

EXHIBIT H TO PROSPECTUS
(Regulations)

SHORES OF PANAMA II, A CONDOMINIUM
Bay County, Florida

REGULATIONS

The pleasantness of condominium living is greatly enhanced by a congenial atmosphere in which all residents have proper regard for the comfort of others. For this reason these rules and regulations have been adopted by the Shores of Panama Resort Community Association, Inc. in order to assure residents and their guests that the condominium property will be properly used for the benefit of all those persons. All residents are requested to cooperate with the management in seeing that the rules and regulations are observed.

1. ADDRESS. Residents should designate their address as follows:

Unit No. _____
Shores of Panama II, a condominium
9900 S. Thomas Drive
Panama City Beach, FL
2. CONDOMINIUM LIVING. Condominium living requires that each resident regulate the occupancy and use of his unit so as not to unreasonably or unnecessarily disturb any other resident in the occupancy and use of his unit. All residents are requested to use their units accordingly.
3. RESIDENTS AND GUESTS. The facilities of Shores of Panama II are for the use and enjoyment of residents and house guests only. Visitors will be permitted to use the facilities only as guests of residents who will remain responsible for acts of their guests. Residents are requested to register their house guests with the management office in order to facilitate the receipt and forwarding of mail and the handling of telephone calls. Mail received for persons unknown to the management must be returned to the sender after holding for the period allowed by postal regulations.
4. CHILDREN'S ACTIVITIES. Children are welcome in Shores of Panama II and there is no desire to restrict their normal activities. Nevertheless, they are required to observe the same restrictions that apply to adults. This precludes the playful use of equipment, the use of any common elements in the building for play areas, or any other conduct that will interfere with the quiet and comfort of the residents. Adult residents with whom children are living will be held responsible for the observance of these rules and regulations by the children.
5. SECURITY. The management will attempt to provide security for residents and guests, but all occupants must cooperate if effective security is to be obtained. This requires that all unit doors be locked at all times; solicitors are not allowed to enter a unit without an appointment; and all suspicious appearing persons or incidents should be reported immediately to the management. [March 1st through Labor Day, I.D. tags are required at swimming pools - security is charged with enforcement].
6. USE OF UNITS.
 - (a) Air conditioning. When the air conditioning unit is operating windows and doors are to be kept closed as much as possible. Not only is this an economically sound practice but will reduce the admitting of moisture in the warm air and the resulting dampness and mildew in the unit.
 - (b) Decoration. No unit owner shall decorate any part of his unit or the building so as to change the appearance of any balconies or floors of balconies. This precludes the

painting of any balconies or floors of balconies, illumination or the exterior of the building, display of plants or other objects upon balconies or railings or exterior window sills or ledges. Under no circumstances will containers be allowed that will permit water and/or plant fertilizers to soak through to the building floors and/or lower walls and railings. Any exception must be approved by the Board of Directors in writing.

(c) Equipment Failure. 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 to avoid damage of other equipment. Each unit owner shall be liable for all damage caused by misuse of equipment by the residents or guests of the owner's unit.

(d) Fire Hazards. No article shall be stored nor any use made of any part of the condominium property that will constitute a fire hazard.

(e) Hanging of Objects. The hanging of bathing suits, clothing, rugs, towels or other items, with the exception of an American Flag, upon balconies or railings or from windows is prohibited. On Armed Forces Day, Memorial Day, Flag Day, Independence Day and Veterans Day, any unit owner may display in a respectful way portable, removable official flags, not larger than 4 ½ feet by 6 feet, that represent the United States Army, Navy, Air Force, Marine Corps or Coast Guard, regardless of any declaration rules or requirements dealing with flags.

(f) Installations. Only such awnings, blinds, shades and sunscreen shall be used in balconies or windows as are approved by the Association.

(g) Maintenance and Repair. Unit owners are reminded that maintenance and repair of the condominium building is the responsibility of the Association except for the interior of the unit. As authorized by the condominium documents, the Board of Directors has determined that the maintenance, repair and replacement of windows and glass doors shall be the responsibility of the unit owner except in case of damage for which insurance proceeds are available. No work of any kind is to be done upon the part of the building to be maintained by the Association without first obtaining the approval required by the condominium documents. Occupants of units under sublease are reminded that the responsibility of maintenance and repair as between the lessor and lessee is established by their subleases. Regardless of the responsibility for maintenance and repair, it is recommended that need of such work be reported immediately to the management which can be of assistance in obtaining prompt service. Service provided by the management staff for which the unit owner is liable will be charged to the unit owner.

(h) Noise. In order to assure the comfort of all residents, the playing of phonographs, radios, television sets and musical instruments must not exceed a reasonable volume at any time. This applies to all public areas as well as inside 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. All residents and guests shall refrain from any activity that would disturb other residents.

