

BY-LAWS
OF
CONDOMINIUMS AT WATERSIDE VILLAGE
COMMUNITY ASSOCIATION, INC.
a corporation not-for-profit
under the laws of the State of Florida

ARTICLE I

NAME

The name of the Association is "Condominiums At Waterside Village Community Association, Inc." (the "Association").

ARTICLE II

PURPOSE

These are the By-Laws of Condominiums At Waterside Village Community Association, Inc., a corporation not-for-profit formed under the laws of the State of Florida. The Association has been organized for the purpose of (a) providing for the operation, management, maintenance, control and administration of the Condominiums At Waterside Village, and with regard to such condominium, the legal entity created pursuant to Chapter 718, Florida Statutes (the "Act"), and (b) providing an entity to operate, manage, maintain, control and administer all or such parts thereof of the real property located in Bay County, Florida described as Common Elements together with the recreational, greenspace, ingress and egress, parking and related amenities as may be from time to time constructed thereon.

ARTICLE III

OFFICES

The initial office of the Association shall be at Suite 215, Gulf Place, 1234 Airport Road, Destin, Florida 32541. The Association Board of Directors may from time to time designate a different location for the Association office.

ARTICLE IV

FISCAL YEAR

The fiscal year of the Association shall be the calendar year.

ARTICLE V

SEAL

The seal of the corporation shall bear the name of the Association, the word "Florida" and the words "corporation not-for-profit," and the year of incorporation, "2004," an impression of which is as follows:

[Seal]

ARTICLE VI

PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation or these By-Laws.

ARTICLE VII

MANAGEMENT

A. Board of Directors.

1. In General; Number of Directors. The affairs of the Association shall be managed by a Board of Directors of three (3) directors. All of the powers and duties of the Association existing under the Act, the Declaration of Condominium of any condominium operated by the Association, the Articles of Incorporation of the Association and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees subject only to the approval by the Unit Owners when such approval is specifically required. Notwithstanding any other provision hereof, Directors must be Unit Owners, except that the Developer may appoint Directors who are not Unit Owners during the period in which it can select Directors.
2. Director's Term. The two (2) directors receiving the greatest number of votes during the first election in which Unit Owners other than the Developer elect a majority of the Board of Directors shall serve a term of two (2) years and the other director elected at that election shall serve a term of one (1) year. Thereafter, the terms of each director's service shall be for two (2) years and shall extend

thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

3. Meetings of the Board of Directors.

- (a) Board of Director's Organizational Meeting. The organizational meeting 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.
- (b) Regular Meetings. 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 the Board of Directors, but no less regularly than annually. Notice of regular meetings shall be given to each director, personally by mail, telephone, telegraph or electronic means, at least three (3) days prior to the day named for such meeting.
- (c) Special Meeting. Special meetings of the Board of Directors may be called by the President and must be called by the Secretary at the written request of a majority of the directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone, telegraph or electronic means, which notice shall state the time, place and purpose of the meeting.
- (d) Notice of Meetings of the Board of Directors. Adequate notice of all meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the condominium property at least 48 continuous hours preceding the meeting except in an emergency. Written notice of any meeting at which non-emergency special assessments, or at which an amendment to rules regarding use of Units will be proposed, discussed or approved, shall be mailed, delivered, or electronically transmitted to the Unit Owners and posted conspicuously on the condominium property not less than 14 days prior to the meeting. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the secretary and filed among the official records of the Association. Notice of any meeting in which regular assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessment.
- (e) Open Meetings and Records. Meetings of the Board of Directors shall be open to all Unit Owners. Minutes of all meetings of the members or the Board of Directors shall be kept in a book available for inspection by Unit Owners or their authorized representatives, and Board members at any reasonable time. Said minutes shall be retained for a period of not less than seven (7) years.

- (f) Waiver of Notice. Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.
- (g) Quorum. A quorum at director's meetings shall consist of a majority of the entire Board of Directors, which may include persons appearing telephonically in accordance with law. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors as required by the Declaration of Condominium of any condominium operated by the Association, the Articles of Incorporation of the Association and these By-Laws:
- (h) Adjourned Meetings. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present and after notice has been provided.
- (i) Director Action.
 - (i) A member of the board of administration or a committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.
 - (ii) A director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. Directors may not vote by proxy or by secret ballot at Board of Directors meetings. A vote or abstention for each member present shall be recorded in the minutes.
- (j) Presiding Officer. The presiding officer of the Board of Directors meetings shall be the chairman of the Board of Directors if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer, the Board of Directors present shall designate one of their number to preside.
- (k) Order of Business. The order of business at a Board of Directors meeting shall be: calling of roll; proof of due notice of meeting; reading and disposal of any unapproved minutes; report of officers and committees;

election of officers (if appropriate); unfinished business; new business; adjournment.

