

Schedule A to By-Laws

RULES AND REGULATIONS

FOR

OLDE MARCO CONDOMINIUM ASSOCIATION, INC.

The following Rules and Regulations supplement those contained in the Declaration of Condominium for Olde Marco, a Condominium. They are applicable to all occupants of Units as well as to Unit Owners.

1. The entranceways, passages, vestibules, elevators, lobbies, halls and similar portions of the Common Elements shall be used only for ingress and egress to and from the Condominium Property. No carts, bicycles, carriages, chairs, tables or other similar objects shall be stored in them.
2. Each Unit User's personal property must be stored within the Unit.
3. The Common Elements shall not be obstructed, littered, defaced, or misused in any manner.
4. No articles shall be placed in the hallways or breezeways.
5. No articles except suitable furniture, plants and planters shall be placed on balconies, terraces, courtyards or similar areas.
6. Neither rugs, laundry nor any other article(s) shall be shaken or hung from windows, doors, balconies, terraces or exterior walls.
7. Garbage and other refuse shall be placed only in designated areas.
8. Pets are absolutely not allowed in or about Condominium Property, including exclusion from individual Units.
9. Employees of the Association are not to be engaged by Unit Users for personal errands which are not within the scope of the applicable employee's duties. The Board of Directors, through a management company engaged by the Association, if any, shall be solely responsible for directing and supervising the Association's employees, if any.
10. No Unit User shall make disturbing noises in the Building or permit his family, servants, employees, agents, visitors or licensees to do so. In particular, no occupant of a Unit shall play (or permit to be played in a Unit or on the Common Elements appurtenant to it) any musical instrument, phonograph, television, radio or the like in a way that unreasonably disturbs or annoys other Unit occupants.
11. No radio or television installation or other electric equipment shall be permitted in any Unit if it interferes with the television or radio reception of another Unit.

12. With the exception of signs used or approved by the Developer and/or the Association, no signs, advertisements, notices or lettering may be exhibited, displayed, inscribed, painted or affixed in, or upon any part of the Common Elements or any part of a Unit so as to be visible outside the Unit, nor on any vehicle owned or controlled by Unit owners or owner's invites or guests, other than for service calls. Additionally, no awning, canopy, shutter, air-conditioning unit or other projection shall be attached to, hung, displayed or placed upon the outside walls, doors, balconies, windows, roof or other portions of the Building or on the Common Elements.

13. The Association may retain a pass-key to all Units. No Unit Owner shall alter any lock, nor install any new lock, without notice to the Board of Directors and the Unit Owner shall provide the Association with an additional key.

14. No flammable, combustible or explosive fluids, chemicals or other substances may be kept in any Unit or on the Common Elements, except such as are normally used for normal hotel purposes.

15. A Unit Owner during the hurricane season must designate a responsible firm or individual to care for his Unit should the Unit suffer hurricane damage and furnish the Association with the name(s) of that firm or individual.

16. Food and beverages may not be consumed on the Common Elements except as specifically permitted by the Board of Directors.

17. Curtains, drapes and other window coverings (including their linings) which face on exterior windows or glass doors of Units shall be white or off-white in color, unless otherwise specifically approved by the Board of Directors, and must be in keeping with the decor of the entire building and property.

18. No aluminum foil may be placed in any window or glass door of a Unit, and no reflective substance may be placed on any glass in a Unit except a substance previously approved by the Board of Directors for energy conservation purposes.

19. No exterior antennae shall be permitted on the Condominium Property, provided that the Developer and/or the Association shall have the right (but not the obligation) to install and maintain community antennae, radio and television lines and security systems, as well as communication systems.

20. Children shall be the direct responsibility of their parents or legal guardians who must supervise them while they are within the Condominium Property. Full compliance with these Rules and Regulations and all other rules and regulations of the Association shall be required of children. Playing shall not be permitted in any of the lobbies, hallways, stairways, elevators, and lobby areas, and loud noises will not be tolerated.

21. Every Unit Owner and occupant shall comply with these Rules and Regulations as set forth herein, any and all rules and regulations which from time to time may be adopted, and the provisions of the Declaration, By-Laws and Articles of Incorporation of the Association (all as amended from time to time) to the extent applicable. Failure of a Unit Owner or occupant to comply shall be grounds for legal action which may include, without limitation, an action to recover sums due for damages, an action

for injunctive relief, and any combination of such actions. All costs associated with such action shall be reimbursed the Association by Unit Owner.

