

0 10 20

SCALE 1" = 10'

OFF REC 0983 PAGE 0371

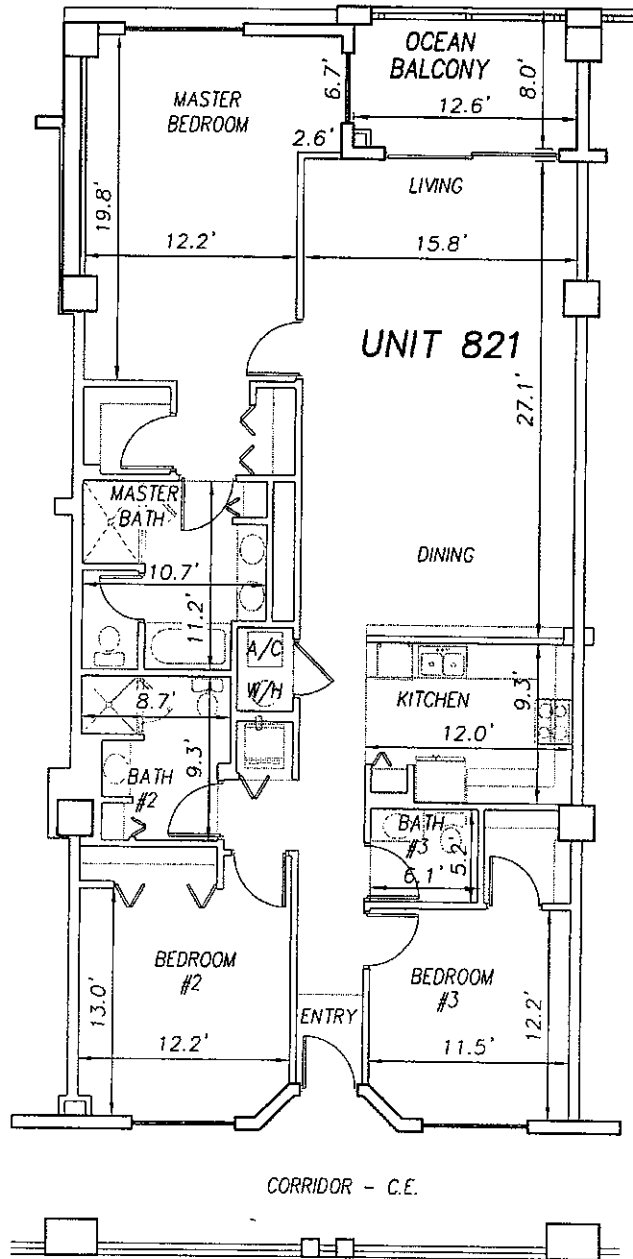
EXHIBIT 'B'



UNIT 820

UNIT 821

UNIT 822



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SURF CLUB II
CONDOMINIUM
 SITUATED IN MATANZAS SHORES
 FLAGLER COUNTY, FLORIDA
EIGHTH FLOOR - UNIT 821 (South Wing)



TOMOKA ENGINEERING
 CIVIL ENGINEERING & LAND SURVEYING SINCE 1976
 DAYTONA BEACH FLAGLER/PALM COAST
 Main Office: 900 So. Ridgewood Ave., Daytona Beach, FL 32114
 Phone: 386-257-1600 Fax: 386-257-1601
 email: tomoka@tomoka-eng.com website: www.tomoka@tomoka-eng.com

DATE ISSUED: 07/23/2003

JOB # T3070PCBW

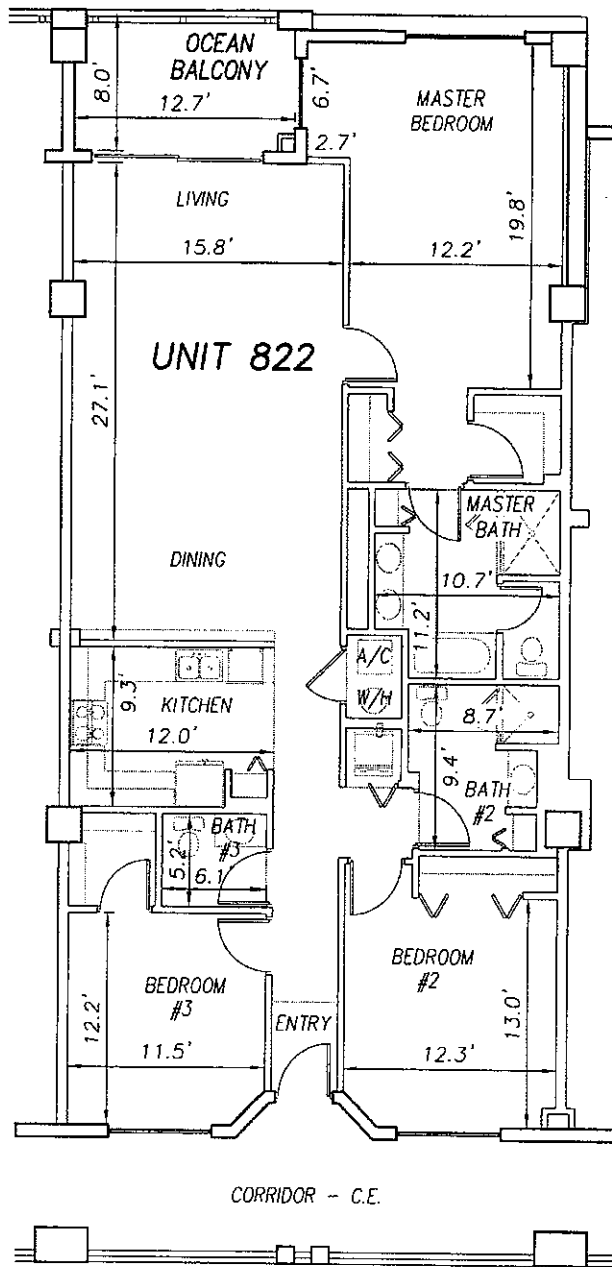
SHEET 210 OF 213 SHEETS

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EXHIBIT 'B'

SCALE 1" = 10'



UNIT 821

UNIT 822

UNIT 823

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**SURF CLUB II
CONDOMINIUM**
SITUATED IN MATANZAS SHORES
FLAGLER COUNTY, FLORIDA
EIGHTH FLOOR - UNIT 822 (South Wing)



TOMOKA ENGINEERING
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Main Office: 900 So. Ridgewood Ave., Daytona Beach, FL 32114
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JOB # T3070PCBW

SHEET 211 OF 213 SHEETS

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OFF REC 0983 PAGE 0373

EXHIBIT 'B'