4. Board of Directors Compensation. The Board of Directors shall receive no fees or other compensation for their services.
5. Election of Board of Directors. Election of the Board of Directors shall be conducted in the following manner:
 - (a) Timing. Election of the Board of Directors shall be held at the annual meeting of the Members of the Association.
 - (b) Manner. The election shall be by secret ballot and by plurality of the Unit Owners. The owner of each Unit shall be entitled to cast a vote for each of as many candidates as there are vacancies to be filled. There shall be no cumulative voting. Proxies shall in no event be used in electing the Board of Directors, either in general elections or elections to fill vacancies caused by resignation. To the extent permitted by law, Unit Owners other than the Developer may vote, in person or by limited proxy, to fill a vacancy on the Board of Directors previously occupied by a member of the Board of Directors elected by Unit Owners other than the Developer. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors. No Unit Owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. A Unit Owner who needs assistance in casting the ballot for the reasons stated in Section 101.051, Florida Statutes, may obtain assistance in casting the ballot. Any Unit Owner violating this provision may be fined by the Association in accordance with Section 718.303 of the Act. The regular election shall occur on the date of the annual meeting. Notwithstanding the provisions of this Subparagraph, an election and balloting are not required unless more candidates file notices of intent to run than vacancies exist on the Board of Directors.
 - (c) Notice and Nominations. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing, delivery, or transmission including regularly published newsletters, to each Unit Owner entitled to a vote a first notice of the date of the election. Any Unit Owner or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the Association not less than 40 days before a scheduled election. Upon request of a candidate, the Association shall include an information sheet, no larger than 8¼ inches by 11 inches which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot, with the costs of

mailing, delivery, or transmission and copying to be borne by the Association. However, the Association has no liability for the contents of the information sheets prepared by the candidates. In order to reduce costs, the Association may print or duplicate the information sheets on both sides of the paper. Together with the written notice and agenda as set forth in Article VIII(D) of these Bylaws, the Association shall mail, deliver, or electronically transmit a second notice of the election meeting to all Unit Owners entitled to vote therein not less than thirty (30) days prior to the election meeting, together with a ballot which shall list all candidates.

- (d) Subject to the provisions of Section 718.301 of the Act, any member of the Board of Directors may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the Unit Owners. A special meeting of the Unit Owners to recall a member or members of the Board of Directors may be called by ten (10%) percent of the Unit Owners giving notice of the meeting as required for a meeting of Unit Owners, and the notice shall state the purpose of the meeting. Electronic transmission may not be used as a method of giving notice of a meeting called in whole or in part for this purpose.
 - (i) If the recall is approved by a majority of all Unit Owners by a vote at a meeting, the recall shall be effective as provided herein. The Board of Directors shall duly notice and hold a Board of Directors meeting within five (5) full business days of the adjournment of the Unit Owner meeting to recall one or more Board of Directors members. At the meeting, the Board of Directors shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the Board of Directors within five (5) full business days any and all records and property of the Association in their possession, or shall proceed as described in subparagraph (iii):
 - (ii) If the proposed recall is by an agreement in writing by a majority of all Unit Owners, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized by chapter 48 of the Florida Rules of Civil Procedure. The Board of Directors shall duly notice and hold a meeting of the Board of Directors within five (5) full business days after receipt of the agreement in writing. At the meeting, the Board of Directors shall either certify the written agreement to recall a member or members of the Board of Directors, in which case such member or members shall be recalled effective immediately and shall turn over to the Board of Directors within five (5) full business days any and all records and property of the Association in their possession, or proceed as described in subparagraph (iii).

