

**HIBISCUS HOMEOWNERS
ASSOCIATION I, INC.**

RULES

AND

PROCEDURES

for Hibiscus Owners Association I, Inc.
an addendum to Hibiscus Owners Association I, Inc.
condominium documents OR 570 PG 129-170
by HOA I Board of Directors
dated October 9, 2014

A. PURPOSE

The goals and objectives of the HIBISCUS Owners Association I (hereafter HOA I) are outlined below:

1. To maintain and enhance the vacation value of living units.
2. To maintain a high standard of quality in the available amenities.
3. To act as a good community citizen
4. To cooperate and work closely with Hibiscus Homeowners Association II, Inc. and other closely aligned Homeowners Associations in achievement of common goals and objectives.
5. To maintain and improve communications with owners about the facility.
6. To comply with all lawful and legal requirements of the local community and state.

B. STATUS OF HOA I

HOA I is a legal entity incorporated in the State of Florida. The registered representative of the Corporation will be designated by the HOA I Boards of Directors annually. Fees and licenses associated with corporation operations and activities will be paid as directed by the Board of Directors. The Federal Identification Number for HOA I is 59-2377475.

C. BOARD OF DIRECTORS

1. The Board of Directors shall consist of a minimum of (6) members and shall have the following membership for the terms of office shown:

<u>TITLE</u>	<u>TERM OF OFFICE</u>
President	1 year
Vice President	1 year
Secretary	1 year
Immediate Past President	1 year
Member-at-Large	1 year
Member-at-Large	1 year
Member-at-Large	1 year

2. The duties of each position on the Board are outlined below. The Board may extend and otherwise modify these descriptions as it considers it appropriate.

a. **PRESIDENT** - Coordinate the overall operation of the Board; causes the agenda to be prepared for each meeting; makes assignments to other Board members, concerned owners, and the Facility Manager to ensure operating

effectiveness is maintained; takes lead to assist in the resolution of problems between Board meetings. The President or a Board Member designated by the President shall sit as an ex-officio observer at the meetings of the HIBISCUS Homeowners Association II (HOA II) Board of Directors and other closely aligned Homeowners Associations.

b. **VICE PRESIDENT** – Communicates with HOA I owners via phone, letters, newsletters, etc. To keep them informed of what is going on with their association; makes arrangements for the Board and Owner meetings and participation on HOA I committees or on HOA I projects. Serves in the President's absence and takes responsibilities as assigned by the President.

c. **SECRETARY** - Prepares and coordinates the distribution of the minutes of each meeting; maintains and updates these operating procedures and guidelines; prepares correspondence for the President, and other Board members, in cooperation with Facility Management.

d. **IMMEDIATE PAST PRESIDENT** – As assigned by the President.

e. **MEMBERS-AT-LARGE-** As assigned by the President.

3. The Board will organize committees as appropriate to conduct its business and to implement its plans.

4. Three (3) Board Members shall constitute a quorum at any Board meeting.

5. Reasonable expenses to facilitate Board meetings and to implement programs and projects shall be authorized by the Board. Within the limits imposed by the Board of Directors for the program or project involved, the Facility Manager will provide the funds or reimbursements.

D. MEETING OF THE BOARD OF DIRECTORS

1. The Board of Directors shall meet four (4) times each calendar year on the 4th Saturday of JAN, APR, SEPT(Annual Meeting) and OCT (Budget Meeting) at 10:00 A.M., or at such other dates and times as the Board determines to be in the best interests of the HOA I.

2. The September meeting shall be considered the ANNUAL MEETING for all Timeshare Owners. At this meeting, the members of the Board of Directors for the next year shall be nominated and elected.

3. The meeting in October shall include a review and Board approval of the proposed annual operating budget for the next calendar year, and the proposed unit week maintenance fee. Following this meeting, the approved

budget and fee dues shall be mailed or emailed along with other information to each owner.

E. LOCATION OF MEETINGS

Generally, Board meetings will be held at the HOA I facility in St. Augustine Beach, Florida, but, from time to time, the Board may designate other locations more readily available to attendees. The Annual Meeting of the HOA I owners will follow the same concept as to appropriate locations.

