculations by main components category (continued)

Category	FFB	Yearly Cost	Current Funding Plan		Threshold Funding Plan		Full Funding Plan	
			FB	RC	FB	RC	FB	RC

Notes:

FFB: Fully Funded Balance

FB (Funded Balance): Distribution of Starting Balance over Components

RC (Reserve Contribution): Distribution of Yearly Reserve Contribution + Special Assessments over Components

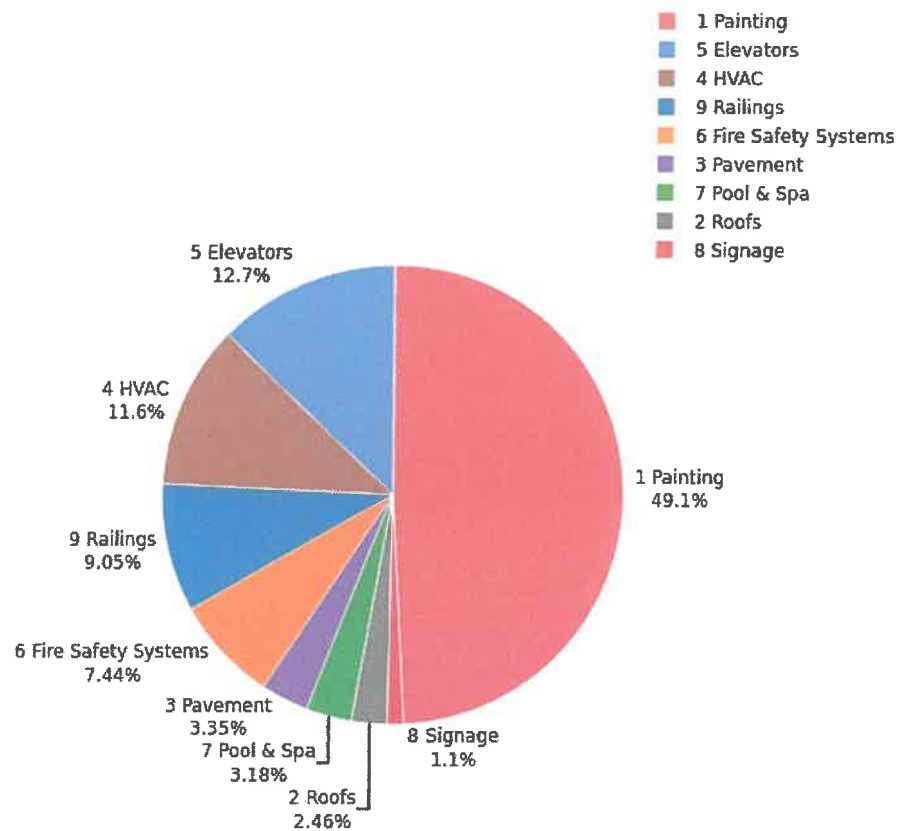


Figure 5: Costs segmentation by main components category

Table 8: Assessment Calculations by Units

Number of Units	Current Funding Plan		Threshold Funding Plan		Full Funding Plan	
	RC per Unit	Total RC	RC per Unit	Total RC	RC per Unit	Total RC
250	\$692	\$172,967	\$723	\$180,811	\$783	\$195,729

Calypso Resort & Towers: Tower 3

Table 8: Assessment Calculations by Units (continued)

Number of Units	Current Funding Plan		Threshold Funding Plan		Full Funding Plan	
	RC per Unit	Total RC	RC per Unit	Total RC	RC per Unit	Total RC

Notes:

RC per Unit: Fixed Reserve Contribution per Unit

Total RC: Total Fixed Reserve Contribution (according to the corresponding Funding Plan)

Anticipated Expenditures: years 2018 - 2027

Table 9: Anticipated Expenditures: years 2018 - 2027

Component	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1 Painting										
1.1 Painting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 Roofs										
2.1 Roof	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Pavement										
3.1 Paving	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 HVAC										
4.1 HVAC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 Elevators										
5.1 Elevators	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Fire Safety Systems										
6.1 Fire Protection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 Pool & Spa										
7.1 Swimming Pools	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Signage										
8.1 Signage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Railings										
9.1 Balcony Railings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Anticipated Expenditures: years 2028 - 2037

Table 10: Anticipated Expenditures: years 2028 - 2037

Component	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
1 Painting										
1.1 Painting	\$1,199,009	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 Roofs										
2.1 Roof	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Pavement										
3.1 Paving	\$81,815	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 HVAC										
4.1 HVAC	\$0	\$0	\$362,656	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 Elevators										
5.1 Elevators	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Fire Safety Systems										
6.1 Fire Protection	\$0	\$0	\$0	\$0	\$0	\$323,342	\$0	\$0	\$0	\$0
7 Pool & Spa										
7.1 Swimming Pools	\$0	\$0	\$99,731	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Signage										
8.1 Signage	\$26,801	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Railings										
9.1 Balcony Railings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$1,307,625	\$0	\$462,387	\$0	\$0	\$323,342	\$0	\$0	\$0	\$0

Anticipated Expenditures: years 2038 - 2047

Table 11: Anticipated Expenditures: years 2038 - 2047

Component	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
1 Painting										
1.1 Painting	\$1,691,321	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 Roofs										
2.1 Roof	\$169,132	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Pavement										
3.1 Paving	\$115,408	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 HVAC										
4.1 HVAC	\$0	\$0	\$0	\$0	\$547,999	\$0	\$0	\$0	\$0	\$0
5 Elevators										
5.1 Elevators	\$875,507	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Fire Safety Systems										
6.1 Fire Protection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 Pool & Spa										
7.1 Swimming Pools	\$0	\$0	\$0	\$0	\$150,700	\$0	\$0	\$0	\$0	\$0
8 Signage										
8.1 Signage	\$37,806	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Railings										
9.1 Balcony Railings	\$622,804	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$3,511,978	\$0	\$0	\$0	\$698,699	\$0	\$0	\$0	\$0	\$0

Thirty Year Expenditure

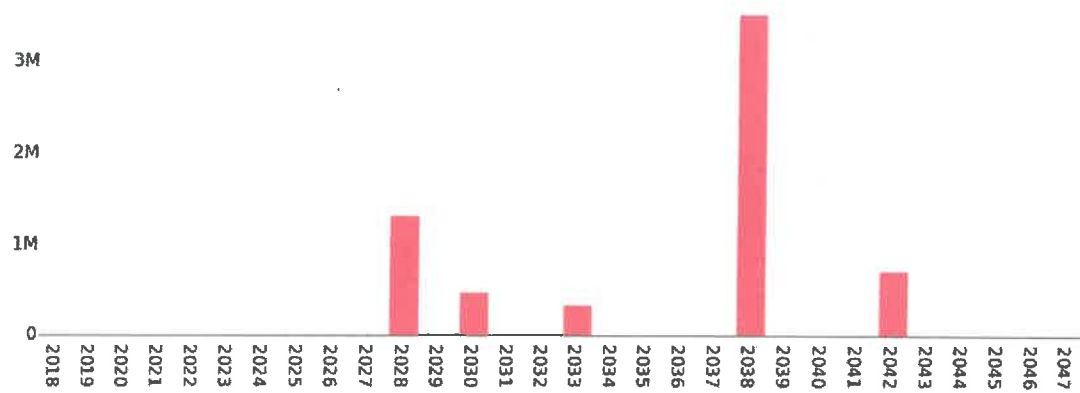


Figure 6: Thirty Year Expenditure (\$)