- (iii) If the Board of Directors determines not to certify the written agreement to recall a member or members of the Board of Directors, or does not certify the recall by a vote at a meeting, the Board of Directors shall, within five (5) business days after the meeting, file with the Division of Florida Land Sales, Condominiums and Mobile Homes (the "Division") a petition for arbitration pursuant to the procedures of Section 718.1255 of the Act. For purposes of this section, the Unit Owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the Board of Directors, the recall will be effective upon mailing of the final order of arbitration upon the Association. If the Association fails to comply with the order of the arbitrator, the Division may take action pursuant to Section 718.501 of the Act. Any member or members so recalled shall deliver to the Board of Directors any and all records of the Association in their possession within 5 full business days of the effective date of the recall.
- (e) Notwithstanding any of the foregoing, turnover of the Association by the Developer will be governed by Section 718.301(1)(a)-(e) which provides as follows:
 - "(1) When unit owners other than the developer own 15 percent or more of the units in a condominium that will be operated ultimately by an association, the unit owners other than the developer shall be entitled to elect no less than one-third of the members of the board of administration of the association. Unit owners other than the developer are entitled to elect not less than a majority of the members of the board of administration of an association:
 - "(a) Three years after 50 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;
 - "(b) Three months after 90 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;
 - "(c) When all the units that will be operated ultimately by the association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the developer in the ordinary course of business;

"(d) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the developer in the ordinary course of business; or

"(e) Seven years after recordation of the declaration of condominium; or, in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to Section 718.403, 7 years after recordation of the declaration creating the initial phase, whichever occurs first. The developer is entitled to elect at least one member of the board of administration of an association as long as the developer holds for sale in the ordinary course of business at least 5 percent, in condominiums with fewer than 500 units, and 2 percent, in condominiums with more than 500 units, of the units in a condominium operated by the association. Following the time the developer relinquishes control of the association, the developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the association or selecting the majority members of the board of administration."

Until required by the Act including Section 718.301 of the Act, or until the Developer or any subsequent developer elects to terminate their control of the Association and the condominiums operated by it, whichever occurs first, the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors. During the time the majority of the persons serving on the Board of Directors are appointees of the Developer, the Developer reserves the right to chair or designate a representative to chair meeting(s) of members.

- B. **Officers.** The executive officers of the Association shall be a President, who shall be a director, a Vice President, who shall be director, a Treasurer, a Secretary, and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Board of Directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be the Secretary or an Assistant Secretary. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board of Directors shall find to be necessary or , convenient to manage the affairs of the Association.

1. Titles and Duties of Officers.

- (a) President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of President of an Association, including but not limited to the

power to appoint committees from among the members from time to time, as he in his discretion may determine appropriate, to assist in the conduct of the affairs of the Association. After transfer of control of the Association to Unit Owners other than the Developer has occurred, the President shall appoint a standing budget committee. The President, on behalf of the Board of Directors, shall provide the budget committee a copy of the annual budget (or any amendment thereto or any special assessment proposal made in addition to the annual budget) proposed or to be proposed for adoption and shall solicit the budget committee's comments and recommendations regarding the budget; such comments and recommendations shall be submitted for consideration along with the budget itself to the Board of Directors or membership, as the case may be, when the budget is voted on for approval.

- (b) Vice President. The Vice President in the absence or disability of the President shall exercise the powers and perform the duties of the President. He also shall assist the President generally and exercise such other power and perform such other duties' as shall be prescribed by the Board of Directors.
- (c) Secretary. The Secretary shall keep the minutes of all proceedings of the Board of Directors and the members in a businesslike manner and available for inspection by Unit Owners and the Board of Directors at all reasonable times. He shall attend to the giving and serving of all notices to the members and Board of Directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the Board of Directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.
- (d) Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; he shall submit treasurer's reports to the Board of Directors at reasonable intervals, not less than monthly; he shall prepare a budget; he shall make the treasurer's records available for inspection by the Board of Directors or Members at reasonable times; and he shall perform all other duties incident to the office of treasurer.

The Association may, with the approval of the Board of Directors, retain a management company to perform all or some of the duties of the officers.

ARTICLE VIII

MEMBERS

- A. In General. Each Unit Owner shall be a Member of the Association, with the right to vote on any matter for which a Unit Owner is entitled to vote. At any meeting of the members, the Unit Owner of each Unit shall be entitled to cast one (1) vote for each Unit he owns, which shall not be cumulative.