(i) Pets.

(1) The keeping of a dog or other pet at Shores of Panama II is not a right of a unit owner but is a conditional license. This conditional license is subject to termination at any time by the Board of Directors upon a finding that a dog or other pet is vicious, is annoying to other residents, or has in any way become a nuisance. The owner of a pet assumes liability for all damage to persons or property caused by the pet or resulting from its presence at Shores of Panama II. Non-unit owners are prohibited from keeping or having a dog or other pet at the Resort.

(2) This license is subject to the following conditions:

- owner's unit.
- (i) A dog must be on leash at all times when outside of the
 - (ii) A dog must not be curbed at any place on the property of the condominium except such places as are from time to time designated for such purposes.
 - (iii) As a courtesy to other residents and as a safety precaution pets are never to be left unattended in any public areas.
 - (iv) It is the pet owner's responsibility to clean up after their pet.
 - (v) No pit bulldogs or part pit bulldogs allowed on the premises.
 - (vi) No dogs that have had attack training are allowed even if owner is law enforcement or military or even if the dog is deprogrammed.
 - (vii) Pets are not allowed on the pool decks or the beach.

(j) Signs. 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 except "No Smoking" signs approved by the Association.

(k) Use Restrictions. Residents are reminded of the restrictions upon the use of the condominium property that appear in the condominium documents. The restrictions require, among other things, that a unit, except for the commercial unit, may be used only as a residence either permanent or transient. No nuisances shall be allowed nor any practice followed that is the source of annoyance to other residents or in violation of city, county, state or federal laws.

(l) Waste Disposal. All waste is to be disposed by kitchen garbage disposal units or through the trash chutes and into dumpsters. No waste, including cigars and cigarettes, is to be disposed at any time from balconies or windows.

(m) Windows. This area is subject to sudden rainstorms without warning. In order to avoid water damage to a unit as well as to other parts of the building, occupants of a unit are required to close all windows and doors exposed to the weather whenever no one is to be in the unit. Failure to close windows and doors will render the unit owner liable for resulting damage.

7. USE OF COMMON ELEMENTS AND OTHER FACILITIES.

(a) Elevators. The elevators serving the condominium are primarily intended for use as passenger elevators for residents and their guests only. A designated elevator shall be available for remodeling or for heavy furniture transfer. No elevator, other than the designated elevator, shall be used to transport laundry carts, large furnishings, cleaning carts or equipment. From time to time, the service elevator may be, for only the time necessary, turned off for the purpose of loading and unloading.

(b) Balconies, Fire Escapes, Halls, Stairways and Walkways.

(1) Fire 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, ice and milk containers. This prohibition is in compliance with the fire code/insurance requirements and is for the protection of residents in case of fire or other emergency and will be strictly enforced.

(2) These areas are part of the common elements and will be cleaned by the management. Residents are requested to cooperate by refraining from disposing on or from these areas any waste of any kind, including cigars and cigarettes.

(c) Exterior of Building. No one may mount any object upon the exterior or roof of the building without approval of the Board of Directors in writing. No one may install or use any awnings, decoration, illuminations, plants or signs without approval of the Board of Directors in writing.

8. MANAGEMENT. The management is employed to serve the residents of the condominium, but the cost and quality of that service depends largely upon the cooperation of the residents. Excessive demands for service will either deny service to some residents or increase the cost of service to all. Observance of the following provisions will be of much assistance to management.

(a) Office. The management office is open 7 days each week, 8:00 a.m. to 8:00 p.m. All requests for service and reports concerning the condominium property should be made to the proper service department.

(b) Employees. Personnel of the management staff are to perform only such services as are made available to all residents and guests. All compensation for the staff will be paid by management. Costs chargeable to a unit owner, such as maintenance of a unit, will be charged by management to the unit owner. The management personnel, including all maintenance, office and service employees, are adequately compensated and no gratuities are to be given to them. This is not to preclude appropriate remembrances at Christmas or other particular occasions.

(c) Maid Service. Maid service can be obtained by residents through the management. If a maid is to be employed directly, it is requested that management be advised for security purposes.

9. PARKING AREAS. Parking areas not reserved to specific units are for use by residents or their guests for such personal vehicle or vehicles as are used by them for transportation purposes on a daily basis. In order to assure that the parking areas will have an aesthetically pleasing appearance and that they will be available to residents and their guests as needed, the parking areas are for transportation purposes on a daily basis.

10. MEETING NOTICES. Bulletin boards are located in lobbies by mail box area. Official notices will be posted there in compliance with Florida Statutes.

11. SMOKING. Smoking is prohibited in all common elements of the condominium.