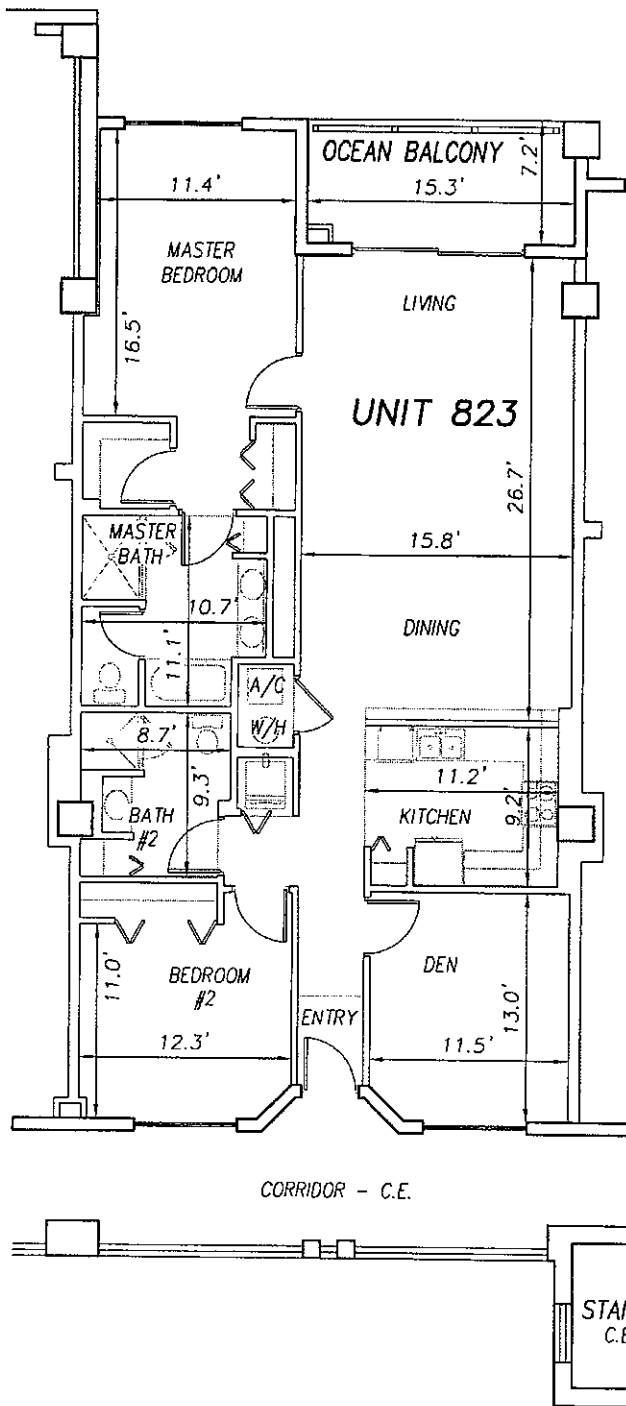
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UNIT 822

UNIT 823

UNIT 824



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**SURF CLUB II
CONDOMINIUM**
SITUATED IN MATANZAS SHORES
FLAGLER COUNTY, FLORIDA
EIGHTH FLOOR - UNIT 823 (South Wing)



TOMOKA ENGINEERING
CIVIL ENGINEERING & LAND SURVEYING SINCE 1976
DAYTONA BEACH FLAGLER/PALM COAST
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DATE ISSUED: 07/23/2003

JOB # T3070PCBWI

SHEET 212 OF 213 SHEETS

0 10 20

SCALE 1" = 10'

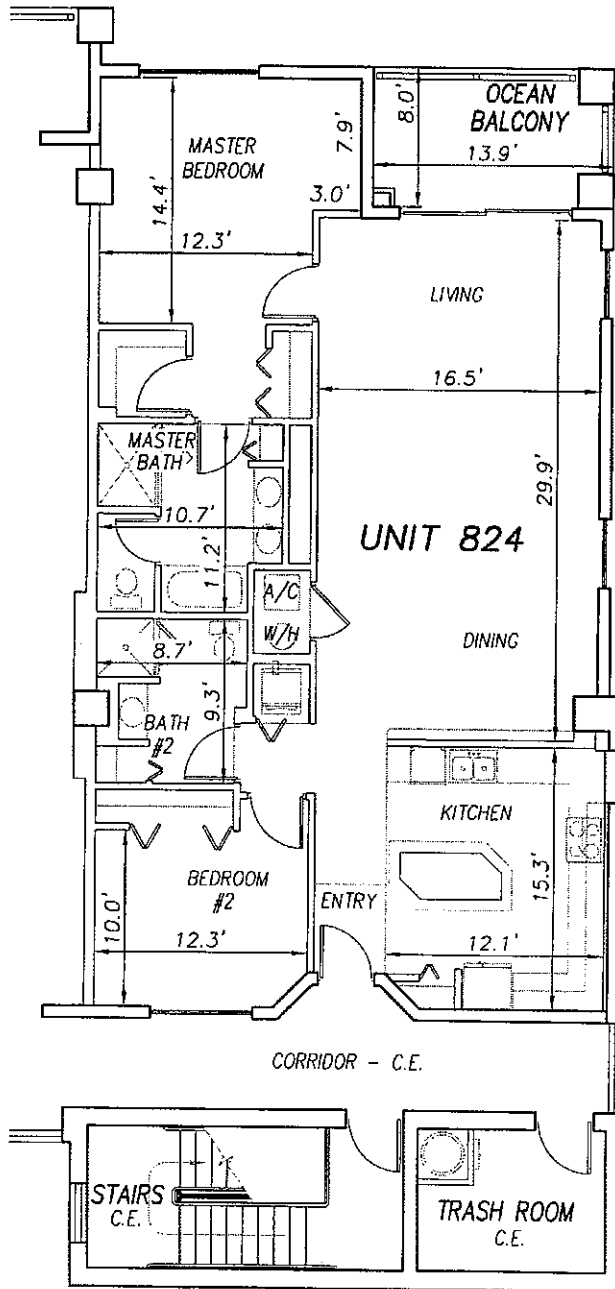
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EXHIBIT 'B'



UNIT 823

UNIT 824



**SURF CLUB II
CONDOMINIUM**

SITUATED IN MATANZAS SHORES
FLAGLER COUNTY, FLORIDA

EIGHTH FLOOR - UNIT 824 (South Wing)



TOMOKA ENGINEERING

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JOB # T3070PCBWI

SHEET 213 OF 213 SHEETS

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EXHIBIT C

The following schedule lists the unit numbers, unit types, numbers of bedrooms and baths, and shares in common elements and common surplus for the initial Condominium Units in the Condominium.