If a Unit is owned by one (1) person or entity, the right to vote on behalf of such Unit shall be established by the record title to the Unit. If a Unit is owned by more than one (1) person, the person or entity entitled to cast the vote for the Unit shall be designated by a voting certificate signed by all of the record owners of the Unit and filed with the Secretary of the Association. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or a change in the ownership of the Unit concerned. certificate designating a person entitled to cast the vote of a Unit may be revoked by any owner of a Unit. If such a certificate is not on file, the vote of such owner shall not be considered in determining the requirement for a quorum nor for any other purpose.

Notwithstanding the foregoing, whenever any Unit is owned by a husband and wife they may, but shall not be required to, designate a Voting Member. In the event a Voting Certificate designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote:

1. Where both husband and wife are present at a meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Unit owned by them. In the event they are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.
2. Where only one (1) spouse is present at a meeting the spouse present may cast their vote without establishing the concurrence of the other spouse, absent any prior written notice to the contrary to the Association by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, their vote shall not be considered.
3. Where neither spouse is present, the person designated in a proxy or Voting Certificate signed by either spouse may cast the vote, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different Voting Member by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different Voting Member by the other spouse, the vote shall not be considered.

Notwithstanding any other provision of these By-Laws, to the maximum extent allowed by law until such time as the Unit Owners are entitled to elect a majority of the Board of Directors, the Developer shall hold all Voting Interests (as the terms used and defined in the Act), and the Developer, rather than the Unit Owners, shall have the sole right to vote on all matters except as expressly otherwise provided by the Act.

- B. Members Meetings. The annual Members meeting shall be held each year at the office of the corporation on a date during the month of November as from time to time determined by the Board of Directors. The Members may transact at the annual members meeting any business authorized to be transacted by the Members.
- C. Special Meetings. Special meetings of the Members shall be held whenever allowed by the Act or called by the President.
- D. Notice. Notice of all members meetings stating the time and place and identifying each agenda item for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be posted at a conspicuous place designated by the Board of Directors on the condominium property at least thirty (30) continuous days preceding the meeting and shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed, delivered, or electronically transmitted not less than thirty (30) days nor more than thirty four (34) days prior to the date of the meeting. An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed, hand delivered, or electronically transmitted in accordance with this provision, to each Unit Owner at the address last furnished to the Association. Notice of meeting may be waived before the meetings.
- E. Quorum. A quorum of members meetings shall consist of persons holding one-third of the Unit Owners of the entire membership. The acts approved by a majority of the Unit Owners present at a meeting at which a quorum is present shall constitute the act of the members, except when approval by a greater number of Unit Owners is required by the Declaration of Condominium of any condominium operated by the Association, the Articles of Incorporation of the Association or these By-Laws. In determining whether a quorum is present, proxies may be counted as Unit Owners, present.
- F. Proxies. Votes may be cast in person or by proxy subject to the provisions of this Paragraph. - A proxy may be made or revoked by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting, provided that in no event shall a proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given.

Unit Owners may not vote by general proxy (except as otherwise provided herein), but may vote by limited proxy in the following instances: (1) to waive financial statement requirements, (2) to waive or reduce reserves, (3) to amend the Declaration, Articles of

Incorporation or the By-Laws, and (4) for any other matter which requires or permits a vote of the Unit Owners.

Unit Owners may not vote by limited or general proxy in the election of members of the Board of Directors:

General proxies may be used only for matters for which limited proxies are not required and may also be used in voting for non-substantial changes to items for which a limited proxy is required and given.

- G. Lack of Quorum. If any meeting of members cannot be organized because a quorum is not present, the Unit Owners who are present, either in person, or by proxy, may adjourn the meeting from time to time until a quorum is present.
- H. Order of Business. The order of business at annual meetings and as far as practical at other members meetings shall be: (1) Collection of election ballots; (2) Election of chairman at meeting; (3) Call of the roll and certifying of proxies; (4) Proof of notice of meeting or waiver of notice; (5) Reading and disposal of any unapproved minutes; (6) Report of officers; (7) Report of committees; (8) Election of inspectors of an election; (9) Election of the Board of Directors; (10) Unfinished business; (11) New business; (12) Adjournment.

