EXHIBIT "J"

RULES AND REGULATIONS

BAYWATCH CONDOMINIUM ASSOCIATION OF PENSACOLA BEACH, INC.

RULES AND REGULATIONS

Any terms contained in these Rules and Regulations which are contained in a Declaration of Condominium ("Declaration") of Baywatch, a condominium shall have the meanings of such terms set forth in such Declaration.

1. The walkways, breezeways, entrances, halls, corridors, stairways, ramps and rights-of-way shall not be obstructed or used for any purpose other than ingress to and egress from the Condominium and the Units.

2. The exterior of the Units, including doors, and all other areas appurtenant to an Unit shall not be painted, decorated, or modified by any Unit Owner in any manner without the prior written consent of the Association, which consent may be withheld on purely aesthetic grounds within the sole discretion of the Association.

3. No article shall be hung or shaken from the doors, windows, patios, or balconies or placed upon the outside window sills of the Units unless approved by the Association.

4. No bicycles, scooters, baby carriages or similar vehicles, shopping carts or toys or other personal articles shall be allowed to stand in any of the Common Elements, including the breezeways, except areas specifically designated for such purposes. No responsibility is assumed in regard to such articles and the use of same shall be at the sole risk of the Unit Owner.

5. No Unit Owner shall make or permit any noises that will disturb or annoy the occupants of any of the Units or do or permit anything to be done which will interfere with the rights, comfort or convenience of other Unit Owners. The floors of all second floor Units, excepting bathrooms, kitchens, air conditioning rooms and balconies, shall be carpeted in order to curtail noise disturbing other Unit Owners.

6. Each Unit Owner shall keep such Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom or from the doors, windows, patio, or balcony thereof any dirt or other substances.

7. No awnings, curtains, shades, window guards, light reflective materials, aluminum foil, hurricane or storm shutters, ventilators, fans or air conditioning devices shall be attached or affixed to the exterior of or be used in or about an Unit except as shall have been approved by the Association, which approval may be withheld on purely aesthetic grounds within the sole discretion of the Association.

8. Delivery of all goods and packages as well as the moving of furniture and personal belongings shall be in accordance with times and procedures established by the Association.

9. Each Unit Owner who plans to be absent from his Unit during the hurricane season must prepare his Unit prior

to his departure by removing all furniture, potted plants and other movable objects from his balcony or patio and by designating a responsible firm or individual satisfactory to the Association to care for his Unit should the Unit suffer hurricane damage, which firm or individual must contact the Association for approval to install or remove hurricane shutters. Further, the Association may from time to time prepare separate "Hurricane Rules", with which each Unit Owner shall comply.

10. Each Unit Owner shall be responsible for purchasing casualty insurance to provide coverage for a deficiency in the event the insurance proceeds are insufficient to cover a loss to any improvement within any of the Units and/or improvements within the Common Elements. Each Unit Owner is also responsible for the purchase of casualty insurance, including water damage, for any improvements in his Unit not insured by the Association policy and for all of his personal property. In addition, each Unit Owner shall be responsible for purchasing liability insurance (which may be imposed pursuant to Section 718.119 of the Act) for the acts and omissions of the Association in relation to the use of the Common Elements. Finally, each Unit Owner shall be responsible for purchasing liability insurance for accidents occurring in his own Unit or for accidents or damages for which he is liable, including water damage, to other Units or Common Elements caused by his act or failure to act and for any additional liability insurance he so desires.

11. All garbage and refuse from the Units shall be placed in plastic bags and deposited with care in the dumpster provided and/or garbage disposal unit intended for such purpose only at such times and in such manner as the Association will direct.

12. Unit Owners shall not engage in any activities which constitute a nuisance on the Condominium Property.

13. No radio or television aerial or antenna shall be attached to or hung from the exterior of any Unit or the roof thereon, unless approved in writing by the Association.

14. Liability for any damage to an Unit caused by the moving or carrying of any article on the Condominium Property shall be borne by the Unit Owner responsible for the presence of such articles. Any damage to the building or Common Elements caused by an Unit Owner, his family or his guests, licensees, invitees and lessees shall be repaired at the expense of such Unit Owner.

15. Food and beverage may not be prepared or consumed on the Common Elements except in accordance with regulations which may be promulgated from time to time by the Association.

16. Complaints regarding the management of the Apartments and Common Elements or regarding actions of other Unit Owners shall be made in writing to the Association.

17. Any consent or approval given by the Association under these Rules and Regulations shall be revocable at any time.

18. These Rules and Regulations shall apply to all owners in Baywatch and their family members, guests, invitees and lessees when present on the Condominium Property.