SURF CLUB II	UNIT NUMBER	UNIT TYPE	# OF BEDROOMS	# OF BATHS	SHARE IN COMMON ELEMENTS/SURPLUS
1st Floor	101	1,425 sq. ft., end unit	2	2	1/190
	111	1,398 sq. ft.	2	2	1/190
	114	1,398 sq. ft.	2	2	1/190
	124	1,425 sq. ft., end unit	2	2	1/190
	102	1,455 sq. ft. w/den	2	2	1/190
	105	1,455 sq. ft. w/den	2	2	1/190
	108	1,455 sq. ft. w/den	2	2	1/190
	117	1,455 sq. ft. w/den	2	2	1/190
	120	1,455 sq. ft. w/den	2	2	1/190
	123	1,455 sq. ft. w/den	2	2	1/190
	103	1,640 sq.ft.	3	2.5	1/190
	104	1,640 sq.ft.	3	2.5	1/190
	106	1,640 sq.ft.	3	2.5	1/190
	107	1,640 sq.ft.	3	2.5	1/190
	109	1,640 sq.ft.	3	2.5	1/190
	110	1,640 sq.ft.	3	2.5	1/190

	115	1,640 sq.ft.	3	2.5	1/190
	116	1,640 sq.ft.	3	2.5	1/190
	118	1,640 sq.ft.	3	2.5	1/190
	119	1,640 sq.ft.	3	2.5	1/190
	121	1,640 sq.ft.	3	2.5	1/190
	122	1,640 sq.ft.	3	2.5	1/190
2nd Floor	201	1,425 sq. ft., end unit	2	2	1/190
	211	1,398 sq. ft.	2	2	1/190
	214	1,398 sq. ft.	2	2	1/190
	224	1,425 sq. ft., end unit	2	2	1/190
	202	1,455 sq. ft. w/den	2	2	1/190
	205	1,455 sq. ft. w/den	2	2	1/190
	208	1,455 sq. ft. w/den	2	2	1/190
	217	1,455 sq. ft. w/den	2	2	1/190
	220	1,455 sq. ft. w/den	2	2	1/190
	223	1,455 sq. ft. w/den	2	2	1/190
	203	1,640 sq.ft.	3	2.5	1/190
	204	1,640 sq.ft.	3	2.5	1/190
	206	1,640 sq.ft.	3	2.5	1/190
	207	1,640 sq.ft.	3	2.5	1/190
	209	1,640 sq.ft.	3	2.5	1/190
	210	1,640 sq.ft.	3	2.5	1/190

	215	1,640 sq.ft.	3	2.5	1/190
	216	1,640 sq.ft.	3	2.5	1/190
	218	1,640 sq.ft.	3	2.5	1/190
	219	1,640 sq.ft.	3	2.5	1/190
	221	1,640 sq.ft.	3	2.5	1/190
	222	1,640 sq.ft.	3	2.5	1/190
	212	1,633 sq.ft.	2	2	1/190
	213	1,633 sq.ft.	2	2	1/190
3rd Floor	301	1,425 sq. ft., end unit	2	2	1/190
	311	1,398 sq. ft.	2	2	1/190
	314	1,398 sq. ft.	2	2	1/190
	324	1,425 sq. ft., end unit	2	2	1/190
	302	1,455 sq. ft. w/den	2	2	1/190
	305	1,455 sq. ft. w/den	2	2	1/190
	308	1,455 sq. ft. w/den	2	2	1/190
	317	1,455 sq. ft. w/den	2	2	1/190
	320	1,455 sq. ft. w/den	2	2	1/190
	323	1,455 sq. ft. w/den	2	2	1/190
	303	1,640 sq.ft.	3	2.5	1/190
	304	1,640 sq.ft.	3	2.5	1/190
	306	1,640 sq.ft.	3	2.5	1/190
	307	1,640 sq.ft.	3	2.5	1/190
	309	1,640 sq.ft.	3	2.5	1/190

	310	1,640 sq.ft.	3	2.5	1/190
	315	1,640 sq.ft.	3	2.5	1/190
	316	1,640 sq.ft.	3	2.5	1/190
	318	1,640 sq.ft.	3	2.5	1/190
	319	1,640 sq.ft.	3	2.5	1/190
	321	1,640 sq.ft.	3	2.5	1/190
	322	1,640 sq.ft.	3	2.5	1/190
	312	1,633 sq.ft.	2	2	1/190
	313	1,633 sq.ft.	2	2	1/190
4th Floor	401	1,425 sq. ft., end unit	2	2	1/190
	411	1,398 sq. ft.	2	2	1/190
	414	1,398 sq. ft.	2	2	1/190
	424	1,425 sq. ft., end unit	2	2	1/190
	402	1,455 sq. ft. w/den	2	2	1/190
	405	1,455 sq. ft. w/den	2	2	1/190
	408	1,455 sq. ft. w/den	2	2	1/190
	417	1,455 sq. ft. w/den	2	2	1/190
	420	1,455 sq. ft. w/den	2	2	1/190
	423	1,455 sq. ft. w/den	2	2	1/190
	403	1,640 sq.ft.	3	2.5	1/190
	404	1,640 sq.ft.	3	2.5	1/190
	406	1,640 sq.ft.	3	2.5	1/190
	407	1,640 sq.ft.	3	2.5	1/190

	409	1,640 sq.ft.	3	2.5	1/190
	410	1,640 sq.ft.	3	2.5	1/190
	415	1,640 sq.ft.	3	2.5	1/190
	416	1,640 sq.ft.	3	2.5	1/190
	418	1,640 sq.ft.	3	2.5	1/190
	419	1,640 sq.ft.	3	2.5	1/190
	421	1,640 sq.ft.	3	2.5	1/190
	422	1,640 sq.ft.	3	2.5	1/190
	412	1,633 sq.ft.	2	2	1/190
	413	1,633 sq.ft.	2	2	1/190
5th Floor	501	1,425 sq. ft., end unit	2	2	1/190
	511	1,398 sq. ft.	2	2	1/190
	514	1,398 sq. ft.	2	2	1/190
	524	1,425 sq. ft., end unit	2	2	1/190
	502	1,455 sq. ft. w/den	2	2	1/190
	505	1,455 sq. ft. w/den	2	2	1/190
	508	1,455 sq. ft. w/den	2	2	1/190
	517	1,455 sq. ft. w/den	2	2	1/190
	520	1,455 sq. ft. w/den	2	2	1/190
	523	1,455 sq. ft. w/den	2	2	1/190
	503	1,640 sq.ft.	3	2.5	1/190
	504	1,640 sq.ft.	3	2.5	1/190
	506	1,640 sq.ft.	3	2.5	1/190

	507	1,640 sq.ft.	3	2.5	1/190
	509	1,640 sq.ft.	3	2.5	1/190
	510	1,640 sq.ft.	3	2.5	1/190
	515	1,640 sq.ft.	3	2.5	1/190
	516	1,640 sq.ft.	3	2.5	1/190
	518	1,640 sq.ft.	3	2.5	1/190
	519	1,640 sq.ft.	3	2.5	1/190
	521	1,640 sq.ft.	3	2.5	1/190
	522	1,640 sq.ft.	3	2.5	1/190
	512	1,633 sq.ft.	2	2	1/190
	513	1,633 sq.ft.	2	2	1/190
6th Floor	601	1,425 sq. ft., end unit	2	2	1/190
	611	1,398 sq. ft.	2	2	1/190
	614	1,398 sq. ft.	2	2	1/190
	624	1,425 sq. ft., end unit	2	2	1/190
	602	1,455 sq. ft. w/den	2	2	1/190
	605	1,455 sq. ft. w/den	2	2	1/190
	608	1,455 sq. ft. w/den	2	2	1/190
	617	1,455 sq. ft. w/den	2	2	1/190
	620	1,455 sq. ft. w/den	2	2	1/190
	623	1,455 sq. ft. w/den	2	2	1/190
	603	1,640 sq.ft.	3	2.5	1/190
	604	1,640 sq.ft.	3	2.5	1/190