ARTICLE IX

FINANCIAL MANAGEMENT

Provisions for fiscal management of the Association as set forth in the Declaration of Condominium of each of the condominiums operated by the Association, the Articles of Incorporation and the Act shall be supplemented by the following provisions:

- A. Classification of Receipts and Expenditures. The general classification shall be for receipts and expenditures specific to one of the condominiums or other developments served by the Association, such as the maintenance, repair or replacement of the common elements or limited common elements of a condominium. This general classification shall be further divided into separate classifications, one such classification for each of the condominiums or other developments served by the Association. Any decision by the Board of Directors determining the classification of a particular receipt or expenditure shall be final.
- B. Budgets.
 - 1. The Board of Directors shall adopt a budget for each fiscal year for each condominium or other development served by the Association and for the Association. The budget for the Association shall include the estimated receipts

and expenditures arising out of the use, ownership, operation and maintenance of the Common Elements and Limited Common Elements.

2. All budgets adopted by the Board of Directors shall include the estimated funds required to defray the common expenses and to provide and maintain funds according to good accounting practices by accounts and expense classifications including, if applicable, but not limited to the following: (1) Administration of the Association; (2) Management fee; (3) Maintenance; (4) Common Elements expense for recreational and other commonly used facilities; (5) Taxes upon Association Property; (6) Taxes upon leased area; (7) Insurance; (8) Security Provisions; (9) Other expenses; (10) Operating Capital; (11) Reserves; (12) Fees payable to Division, if any; (13) Betterments (Betterments shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be a part of the common elements of the condominium or the property of the Association); (14) Operations.

3. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which deferred maintenance expense or replacement cost exceeds Ten Thousand Dollars (\$10,000). The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. This subsection shall not apply to budgets in which the members of the Association have, by a majority vote at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection. However, prior to transfer of control of the Association by the Developer to Unit Owners other than the Developer pursuant to Section 718.301 of the Act, the Developer may vote to waive the reserves or reduce the funding of reserves for the first two years of the operation of the Association, after which time reserves may only be waived or reduced upon vote of a majority of the Unit Owners other than the Developer present at a duly called meeting of the Association. If a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and no such result is attained or a quorum is not attained, the reserves as included in the budget shall go into effect.

Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the Unit Owners, voting in person or by limited proxy at a duly called meeting of the Association. Prior to turnover of control of the Association by the

Developer to Unit Owners other than the Developer under Section 718.301 of the Act, the Developer-controlled Association shall not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all Unit Owners other than the Developer, voting in person or by limited proxy at a duly called meeting of the Association.

If a meeting of the Unit Owners affected by a budget has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect.

4. For the purpose of the Budget, "Operations" shall include the gross revenues, if any, from the use of the common elements or other property owned by the Association and only the additional direct expense required by the revenue producing operation. Any surplus from such operations shall be used to reduce the assessments in the year following the year in which the surplus is realized. Any losses from such operation shall be met by assessments in the year following the year in which the loss is realized, unless funds cannot be adequately and timely raised in such fashion, in which event the required funds shall be provided by special assessment.
5. Adoption of Budgets. A copy of the proposed annual budget of common expenses shall be mailed to the Unit Owners affected by the budget not less than fourteen (14) days prior to the meeting at which the budget will be considered, together with a notice of that meeting. The Unit Owner shall be given written notice of the time and place at which such meeting of the Board of Directors to consider the budget shall be held, and such meeting shall be open to the Unit Owners. If an adopted budget requires assessment against the Unit Owners in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of the assessments for the preceding year, and if the Board of Directors receives, within twenty one (21) days after adoption of the annual budget, a written request from at least ten percent (10%) of the Unit Owners affected by the budget, the Board of Directors shall conduct a special meeting of the Unit Owners to consider a substitute budget. The special meeting shall be held within sixty (60) days after adoption of the annual budget. At least fourteen (14) days prior to such special meeting, the Board of Directors shall hand deliver to each Unit Owner affected by the budget, or mail to each such Unit Owner at the mailing address last furnished to the Association, a notice of the meeting.

In any event, the Board of Directors may propose a budget to the Unit Owners at a meeting of the members, and if the budget or proposed budget is approved by the Unit Owners affected by the budget at the meeting; the budget so approved shall be adopted. If a meeting of the Unit Owners affected by a budget has been called and a quorum of those Unit Owners affected by the budget in question is not attained or a substitute budget is not adopted, the budget adopted by the Board of Directors shall go into effect as scheduled.