22. All events held by Unit Owner, its invitees or guests which would entail more than six additional cars must be pre-approved by Marco Cat, LLP or the Management of Olde Marco Island Inn and Suites, their successors or assigns as to parking. If such parking would interfere with parking availability, such may be denied without recourse or appeal.

In addition to all other remedies, in the sole discretion of the Board of Directors of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner, his family, guests, invitees, lessees or employees, to comply with any covenant, restriction, rule or regulation herein or in the Declaration, or Articles of Incorporation or By-Laws, provided the following procedures are adhered to:

- (a) **Notice:** The Association shall notify the Owner or occupant of the reported or alleged infraction or infractions. Included in the notice shall be a date and time of the next Board of Directors meeting at which time the Owner or occupant shall present reasons why a fine should not be imposed. The Owner or occupant may be represented by counsel and may cross-examine witnesses.
- (b) **Hearing:** The non-compliance shall be presented to the Board of Directors and a committee of Unit Owners formed for that purpose after which the Board of Directors and the committee shall hear reasons why a fine should not be imposed. A written decision of the Board of Directors and the committee shall be submitted to the Owner or occupant no later than twenty-one (21) days after the Board of Directors' meeting.
- (c) **Amount:** The Board of Directors may impose a fine against the applicable person in such amount as may be permitted by the Association's By-Laws and by law.
- (d) **Payment of Fines:** Fines shall be paid not later than thirty (30) days after notice of the imposition thereof.
- (e) **Application of Fines:** All monies received from fines shall be allocated as directed by the Board of Directors.
- (f) **Infractions:** Each day an infraction or violation occurs after the applicable party has received notice thereof shall be deemed to be a new infraction or violation.
- (g) **Non-exclusive Remedy:** These fines shall not be construed to be exclusive and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any penalty paid by the offending Owner or occupant shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner.

23. These rules and regulations shall not apply to the Developer, to the Developer's agents, employees or contractors, or to Units owned by the Developer until they are conveyed. They shall apply, however, to all other Owners and occupants of Units. The Board of Directors may (but need not) grant relief to one or more Unit Owners from specific rules and regulations upon written request for such relief and good cause shown (as determined by the Board in its sole opinion).

FREQUENTLY ASKED QUESTIONS AND ANSWERS SHEET

OLDE MARCO
CONDOMINIUM ASSOCIATION, INC.

As of May, 2003

- Q: What are my voting rights in the Condominium Association?
- A: The owner or owners of a single condominium unit shall collectively be entitled to one vote for that condominium unit.
- Q: What restrictions exist on my right to use my unit?
- A: Olde Marco, a Condominium, is zoned as a commercial daily rental hotel property. An owner may not use the unit as a residence, and the owner's usage is restricted, as outlined in the condominium documents. The owner may choose any reputable and properly licensed rental agent to act on their behalf in rental of their Unit. There are no limitations regarding children on the property, except as to the reasonable actions and supervisory issues as provided for in the Declarations. Absolutely no pets are allowed in or around the property, including exclusion from individual Units. For more details, see Section 18 of the Declarations.
- Q: What restrictions exist on the leasing of my unit and must the Unit be available for rental?
- A: Olde Marco will be operated as a resort, and units will be rented on a day-to-day basis, except when the Owner, or its designees, are in occupancy. There are restrictions on leases, see Paragraph 18 of the Declaration of Condominium. Under the combination of the zoning and terms stated in the Condominium documents, the Unit must be available for rental by a reputable, licensed rental agent.
- Q: How much are my assessments to the Condominium Association for my unit type and when are they due?
- A: The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of Assessments payable by Unit Owners to meet the common expenses of the Condominium and allocate and assess such expenses among the Unit Owners in accordance with the provisions of the Declaration and the By-Laws. The estimated expenses for 2003, to be prorated based on date of purchase are \$314.48 per month, which equals \$943.45 per quarter.
- 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: No.
- Q: Is the Condominium Association or other mandatory membership association involved in any court cases in which it may face liability in excess of \$100,000.00? 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 SALE CONTRACT, AND THE CONDOMINIUM DOCUMENTS.