	606	1,640 sq.ft.	3	2.5	1/190
	607	1,640 sq.ft.	3	2.5	1/190
	609	1,640 sq.ft.	3	2.5	1/190
	610	1,640 sq.ft.	3	2.5	1/190
	615	1,640 sq.ft.	3	2.5	1/190
	616	1,640 sq.ft.	3	2.5	1/190
	618	1,640 sq.ft.	3	2.5	1/190
	619	1,640 sq.ft.	3	2.5	1/190
	621	1,640 sq.ft.	3	2.5	1/190
	622	1,640 sq.ft.	3	2.5	1/190
	612	1,633 sq.ft.	2	2	1/190
	613	1,633 sq.ft.	2	2	1/190
7th Floor	701	1,425 sq. ft., end unit	2	2	1/190
	711	1,398 sq. ft.	2	2	1/190
	714	1,398 sq. ft.	2	2	1/190
	724	1,425 sq. ft., end unit	2	2	1/190
	702	1,455 sq. ft. w/den	2	2	1/190
	705	1,455 sq. ft. w/den	2	2	1/190
	708	1,455 sq. ft. w/den	2	2	1/190
	717	1,455 sq. ft. w/den	2	2	1/190
	720	1,455 sq. ft. w/den	2	2	1/190
	723	1,455 sq. ft. w/den	2	2	1/190
	703	1,640 sq.ft.	3	2.5	1/190

	704	1,640 sq.ft.	3	2.5	1/190
	706	1,640 sq.ft.	3	2.5	1/190
	707	1,640 sq.ft.	3	2.5	1/190
	709	1,640 sq.ft.	3	2.5	1/190
	710	1,640 sq.ft.	3	2.5	1/190
	715	1,640 sq.ft.	3	2.5	1/190
	716	1,640 sq.ft.	3	2.5	1/190
	718	1,640 sq.ft.	3	2.5	1/190
	719	1,640 sq.ft.	3	2.5	1/190
	721	1,640 sq.ft.	3	2.5	1/190
	722	1,640 sq.ft.	3	2.5	1/190
	712	1,633 sq.ft.	2	2	1/190
	713	1,633 sq.ft.	2	2	1/190
8th Floor	801	1,425 sq. ft., end unit	2	2	1/190
	811	1,398 sq. ft.	2	2	1/190
	814	1,398 sq. ft.	2	2	1/190
	824	1,425 sq. ft., end unit	2	2	1/190
	802	1,455 sq. ft. w/den	2	2	1/190
	805	1,455 sq. ft. w/den	2	2	1/190
	808	1,455 sq. ft. w/den	2	2	1/190
	817	1,455 sq. ft. w/den	2	2	1/190
	820	1,455 sq. ft. w/den	2	2	1/190
	823	1,455 sq. ft. w/den	2	2	1/190
	803	1,640 sq.ft.	3	2.5	1/190
	804	1,640 sq.ft.	3	2.5	1/190

	806	1,640 sq.ft.	3	2.5	1/190
	807	1,640 sq.ft.	3	2.5	1/190
	809	1,640 sq.ft.	3	2.5	1/190
	810	1,640 sq.ft.	3	2.5	1/190
	815	1,640 sq.ft.	3	2.5	1/190
	816	1,640 sq.ft.	3	2.5	1/190
	818	1,640 sq.ft.	3	2.5	1/190
	819	1,640 sq.ft.	3	2.5	1/190
	821	1,640 sq.ft.	3	2.5	1/190
	822	1,640 sq.ft.	3	2.5	1/190
	812	1,633 sq.ft.	2	2	1/190
	813	1,633 sq.ft.	2	2	1/190
Total					190(100%)

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of SURF CLUB II CONDOMINIUM ASSOCIATION, INC., a Florida corporation, filed on May 8, 2002, as shown by the records of this office.

The document number of this corporation is N02000003628.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Thirteenth day of May, 2002



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

FILED
MAY -8 PM 2:51
TALLAHASSEE, FLORIDA

**ARTICLES OF INCORPORATION
OF
SURF CLUB II CONDOMINIUM ASSOCIATION, INC.
(A Florida Corporation Not For Profit)**

In order to form a corporation not for profit under and in accordance with Chapters 617 and 718 of the Florida Statutes, the undersigned hereby associate into a corporation for the purpose and with the powers hereinafter set forth, and to that end, do, by these Articles of Incorporation, certify... and set forth the following:

EXPLANATION OF TERMINOLOGY

A. The terms contained in these Articles of Incorporation which are contained in the Condominium Act, Chapter 718, Florida Statutes, as amended prior to the date of execution of these Articles, shall have the meaning of such terms set forth in such Act. All terms which are defined in the Declarations of Condominium for those condominiums administered by Association (the "Declarations") shall be used herein with the same meanings as defined in said Declarations.

B. "Association" as used herein shall mean the Surf Club II Condominium Association, Inc., a Florida corporation not for profit, the corporation formed by these Articles, its successors or assigns.

**ARTICLE I
NAME**

The name of this Association shall be the SURF CLUB II CONDOMINIUM ASSOCIATION, INC., whose present address is 21 Old Kings Road, Suite B101, Palm Coast, Florida, 32137.

**ARTICLE II
PURPOSE OF ASSOCIATION**

The purpose for which the Association is organized is to provide an entity pursuant to the Florida Condominium Act (the "Act"), as it exists on the date hereof, for the operation of one condominium (the "Condominium"). It is intended that the maximum number of Condominium Units that may ultimately be operated by the Association is one hundred ninety (190).

**ARTICLE III
POWERS**

The Association shall have the following powers which shall be governed by the following provisions:

1. The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of the condominium documents or the Act.

2. The Association shall have all of the powers of a condominium association under the Act and shall have all of the powers reasonably necessary to implement the purposes of the Association, including, but not limited to, the following:

(a) to make, establish and enforce reasonable rules and regulations governing the use of Condominium Units, Common Elements and each Condominium Property;

(b) to make, levy, collect and enforce Assessments against Condominium Unit Owners to provide funds to pay for the expenses of the Association, the maintenance, operation and management of each Condominium, in the manner provided in the condominium documents and the Act and to use and expend the proceeds of such Assessments in the exercise of the powers and duties of the Association;

(c) to collect the Common Expenses of each Condominium administered by the Association;

(d) to collect each Condominium's share of Operating Expenses of the Master Owner's Association;

(e) to maintain, repair, replace and operate each Condominium Property in accordance with the condominium documents and the Act;

(f) to reconstruct improvements of each Condominium Property in the event of casualty or other loss;

(g) to enforce by legal means the provisions of the condominium documents;

(h) to employ personnel, retain independent contractors and professional personnel, and enter into service contracts to provide for the maintenance, operation and management of each Condominium Property and to enter into any other agreements consistent with the purposes of the Association;

(i) to acquire, own, mortgage, and convey real and personal property and to take such other reasonable actions in that regard; and

(j) to carry out its duties and obligations under the condominium documents.

3. All funds and the titles to all properties acquired by the Association and their proceeds shall be held for the benefit and use of the members in accordance with the provisions of the Declarations, these Articles and the By-Laws.

4. The Association shall make no distribution of income to its members, Directors or officers, and upon dissolution, all assets of the Association shall be transferred only to another non-profit corporation or a public agency, except in the event of a termination of all Condominiums.

5. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions hereof and of the Declarations, the By-Laws and the Act.

**ARTICLE IV
MEMBERS**

The qualification of members, the manner of their admission to membership in the Association, the manner of the termination of such membership and voting by members shall be as follows:

1. Until such time as the Condominium in the Surf Club II or other condominium is submitted to condominium ownership by the recordation of a Declaration in the Public Records of Flagler County, Florida, the members of this Association shall be comprised solely of Declarant of that condominium.

2. After the Condominium shall be submitted to the condominium form of ownership by the recordation of a Declaration, the Condominium Unit Owners, which in the first instance shall mean Declarant as the owner of all the Condominium Units, shall be entitled to exercise all of the rights and privileges of members.

3. Except as to Declarant, who shall be a member as long as it shall own a Unit, membership in the Association shall be established by the acquisition of ownership of fee title to a Condominium Unit in a Condominium administered by this association as evidenced by the recording of an instrument of conveyance in the Public Records of Flagler County, whereupon, the membership in the Association of the prior owner thereof, if any, shall terminate as to that Condominium Unit. New members shall deliver a true copy of the recorded deed or other instrument of acquisition of title to the Association.

4. No member may assign, hypothecate or transfer in any manner his membership in the Association or his share in the funds and assets of the Association except as an appurtenance to his Condominium Unit.

5. Each Condominium Unit shall be entitled to one (1) vote, which vote shall be exercised and cast in accordance with the Declaration and the By-Laws.

6. The following provisions shall govern the right of each member to vote and the manner of exercising such right:

(a) If there is more than one (1) Condominium Unit Owner with respect to a Condominium Unit as a result of the fee interest in such Condominium Unit being held by more than one (1) person, such Condominium Unit Owners, collectively, shall be entitled to only one (1) vote determined in the manner set forth by the Declaration;

(b) The members shall elect the Board of Directors in the manner provided in Article IX of these Articles;

(c) The President or the person designated by the President in writing shall serve as the "Voting Member" of the Condominiums at certain meetings of the Master Owner's Association, as set forth in the Declaration of Covenants, Conditions and Restrictions for Matanzas Shores.

ARTICLE V TERM

The term for which this Association is to exist shall be perpetual.

ARTICLE VI INCORPORATOR

The Incorporator of the Valerie Kaan, whose address is 21 Old Kings Road, Suite B101, Palm Coast, Florida 32137.

ARTICLE VII OFFICERS

A. The affairs of the Association shall be managed by a President, one (1) or more Vice Presidents, a Secretary and a Treasurer and, if elected by the Board of Directors, an Assistant Secretary and an Assistant Treasurer, which officers shall be subject to the directions of the Board of Directors.

B. The Board of Directors shall elect the President, a Vice President, the Secretary, the Treasurer and as many other Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board of Directors shall from time to time determine appropriate. Such officers shall be elected annually by the Board of Directors at the first meeting of the Board of Directors; provided, however, such officers may be removed by such Board of Directors, and other persons may be elected by the Board of Directors as such officers in the manner provided in the By-Laws. The President shall be a Director of the Association, but no other officer need be a Director. The same person may hold two (2) offices; provided, however, the offices of President and Vice President shall not be held by the same person, nor shall the same person hold the office of President who holds the office of Secretary, Assistant Secretary, or Treasurer.

**ARTICLE VIII
FIRST OFFICERS**

The names of the officers who are to serve until the first election of officers by the Board of Directors are as follows:

- President - Valerie Kaan
- Vice President - William Harkins
- Secretary/Treasurer - Greg Robinson

**ARTICLE IX
BOARD OF DIRECTORS**

A. The number of Directors on the first Board of Directors of Directors (the "First Board") and the "Initial Elected Board" (as hereinafter defined) shall initially be three (3). After the "Majority Election Meeting" (as that term is hereinafter defined), the Board of Directors shall have the right to increase the number of Directors to seven (7).

B. The names and addresses of the persons who are to serve as the First Board are as follows:

<u>Valerie Kaan</u>	<u>646 Osprey Point Circle, Boca Raton, FL 33431</u>
<u>William Harkins</u>	<u>21 Old Kings Road North, Ste. B101, Palm Coast, FL 32137</u>
<u>Greg Robinson</u>	<u>21 Old Kings Road North, Ste. B101, Palm Coast, FL 32137</u>

Declarant reserves the right to designate successor Directors to serve on the First Board for so long as the First Board is to serve, as hereinafter provided.

C. Within seventy-five (75) days after Condominium Unit Owners in each condominium other than Declarant ("Purchaser Members") shall own fifteen percent (15%) or more of the Condominium Units ultimately intended to be operated by the Association, the Purchaser Members shall be entitled to elect one-third (1/3) of the Board of Directors, which election shall take place at a special meeting (the "Initial Election Meeting") to be called by the Board of Directors, notice of which shall be given not less than sixty (60) days after the conveyance to Purchaser Members of fifteen percent (15%) of the Condominium Units ultimately intended to be operated by the Association. Declarant shall designate the remaining Directors on the Board of Directors. The

Director to be so elected by the Purchaser Members and the Directors to be designated by Declarant are hereinafter collectively referred to as the "Initial Elected Board". The Initial Elected Board shall succeed the First Board upon their election and designation. Subject to the provisions of Paragraph D herein, the Initial Elected Board shall serve until the next annual members' meeting, at which time one-third (1/3) of the Board shall be elected by the Purchaser Members and the remaining Directors shall be designated by Declarant. Directors shall continue to be so elected and designated at each subsequent annual members' meeting until such time as the Purchaser Members are entitled to elect not less than a majority of the Directors. Declarant reserves the right, until such time as the Purchaser Members are entitled to elect not less than a majority of the Directors, to designate successor Directors to fill any vacancies caused by the resignation or removal of Directors designated by Declarant pursuant to this Paragraph C.

D. Purchaser Members shall be entitled to elect not less than a majority of the Board of Directors in the event of any of the following, whichever shall first occur (the "Majority Election Event"):

1. Three (3) years after fifty percent (50%) of the Condominium Units ultimately intended to be operated by the Association have been conveyed to Purchaser Members as evidenced by the recording of instruments of conveyance amongst the Public Records of the County; or
2. Three (3) months after ninety percent (90%) of the Condominium Units ultimately intended to be operated by the Association have been conveyed to Purchaser Members as evidenced by the recording of instruments of conveyance amongst the Public Records of the County; or
3. After all of the Condominium Units ultimately intended to be operated by the Association have been sold and none of the others are being offered for sale by Declarant in the ordinary course of business; or
4. After some of the Condominium Units ultimately intended to be operated by the Association have been conveyed and none of the others are being constructed by Declarant in the ordinary course of business; or
5. Seven (7) years after the Declaration of Condominium has been recorded with the Public Records of the County; or, seven (7) years in the case of a phase condominium being operated by an association created pursuant to §718.403 after recordation creating the initial phase.
6. When Declarant, as Declarant has the right to do at any time, upon written notice to the Association, relinquishes its right to designate a majority of the Board of Directors.