1. Votes by the timeshare owners shall be needed on the annual election of the Board of Directors and any other items on the agenda at the Annual Meeting.
2. Each unit week shall have one (1) vote to be exercised by the owner, or one of the owners, or by a person holding a valid proxy from a unit week owner.
3. Timeshare owners who are delinquent in the payment of annual maintenance fees, or any penalties assessed for late payments, or for other justifiable causes, shall be denied the privilege of voting by a 2/3 vote of the Board of Directors until their accounts are no longer in arrears. "Justifiable causes" include gross abuse of property and privileges, or continued non-compliance with reasonable rules for use of HOA I facilities.
4. Except as especially authorized by the Board of Directors, there shall be no absentee voting. Votes are made by owners present at the Annual Meeting or persons holding valid proxies from owners.
5. For the matters described in Paragraph 1 above, the majority shall prevail. A valid proxy will be submitted on a Proxy Form similar to that shown in APPENDIX I. The Facility Manager shall mail blank proxy forms to all owners along with the announcement of the Annual Owners Meeting. Proxy forms shall include a list of recommended "designees" plus "write-ins" blank so the owner may execute a "proxy". The current President shall vote proxy forms returned to the Board of Directors signed but without a "designee".

F. CHARTER AND REGULAR OWNERS

1. Owners are divided into two classes:
 - a. Charter Owners-original purchasers of one or more unit weeks, who, because of the time and circumstances under which the purchase occurred, were granted special privileges of charter owners as outlined in Paragraph 2 below.
 - b. Regular Owners- all other owners.

2. Privileges of Charter Owners:

- a. Use of all HOA I facilities other than living units when not in residence as limited by Paragraphs 2b through 2e below.
- b. When non-resident Charter Owners plan to use the facilities they will notify the facility staff in advance as to when they expect to be on the premises. If their period of planned use includes a holiday, the facility staff will explain about any special restrictions that may apply. Parking permits are required and will be issued as appropriate by the facility staff.
- c. Clubhouse facilities are available by prior arrangements with the Facility Manager , subject to any procedures set by the Board of Directors. A security deposit and a cleaning fee will be required. When such facilities are in use, the Owner must be present at all times and will be considered as the responsible user of the facilities.
- d. A reasonable rental or usage fee will be charged.
- e. Regular owners may rent the Clubhouse under the same terms and conditions as outlined above during their occupancy week(s).
- f. Board Members will be given Charter Membership unless removed from the Board for non-attendance.

3. Charter Membership is non-transferable. Charter member must be present to use the property.

G. MAINTENANCE FEES

1. The Board of Directors will review and approve and/or modify the operating budget submitted by the Facility Manager. Pro-rating of this budget over the total available unit weeks results in the annual unit week maintenance fee.
2. Annual maintenance fees will be voted on and set at the Budget Meeting in October.
3. Notification of the approved maintenance fee(s) will be distributed to all owners during OCT/NOV.
4. Maintenance fees, and all penalties and other charges, are due before the living unit is occupied, exchanged, rented or used in any way by the timeshare owner or to benefit of such owner. The schedule for determining when payment of the fee(s) shall be considered delinquent is as follows:

IF UNIT WEEK FALLS IN	FEES ARE DUE NO LATER THAN
Calendar 1 st Qtr (JAN-MAR)	January 10, or occupancy if before
Calendar 2 nd Qtr (APR-JUN)	April 10, or occupancy if before
Calendar 3&4 Qtrs (JUL-DEC)	July 10, or occupancy if before

a. Neither resident nor non-resident privileges and/or facilities may be used, rented, loaned, or exchanged unless maintenance fee payments, penalties, and all other charges are current.

b. A Late Payment Penalty of \$25.00 shall be charged and, in addition, a charge of \$5.00 per month, or any fraction thereof, from the day of delinquency for each unit week maintenance fee in arrears.

c. The exchange of any unit week that is delinquent in the payment of maintenance fees, penalties or other fees shall be "blocked" from being exchanged through the various Timeshare Exchange Companies. Fees to block and to unblock such exchanges will be due and payable by the owner of the delinquent unit week. Additionally, should HOA I pay any legal fees to force payment of any and all monies due, the owner concerned will reimburse these sums to the HOA.

d. The Facility Manager will take the following actions on approximately the dates shown on delinquent accounts. On action times 4, 5, and 6, the Facility Manager shall advise the owner via mail or email, Return Receipt Requested.

ITEM NO.	DESCRIPTION	DATE	DATE	DATE
1	Delinquent Date	JAN 10	APR 10	JUL 10
2	\$25 Penalty Charged	JAN 10	APR 10	JUL 10
3	\$5 per Month Additional Penalty Begins	JAN 11	APR 11	JUL 11
4	Exchanged Blocked	JAN 30	APR 30	JUL 30
5	Lien Recorded	MAR 1	JUN 1	AUG 1
6	Judgment Obtained	MAY 1	AUG 1	OCT 1

5. Annual maintenance fees will include estimated expenditures established by the Board of Directors to cover:

a. Delinquent maintenance fees for the calendar year involved. This is

an amount of money to cover the total of all such fees forecast to be uncollected by the end of the year involved.

b. Annual financial auditing as required by the State of Florida.

c. Funding for the various "Reserve Funds" as established by the Board of Directors. These funds cover future expenses for major repairs and/or replacements for long-life items such as building roofs, pool and equipment, roads and sidewalks, furnishings, HVAC equipment, grounds maintenance and the like.