In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium or development property, as the case may be, anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the condominium or development property, as the case may be, shall be excluded from the computation. However, as long as the Developer is in control of the Board of Directors, the Board of Directors shall not impose an assessment for any year greater than one hundred fifteen (115%) of the prior fiscal or calendar year's assessment without approval of a majority of the Unit Owners.

C. Assessments.

1. The Board of Directors shall make assessments against each Unit for its share of the items of each budget in an amount not less than required to provide funds in advance for payment of all the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred.
2. The assessments shall be made monthly in advance and shall be due in equal, monthly installments on the first day of each month for which the assessments are made.
3. If a monthly assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and such monthly assessments shall be due on the first day of each month of each quarter until changed by an amended assessment:
4. In the event the monthly assessment shall be insufficient in the judgment of the Board of Directors, the Board of Directors shall amend each budget and shall make amended assessments for the balance of the month in sufficient amounts to meet the expenses for the month; provided, however, that any account of an amended budget that exceeds the limit upon increases shall be subject to approval of membership of the Association affected by that particular budget as previously required in these By-Laws.
5. Assessments for common expenses that cannot be paid from the annual assessment for common expenses shall be made only after notice of the need for such is given to the Unit Owners concerned. After such notice, Special Assessments may be made in one of two ways, depending on the purpose of the Special Assessment. When the purpose of the Special Assessment is limited to the payment of costs of reconstruction and repair immediately necessary to avoid damage to the condominium, it may be made by the Board of Directors, without approval of the Unit Owners or their mortgagees, upon a two-thirds (2/3) vote of the Board of Directors, a quorum being present. Such assessment shall be

effective and paid as determined by the Board of Directors and indicated in the notice of assessment. All other Special Assessments must be approved in writing by persons entitled to cast more than three-fourths (3/4) of the Unit Owners, and thereupon the assessment shall become effective, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of assessment.

- D. Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Directors and in which the monies from such accounts shall be withdrawn only by checks signed by such persons as are authorized by the Board of Directors.
- E. Annual Financial Report. Within 90 days after the end of the fiscal year, or annually on a date provided in the Bylaws, the Association shall prepare and complete, or cause to be prepared and completed by a third party, a financial report for the preceding fiscal year. Within 21 days after the financial report is completed or received by the Association from the third party, the Association shall mail to each Unit Owner at the address last furnished to the Association by the Unit Owner, or hand deliver to each Unit Owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the Unit Owner, without charge, upon receipt of a written request from the Unit Owner.

ARTICLE X

DISPUTE RESOLUTION

Disputes, as defined in Section 718.1255, F.S., shall be submitted for mediation or arbitration as provided therein.

ARTICLE XI

OFFICIAL RECORDS

- A. From the inception of the Association, the Association shall maintain a copy of each document described in Section 718.111(12)(a) of the Act, and any other document required to be maintained in the State of Florida by the Association in accordance with all applicable laws.
- B. The official records of the Association are open to inspection by any Association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies at the reasonable expense, if any of the Association member. The Association may adopt reasonable rules regarding the frequency, time, location, notice and manner of record inspection and copying. However, in no event shall the Association fail to provide the records within five (5)

working days after receipt of a written request. A Unit Owner who is denied access to official records is entitled to such damages and remedies as are provided in Section 718.111(12)(c) of the Act. The Association shall maintain an adequate number of copies of the Declaration, Articles of Incorporation, By-Laws, and rules, and all amendments to each of the foregoing, as well as the Question and Answer Sheet provided for in Section 718.504 of the Act, on the condominium property to ensure their availability to Unit Owners and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the same.

- C. The Association shall prepare a Question and Answer Sheet as described in Section 718.504 of the Act, and shall update it annually.

ARTICLE XII

MISCELLANEOUS

A. Certificate of Compliance. A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board of Directors as evidence of compliance of the condominium units to the applicable fire and life safety codes.

B. All provisions of Chapter 718.112, F.S. are deemed to be included in these Bylaws.

The foregoing were adopted as the Bylaws of Condominiums At Waterside Village Community Association, Inc., on this 22 day of May, 2007.

CONDOMINIUMS AT WATERSIDE VILLAGE
COMMUNITY ASSOCIATION, INC.

ATTEST:

By 
Richard Olson, President

Wade Howell
Wade Howell, Secretary

EXHIBIT "G"

Non-Exclusive Easement and Use Agreement