E. The election of not less than a majority of Directors by the Purchaser Members shall occur at a special meeting (the "Majority Election Meeting") to be called by the Board of Directors, notice of which shall be given within sixty (60) days of the Majority Election Event.

F. The Initial Election Meeting and Majority Election Meeting shall be called by the Board of Directors by written notice given to all members in accordance with the By-Laws; provided, however, that the members shall be given at least thirty (30) but not more than forty (40) days notice of such meeting. The notice shall also specify the number of Directors which shall be elected by the Purchaser Members and the number of Directors to be designated by Declarant.

G. Declarant shall cause all of its designated Directors to resign ("Declarant's Resignation Event") when Declarant no longer holds for sale five percent (5%) of the Total Condominium Units ultimately intended to be operated by the Association. If Declarant's Resignation Event shall occur after the Majority Election Meeting, then upon the occurrence of the Declarant's Resignation Event, the Directors elected by Purchaser Members shall appoint a successor Director to fill the vacancy caused by the resignation or removal of Declarant's designated Director. Such successor Director shall serve until the next annual members' meeting, at which time the members shall elect his successor. If, upon the occurrence of the Declarant's Resignation Event, the Majority Election Meeting has not occurred, the remaining Purchaser Director shall call the Majority Election Meeting in accordance with the By-Laws and the Act at which all of the Directors shall be elected by the Purchaser Members.

H. At each annual members' meeting held subsequent to the Declarant's Resignation Event, the Directors shall be elected by the members.

I. Upon the resignation of a Director who has been elected or designated by Declarant or the resignation of an officer of the Association who has been elected by the First Board or the Initial Elected Board, the Association shall be deemed to have remised, released, acquitted, satisfied and forever discharged such officer or Director of and from all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity, which the Association or Purchaser Members had, now have, or which any personal representative, successor, heir or assign of the Association or Purchaser Members hereafter can, shall or may have against said officer or Director for, upon, or by reason of any matter, cause or thing whatsoever, relating to his actions as such officer or Director, excepting only willful misconduct or gross negligence, from the beginning of the world to the day of such resignation. Members of the Board of Directors designated by the Declarant do not have to be members of the Association.

**ARTICLE X
INDEMNIFICATION**

Every Director and every officer of the Association (and the Directors and officers as a group) shall be indemnified by the Association against all expenses and liabilities, including counsel fees (at all trial and appellate levels or if no litigation or proceeding has been instituted) reasonably incurred by or imposed upon him or them in connection with any proceeding, litigation, claim or settlement to which he may be made a party by reason of his being or having been a Director or officer of the Association; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement. The foregoing provisions for indemnification shall apply whether or not he is a Director or officer at the time such expenses and liabilities are incurred. If in such litigation, proceeding, claim, or settlement a Director or officer admits or is adjudged guilty of willful misfeasance or malfeasance or gross negligence in the performance of his duties, the indemnification provisions of these Articles shall not apply. Otherwise, the foregoing rights to indemnification shall be in addition to and not exclusive of any and all right of indemnification to which a Director or officer may be entitled whether by statute or common law.

**ARTICLE XI
BY-LAWS**

The By-Laws of the Association shall be adopted by the First Board of Directors, and thereafter may be altered, amended or rescinded in the manner provided for in the By-Laws and the Act.

**ARTICLE XII
AMENDMENTS**

A. Prior to recording the Declaration in the Surf Club II Condominium among the Public Records of the County, these Articles may be amended only by an instrument in writing signed by all of the Directors and filed in the Office of the Secretary of State of Florida. The instrument amending these Articles shall identify the particular Article or Articles being amended and give the exact language of such amendment, and a certified copy of each such amendment shall always be attached to any certified copy of these Articles and shall be an exhibit to the first Declaration in the Surf Club II Neighborhood upon the recording of such Declaration.

B. After recording the Declaration in the Surf Club II Condominium among the Public Records of the County, these Articles may be amended by any of the following methods:

1. The proposed amendment shall be adopted by the affirmative vote of a majority of the votes of all members at an annual members meeting or special meeting of the members. Any number of amendments may be submitted to the members and voted upon by them at one meeting; or

2. An amendment may be adopted by a written statement signed by a majority of all members setting forth their consent to the amendment.

C. No amendment may be made to these Articles which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in a Declaration.

D. A copy of each amendment shall be certified by the Secretary of State of Florida and recorded among the Public Records of the County.

E. No amendment may be made to these Articles which shall abridge, amend or alter the rights of Declarant, including the right to designate and select the Directors as provided in Article IX hereof, or the provisions of this Article XII, without the prior written consent of Declarant.

F. Notwithstanding the foregoing provisions of this Article XII, the Board of Directors may amend these Articles without a vote of the members to correct a scrivener's error therein.

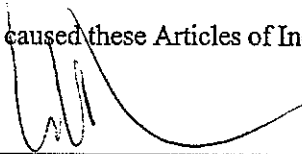
ARTICLE XIII
CONFLICT

In the event of any conflict between the provisions of these Articles and the provisions of the Declarations the provisions of the Declarations shall prevail. In the event of any conflict between the provisions of these Articles and the provisions of the By-Laws, the provisions of these Articles shall prevail.

ARTICLE XIV
REGISTERED OFFICE AND REGISTERED AGENT

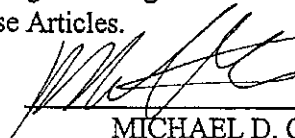
The street address of the principal office of the Association is 21 Old Kings Road No., Ste. B101, Palm Coast, FL 32137 and the initial registered agent of the Association shall be Michael D. Chiumento whose address is Chiumento & Emery, 4 Old Kings Road North, Palm Coast, Florida 32137.

IN WITNESS WHEREOF, the Incorporator has caused these Articles of Incorporation to be executed this 24th day of April, 2002.



William Harkins, Incorporator

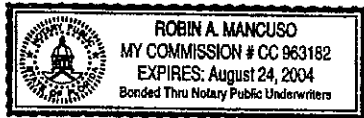
The undersigned hereby accepts the designation of Registered Agent of Surf Club II Condominium Association Inc., as set forth in Article XIV of these Articles.



MICHAEL D. CHIUMENTO
RECORDED
MAY 14 2002
11:51 AM
STATE OF FLORIDA

STATE OF FLORIDA)
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this 24 day of April, 2002, before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared WILLIAM HARKINS, the Incorporator of the Surf Club II Condominium Association, Inc., and who executed the foregoing Articles of Incorporation; and she acknowledged before me that she executed the same for the purposes therein expressed. William Harkins is known to me and did not take an oath.



Robin A. Mancuso
NOTARY PUBLIC
My Commission Expires:

STATE OF FLORIDA)
COUNTY OF FLAGLER)

I HEREBY CERTIFY that on this 24 day of April, 2002, before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared MICHAEL D. CHIUMENTO, to me known to be the person described as Initial Registered Agent of the Surf Club II Condominium Association, Inc., and who executed the foregoing acceptance; and he acknowledged before me that he executed the same for the purposes therein expressed.