H. BUDGET PREPERATION

The Facility Manager shall prepare a preliminary budget for the next calendar year so it can be reviewed, approved by the Board, and distributed to the Owners in time for the October Budget Meeting. The budget shall be prepared in a format recommended by the Facility Manager and approved by the Board.

I. ANNUAL FINANCIAL AUDIT

The Board of Directors and the Facility Manager jointly shall specify the nature of the audit, select the accountant to do the audit, schedule and otherwise cause the audit to occur in a timely manner to meet the requirements of the State of Florida. The completes calendar year audit report shall be reviewed and approved at the April meeting by the Board of Directors before it is transmitted to the State.

J. MAJOR CONTRACTS

All contracts for services or materials that are estimated to cost HOA I \$2,500.00 or more in any one-year period shall be reviewed with and approved in writing by the Board of Directors. Such contracts shall bear the signature of the President or Vice President as certifying Board approval. For unusual and/or urgent matters, any two (2) Board members may act for the Board and report at he immediate following Board meeting as to the circumstances requiring approval.

K. RENTING, LOANING OR EXCHANGE OF LIVING UNITS

The rental, loaning or exchanging of a living unit involves a business relationship between the unit week owner and a rental agent, between the owner and the renter directly, or between the owner and the exchange agent. The HOA I has no direct role in these matters and is an interested party only to that it desires to maintain the livability and attractiveness of the overall facility, and to ensure the HOA I owners have complied with the MAINTENANCE FEES paragraph of these procedures. Problems concerning the amount of fees for rent, commission or exchanges and the method and timeliness of payments to the unit owners, are

matters between the parties and do not involve HOA I.

L. WEAPONS, FIREARMS AND DISTURBANCES

1. The HOA I Board of Directors requires all persons (owners, guests, renter or exchange) must comply with all state and federal regulations regarding firearms. Failure to do so will result in law enforcement being notified.
2. Owners, or other persons, occupying HOA I living units, or otherwise using HOA I facilities, are required to conduct themselves so as to not interfere with the "quiet enjoyment" of the facilities by the other owners and/or other parties.
3. The Facility Manager and/or his staff take the following action if violations of Paragraphs 1 or 2 above occur:
 - a. Advise the responsible owner or other person that the disturbance must be terminated immediately.
 - b. If there seems to be no compliance after a reasonable time, call the appropriate local law enforcement office, advise them of the situation and request their assistance on behalf of the HOA I Board of Directors. Any member of the Board of Directors, the Facility Manager and/or his staff is authorized by these guidelines to sign official police complaints if necessary to correct the violations observed.
4. Any occurrence falling under Paragraphs 1,2 or 3 above shall be reported to the President of the HOA I Board of Directors in writing as soon as possible.

M. EMERGENCIES IN LIVING UNIT

If a living unit is damaged by acts of nature, or otherwise, so that it cannot be satisfactorily occupied, the Facility Manager will inform the prospective occupant in a timely manner prior to the first date of occupancy and, in addition, advise both the situation as follows:

PRIORITY	ACTION
1	Provide another HOA I living unit for the same unit week
2	Provide a suitable living unit for the same unit week in a nearby and comparable non-HOA I facility
3	Take one of the actions under Priorities 1 and 2 above for a different unit week acceptable to the prospective occupant

N. REVIEW OF RULES AND PROCEDURES

Annually, in January, beginning in 2016, the Board shall direct the review of these Rules and Regulations and Procedures to ensure they are organized and formatted effectively, and that they reflect the best understanding of how the HOA I will be operated to achieve the goals and objectives as outlined in these procedures in Paragraph A (PURPOSE). Actions taken during the preceding year shall be incorporated into the Rules and Procedures as directed by the HOA I Board.

O. AMENDMENTS

A Record of Amendments shall be designed and incorporated in these Rules and Procedures to show the date, the paragraphs or sections amended, and a brief reason for the amendment.

P. REFERENCES

All statues and regulations approved and issued by the State of Florida are expressly incorporated as a part of these Procedures. If any conflict arises between any provision in these Procedures and a Florida State statute or regulation, the State statute or regulation shall control.

Q. APPROVALS

The Rules and Procedures are hereby approved for the implementation and general operations following an affirmative vote by the HOA I Board of Directors.

APPROVED BY: David E. Worthington DATE: 10/9/14
President
HOA I Board of Directors