19. No vehicle or other possessions belonging to an Owner or to a member of the family or guest, tenant or employee of an Owner shall be positioned on any portion of the Common Element in such manner as to impede or prevent ready access to and from the Common Element. The Owners, their family members, employees, servants, agents and visitors shall obey the parking regulations posted in the private streets, parking areas and drives located upon the Common Element and any other traffic regulations promulgated in the future for the safety, comfort and convenience of the Owners.

20. Except in an emergency, the blowing of any horn from any vehicle while such vehicle is situated on any portion of the Common Element is prohibited.

21. No inoperative motor vehicles may be kept on the Common Areas for more than 24 hours and no repairs of vehicles shall be made on the Common Areas.

22. Recreational Areas:

22.1 All persons use the Recreational Areas at his or her own risk and in conformance with all rules and regulations. Any person may be barred from the pools and pool areas at the discretion of the Board of Directors for violation of rules and regulations or for any other reason which in their judgment constitutes a hazard to others or the the Association. No person may be so barred for more than seven (7) days per violation.

23. These Rules and Regulations may be modified, added to or repealed at any time by the Association.

By resolution of the Board of Directors of BAYWATCH CONDOMINIUM ASSOCIATION OF PENSACOLA BEACH, INC.

Change to Rules and Regulations implemented by the Baywatch Association Board of Directors at the July 23, 2008 meeting.

Rule #5, before change:

5. No unit owner shall make or permit any noises that will disturb or annoy the occupants of any of the Units or do or permit anything to be done which will interfere with the rights, comfort, or convenience of other Unit Owners. The floors of all second floor Units, excepting bathrooms, kitchens, air conditioning rooms and balconies, shall be carpeted in order to curtail noise disturbing other Unit Owners.

Rule #5, change noted:

5. No Unit Owner shall make or permit any noises that will disturb or annoy the occupants of any of the Units or do or permit anything to be done which will interfere with the rights, comfort, or convenience of other Unit Owners. The floors of all ~~second floor Units~~ (change to upper-level units (above the lowest occupied story)) excepting bathrooms, kitchens, air conditioning rooms and balconies, shall be carpeted in order to curtail noise disturbing other Unit Owners.

Rule #5, after change:

5. No Unit Owner shall make or permit any noises that will disturb or annoy the occupants of any of the Units or do or permit anything to be done which will interfere with the rights, comfort, or convenience of other Unit Owners. The floors of all upper-level units (above the lowest occupied story) excepting bathrooms, kitchens, air conditioning rooms and balconies, shall be carpeted in order to curtail noise disturbing other Unit Owners.

Revisions to Baywatch Rules and Regulations
2008-2.0
Approved by the Board of Directors, August 27, 2008

Changes to Current Rules and Regulations: *(underlined words were added)*

#13 No radio or television aerial or antenna **or satellite dish** shall be attached to or hung from the exterior of any unit or the roof thereon, unless approved in writing by the Association's **Board of Directors.**

#23 These Rules and Regulations may be modified, added to or repealed at any time by the Association's **Board of Directors.**

New Rules and Regulations:

22.2 FISHING PIER: The Baywatch pier is a private pier for Baywatch owners, immediate family members, and renters only.

22.3 BEACH AREA: No glass or pets are allowed on the beach or pier. Storage of canoes, kayaks, and other items will not be allowed for more than seven (7) days. If items remain on the beach for more than seven days, the owner will be issued a notice to remove and be assessed a $50 fine. Additional fines of $50 per week will be imposed until the items are removed by the owner.

24.1. ANIMALS: ***RENTERS MAY NOT HAVE PETS.*** Owners who allow their renters to bring pets will be charged an initial $250 fine and $50 per day until the pet is removed from the unit, and their renters will be subject to eviction if a pet is present.

24.2 Only owners (not family members, friends, or renters) may have pets, and the pets must not exceed 10 lbs.

25. LARGE PARTIES: Must have prior written approval of the Board of Directors.

26. UNIT KEYS/CODES: For the safety of all Baywatch owners, each owner must provide a key or code to Etheridge Property Management within 30 days of this notice (or within 30 days of purchasing the unit). Failure to do so will result in a locksmith changing the lock and billing the owner.

27. TRAILER/BUOY IDENTIFICATION: All trailers on Baywatch property, whether empty or holding boats, jet skis, etc., must be identified with a Baywatch unit number. Also, all buoys should be labeled with the appropriate unit number.