Karolyn N. Sheekey
NOTARY PUBLIC
My Commission Expires:

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**BY-LAWS OF
SURF CLUB II CONDOMINIUM ASSOCIATION, INC.
(A Florida Corporation Not For Profit)**

Section 1. Identification of Association

These are the By-Laws of the Surf Club II Condominium Association, Inc., hereinafter referred to as the "Association", as duly adopted by its Board of Directors. The Association is a corporation not for profit, organized pursuant to and under Chapters 617 and 718 of the Florida Statutes for the purpose of administering a condominium located in Flagler County, Florida.

1.1 The present office of the Association shall be located at 21 Old Kings Road, Suite B101, Palm Coast, Florida, and thereafter may be located at any place in the County designated by the Board of Directors of the Association.

1.2 The fiscal year of the Association shall be the calendar year, or as otherwise determined by the Board of Directors.

1.3 The seal of the Association shall bear the name of the Association, the word "Florida", and the words "Corporation Not For Profit".

Section 2. Explanation of Terminology

The terms defined in the Declaration of Condominium of each Condominium administered by the Association are incorporated herein by reference.

**Section 3. Membership in the Association,
Members' Meetings, Voting and Proxies**

3.1 The qualification of members, the manner of their admission to membership in the Association and the manner of the termination of such membership shall be as set forth in Article IV of the Articles.

3.2 The members shall meet annually at the office of the Association or such other place in the County on the first Monday of June, commencing with the year 2001; provided, however, that said date may be changed by resolution of the Board of Directors so long as the annual members meeting for any year shall be held not later than thirteen (13) months after the last preceding annual members meeting. The purpose of the annual members meeting shall be to hear reports of the officers, elect members of the Board of Directors (subject to the provisions of Article IX of the Articles) and to transact any other business authorized to be transacted by the members.

3.3 Special meetings of the members shall be held at any place within the County, whenever called by the President, a Vice President or a majority of the Board of Directors. A special

EXHIBIT E

meeting must be called by the President or a Vice President upon receipt of a written request from one-third (1/3) of the members. Special meetings shall be called by the President or a Vice President upon receipt of written notice from the Association of a meeting of the members thereof.

3.4 Written notice of any meeting (whether an annual members meeting or a special meeting of the members) shall be mailed to each member entitled to vote at his last known address as it appears on the books of the Association. Written notice of an annual members meeting shall be mailed to each member (in the manner required by the Act and any amendments thereto in effect at the time of mailing) not less than fourteen (14) days nor more than forty (40) days prior to the date of the annual members meeting. Written notice of a special meeting of the members shall be mailed not less than ten (10) days nor more than forty (40) days prior to the date of such special meeting. Proof of mailing shall be given by the affidavit of the person giving the notice. The notice shall state the time and place of such meeting and the object for which the meeting is called and shall be signed by the Secretary or acting Secretary of the Association. Notice of the annual members meeting shall be posted at a conspicuous place on each Condominium Property at least fourteen (14) continuous days prior to an annual members meeting. If a meeting of the members, whether a special meeting or an annual members meeting, is one which, by express provision of the Act or Condominium Documents, there is permitted or required a greater or lesser amount of time for the mailing or posting of notice than is required or permitted by the provisions of this Section 3.4, then the aforesaid express provision shall govern. Notice of any special meeting shall set forth the purpose of such special meeting. Notice of any meeting may be waived in writing by any member before, during or after a meeting.

3.5 The members may, at the discretion of the Board of Directors, act by written consent in lieu of a special meeting, provided written notice of the matter or matters to be voted upon is given to each member at the addresses and within the time periods set forth in Section 3.4 herein or duly waived in accordance with such Section. The decision of the majority of the members as to the matter or matters to be voted upon (as evidenced by written consent requested in the notice) shall be binding on the members. The notice shall set forth a time period during which time a response must be made by the members.

3.6 A quorum of the members shall consist of persons entitled to cast a majority of the votes of the entire membership and decisions shall be made by owners of a majority of the Condominium Units represented at a meeting at which a quorum is present. When a quorum is present at any meeting and the jurisdiction of such meeting is challenged, the holders of a majority of the vote present in person or by "Proxy", as hereinafter defined, shall decide the question. However, if the question is one which, by express provisions of the Act or the Condominium Documents, requires a vote other than the majority vote of a quorum, then such express provision shall govern and control the required vote on such question.

3.7 If a meeting of the members cannot be held because a quorum is not in attendance, the members who are present, either in person or by Proxy, may adjourn the meeting from time to

time until a quorum is present. If a meeting is adjourned because of the lack of a quorum, the notice provisions for the adjournment shall, subject to the Act, be as determined by the Board of Directors.

3.8 Minutes of all meetings of the members shall be kept in a businesslike manner and be available for inspection by the members and Directors at all reasonable times and upon reasonable notice. The Association shall retain minutes for at least seven (7) years subsequent to the date of the meeting.

3.9 Voting rights of members shall be as stated in the Declaration and Articles. Such votes may be cast in person, by Proxy or by "Voting Certificate" (as defined in the Declaration). Proxy is defined to mean an instrument containing the appointment of a person who is substituted by a member to vote for him and in the members place and stead. Proxies shall be in writing and shall be valid only for the particular meeting designated therein and any adjournments thereof if so stated. A Proxy must set forth the name of the person voting by Proxy, his Condominium Unit number, the name of the person authorized to vote the Proxy for him, and the date the Proxy was given. A Proxy must be filed with the Secretary of the Association before the appointed time of the meeting in order to be effective. Any Proxy may be revoked prior to the time a vote is cast according to such Proxy.

3.10 At any time prior to a vote upon any matter at a meeting of the members any member may demand the use of a secret written ballot for voting on such matter. The Chairman of the meeting shall call for the nomination and election of Inspectors of Election to collect and tally written ballots upon the completion of balloting.

3.11 Cumulative voting shall not be permitted.

Section 4. Board of Directors; Director's Meetings

4.1 The Association shall be administered by a Board of not less than three (3) Directors, subject to the increase as set forth in Article IX of the Articles.

4.2 The provisions of the Articles setting forth the selection, election, designation and removal of Directors are hereby incorporated herein by reference.

4.3 Subject to Section 4.5 below and to Declarant's rights as set forth in the Articles and as set forth in Section 4.5(c) below, vacancies in the Board of Directors shall be filled by persons appointed by the remaining Directors. Any such person shall be a Director and have all of the rights, privileges, duties and obligations as a Director elected at an Annual members meeting and shall serve for the term prescribed in Section 4.4 of these By-Laws.

4.4 The term of each Director shall extend until the next annual members meeting at which his term expires as provided in Article IX of the Articles, and until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided herein.

4.5 (a) A Director elected by the Purchase Members may be removed from office upon the affirmative vote or the agreement in writing of a majority of the Purchaser Members at a special meeting of the Purchaser Members with or without cause. A meeting of Purchaser Members to so remove a Director elected by them shall be held, subject to the notice provisions of Section 3.4 hereof, upon the written request of ten percent (10%) of the Purchaser Members. However, before any such Director is removed from office, he shall be notified in writing prior to the meeting at which a motion will be made to remove him that such a motion will be made, and such Director shall be given an opportunity to be heard at such meeting should he be present prior to the vote on his removal.

