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DON W. HOWARD, CLERK OF COURTS, OKALOOSA COUNTY, FL

FIRST AMENDMENT

TO

BY-LAWS

OF

SHALIMAR COTTAGES HOMEOWNERS ASSOCIATION, INC.


The following amendments were duly adopted by a vote of the members during the 2008 annual meeting.


Section 1. Owners in violation, or owners with tenants in violation, of the association's Covenants or By-Laws will be warned of the violations in writing by the association or verbally by two or more association officers. The written warning can be posted on their door, or sent via the US Postal System. After the warning has been received, or a reasonable amount of time has elapsed to ensure delivery, further violations will be punished in the following manner:

- (1) For the first offense: \$100.00 fine, and loss of use of the common area until the fine is paid.
- (2) For the second offense: \$200.00 fine, and loss of use of the common area until the fine is paid.
- (3) For the third and subsequent offenses: \$300.00 fine, and loss of use of the common area until the fine is paid plus an additional 30 days.

If the fine is not paid within 30 days, the association has the right to place a lien on the owner's property for the amount of the lien plus interest. The rate of interest shall be 18% per annum.

Section 2. Any item, which is not approved by the board of directors, left in the common area (such bicycles, benches, chairs, etc) will be removed after 48 hours. The items will be disposed of with no implied right of return.


Collin Ireton - President

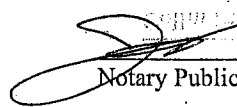

James Smith - Vice President


Kathryn Bastian - Secretary

STATE OF FLORIDA
COUNTY OF OKALOOSA

(Identity Verified by
Photo Military I.D. Card)

The foregoing instrument was acknowledged before me this 23 day of February, 2009 by Collin Ireton, who is personally known to me.


Notary Public Jeremiah D. Kelly, SSgt, USAF

USAF PARALEGAL
NOTARY BY FEDERAL STATUTE
10 U.S.C. 1044a
IAW AFI 51-504