(b) Purchaser Members shall elect, at a special meeting of the members or at an annual members meeting, persons to fill vacancies on the Board of Directors caused by the removal of a Director elected by Purchaser Members in accordance with Section 4.5(a) above.

(c) A Director designated by Declarant, as provided in the Articles, may be removed only by Declarant in its sole discretion. Declarant shall have the right to name a successor for any Director removed by it or for any vacancy on the Board of Directors as to a Director designated by it and Declarant shall notify the Board of Directors of the name of the respective successor Director and the commencement date for the term of such successor Director.

4.6 The organizational meeting of the members 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. No further notice of the organizational meeting shall be necessary.

4.7 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 Directors. Special meetings of the Board of Directors may be called at the discretion of the President or, in his absence, the Vice President of the Association. Special meetings must be called by the Secretary at the written request of one-third (1/3) of the Directors.

4.8 Notice of the time and place of regular and special meetings of the Board of Directors, or adjournments thereof, shall be given to each Director in person, telephone or telegraph at least three (3) business days prior to the day named for such meeting, or in the event notice is given by mail, five (5) business days prior to the day named for such meeting. Notice of a Board of Directors meeting shall be posted conspicuously on each Condominium Property forty-eight (48) continuous hours in advance of said meeting. Notice of any meeting where "Assessments" (as such term is hereinafter defined) are to be considered shall state that Assessments will be considered and the nature of such Assessments. Directors may waive notice of a meeting before, during or after a meeting, and such waiver shall be deemed equivalent to the receipt of notice by such Director.

4.9 A quorum of the Board of Directors shall consist of a majority of the Directors. Matters approved by a majority of the Directors present at a meeting at which a quorum is present

shall constitute the official acts of the Board of Directors, except as specifically otherwise provided in the Declarations, Articles or elsewhere herein. If at any meeting of the Board of Directors there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present.

4.10 The presiding officer at Board meetings shall be the President.

4.11 Directors shall not receive any compensation for their services as Directors.

4.12 Minutes of all meetings of the Board of Directors shall be kept in a businesslike manner and be available for inspection by members and Directors at all reasonable times and upon reasonable notice. The minutes shall be retained by the Association for at least seven (7) years subsequent to the date of the meeting the minutes reflect.

4.13 The Board of Directors shall have the power to appoint an executive committee of the Board of Directors consisting of not less than a majority of the Directors, which shall have and exercise such powers of the Board of Directors as may be delegated to such executive committee by the Board of Directors. All acts of the executive committee shall be affirmed at the next meeting of the Board of Directors.

4.14 Meetings of the Board of Directors shall be open to all members as shall be determined by the Board of Directors in respect to each meeting in its sole discretion except as otherwise expressly provided herein. Unless a member serves as a Director or unless he has been specifically invited by the Directors to participate in a meeting of the Board of Directors, such member shall not participate in the meeting, but shall only be entitled to act as an observer. If a member not serving as a Director or not otherwise invited by the Directors to participate in a meeting attempts to become more than an observer at such meeting or conducts himself in a manner detrimental to the carrying on of such meeting, then any Director may expel said member from the meeting by any reasonable means which may be necessary to accomplish such an expulsion. Any Director shall have the right to exclude from any meeting of the Board of Directors any person who is not able to provide sufficient proof that he is a member, unless said person was specifically invited by the Directors to participate in such meeting.

Section 5. Powers and Duties of the Board of Directors

The Board of Directors shall have the powers and duties necessary for the management and administration of the affairs of the condominiums. All powers and duties of the Association, including those existing under the Act and the Condominium Documents, shall be exercised by the Board of Directors, unless otherwise specifically delegated therein to the members. Such powers and duties of the Board of Directors shall be exercised in accordance with the provisions of the Act and the Condominium Documents and shall include, but not be limited to, the following:

5.1 Making and collecting against members to pay the Common Expenses of the Condominiums and Association. These Assessments shall be collected by the Association through payments made directly to it by the members as set forth in the Declaration.

5.2 Collecting the members' portion of Operating Expenses of the Master Owner's Association.

5.3 Using the proceeds of Assessments in the exercise of the powers and duties of the Association and the Board of Directors.

5.4 Maintaining, repairing and operating the Common Elements of each Condominium and other property owned by the Association.

5.5 Reconstructing improvements after casualties and losses and making further authorized improvements of each Condominium Property.

5.6 Making and amending rules and regulations with respect to the operation and use of the Condominium Property of each Condominium and any property owned by the Association.

5.7 Approving or disapproving subject to payment of any deposit and fee which may be imposed pursuant to 718.112(2)(i) of the Act with respect to any proposed sales or leases or lease renewals in accordance with the provisions set forth in the Declarations.

5.8 Enforcing by legal means the provisions of the Condominium Documents including the Declaration, the Articles, these By-Laws, and any rules and regulations adopted by the Association and the applicable provisions of the Act.

5.9 To contract for the management and maintenance of the Condominium Property of each Condominium or other property owned by the Association and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of any rules and regulations and maintenance, repair and replacement of Common Elements and other services with funds that shall be made available by the Association for such purposes and to terminate such contracts and authorizations. The Association and its officers shall, however, retain at all times the powers and duties granted by the Condominium Documents and the Act including, but not limited to, the making of Assessments, promulgation of rules and regulations and execution of contracts on behalf of the Association.

5.10 Paying taxes and assessments which are or may become liens against the Common Elements and Condominium Units owned by the Association, if any, and assessing the same against Condominium Units which are or may become subject to such liens.

5.11 Purchasing and carrying insurance for the protection of Condominium Unit Owners and the Association against casualty and liability for the Condominium Property of each Condominium and other property owned by the Association.

5.12 Paying costs of all power, water, sewer and other utility services rendered to the Condominium and not billed to owners of Condominium Units.

5.13 Hiring and retaining such employees as it shall deem appropriate in its discretion to administer and carry out the services required for the proper administration of the affairs of the Association, including the hiring of resident managers and paying all salaries therefor.

5.14 Performing all of the covenants, conditions and obligations set forth in the Master Documents and Surf Club II & III Pool & Spa Association or required thereby.

5.15 To acquire, own, mortgage and convey real and personal property and take such other reasonable actions in that regard.

5.16 Electing, designating, and removing officers in accordance with the terms and provisions of the Condominium Documents.

5.17 Maintaining bank accounts on behalf of the Association and designating signatories required therefore.

Section 6. Officers of the Association

6.1 The officers of the Association shall be a President, who shall be a Director, one (1) or several Vice Presidents, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors. Any officer may be removed without cause from office by a vote of the Directors at any meeting of the Board of Directors. The Board of Directors shall, from time to time, appoint such other officers and assistant officers and designate their powers and duties.

6.2 The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the President of a condominium association, including, but not limited to, the power to appoint such committees at such times from among the members as he may, in his discretion, determine appropriate to assist in conducting the affairs of the Association. The President shall preside at all meetings of the Board of Directors. The President shall also be the Voting Member of the Association or appoint by written proxy a person to be the Voting Member of the Association at meetings of the Owners' Association.

6.3 In the absence or disability of the President, the Vice President shall exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board of Directors. In the event there shall be more than one (1) Vice President elected by the Board