

**BY-LAWS  
OF  
THE VILLAS OF MEXICO BEACH OWNERS ASSOCIATION, INC.**

A Corporation Not for Profit  
under the Laws of the State of Florida

These are the By-Laws of The Villas of Mexico Beach Owners Association, Inc., (hereinafter called "Association"), a corporation not for profit, incorporated under the laws of the State of Florida. The Association has been organized for the purpose of administering a condominium created pursuant to Chapter 718, Florida Statutes, as amended (hereinafter called "Condominium Act").

**SECTION 1. ASSOCIATION.**

1.1 Office. The office of the Association shall be at 311 Magnolia Avenue, Panama City, Florida 32401 or such other place as shall be selected by a majority of the Board of Directors.

1.2 Fiscal Year. The fiscal year of the Association shall run from January 1 to December 31 of each year.

1.3 Seal. The seal of the Association shall have inscribed thereon the name of the Association, the year of its organization, and the words "Not for Profit". Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise attached to the instrument or document being sealed.

1.4 Terms. All terms used herein shall have the same definitions as attributed to them in the Declaration of Condominium Ownership of The Villas of Mexico Beach, a Condominium.

**SECTION 2. MEMBERS.**

2.1 Qualifications. The members of the Association shall consist of all Unit Owners of Condominium Units in The Villas of Mexico Beach, a Condominium.

2.2 Membership. Membership in the Association shall be established by recording in the public records of Bay County, Florida, a deed or other instrument establishing a record title to the Condominium Parcel, and delivery to the Association of a copy of such instrument. The grantee in such instrument shall immediately become a member of the Association. The membership of any prior owner of the same Condominium Parcel shall be terminated upon delivery to the Association of a copy of the deed or other instrument as aforesaid.

2.3 Designation of Voting Representative. If a Unit is owned by one person, his right to vote shall be established by the roster of members. If a Unit is owned by more than one person, the Unit Owner entitled to cast the vote appurtenant in said Parcel shall be designated by the record Owners of a majority interest in the Parcel as shown in the roster of members and by a statement filed with the Secretary of the Association, in writing. The designation may be revoked and a substitute Voting Member designated at any time at least five (5) days prior to a meeting. If a designation of a Voting Member is not filed with the Secretary at least five (5) days prior to any meeting, no vote shall be cast at such meeting by or for said Unit Owner(s).

2.4 Restraint Upon Alienation of Assets. The share of a member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Condominium Parcel.

### SECTION 3. MEMBER'S MEETINGS.

3.1 Place. All meetings of the members of the Association shall be held at the office of the Association or such other place as may be stated in the notice of the meeting.

3.2 Membership List. At least five (5) days before every election of directors, a complete list of the Voting Members of the Association, arranged numerically by unit number, shall be prepared by the Secretary. Such list shall be kept at the office of the Association and shall be open to examination by any member at any such time. Changes in the list of Voting Members may be made pursuant to Section 2.3 of these By-Laws.

3.3 Regular Meetings. Annual meetings of the Members of the Association shall be held on the first Saturday in October of each year or at such other date as may be authorized by the Board of Directors. Any unit owner may tape record or videotape a meeting of the unit owners subject to reasonable rules adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes.

3.4 Special Meetings. Special meetings of the members for any purpose may be called by the President, and shall be called by the President or Secretary at the request, in writing, or either a majority of the Board of Directors or of a majority of the Voting Members. Such request shall state the purpose of the proposed meeting. In addition, special meetings of the members shall be called by the request of a 10% of the voting members for the purpose of recall of a member or members of the Board of Directors. Any unit owner may tape record or videotape a special meeting of the unit owners subject to reasonable rules adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes.

3.5 Notice. Notice of meetings of the owners shall be by written notice, which notice must include an agenda. Written notice shall be mailed or delivered to each unit owner at least fourteen (14) days prior to the annual meeting and shall be posted in a conspicuous place on the condominium property at least fourteen (14) continuous days preceding the meeting. Upon notice to unit owners, the Board shall by duly adopted rule, designate a specific location of the condominium property, upon which all notices of unit owner meetings shall be posted. The method of the mailing of the notice to unit owners shall comply with the provisions of Florida Statute 718.112(2)(d).

3.6 Participation. All members shall be entitled to participate in any meeting of the Association but only Voting Members shall have the right to vote on any matter brought before such meeting. Each Voting Member shall be entitled to cast a number of votes which is proportionate to the share of common elements appurtenant to his unit. Wherever in these By-Laws the vote of a certain percentage of the Voting Members is required to take an action it shall be deemed to mean that percentage of the total number of votes of Voting Members.

3.7 Transfer of control of the Association. When unit owners other than the Developer own 15 percent (15%) of the units in the condominium that will be

operated ultimately by the Association, the unit owners, other than the Developer, shall be entitled to elect no less than one-third (1/3) of the members of the Board of Administration of the Association. Unit owners other than the Developer are entitled to elect no less than a majority of the members of the Board of Administration of the Association:

- (a) Three (3) years after 50 percent (50%) of the units that will be operated ultimately by the Association have been conveyed to the purchasers;
- (b) Three (3) months after 90 percent (90%) of the units that will be operated ultimately by the Association have been conveyed to the 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;
- (e) Seven (7) years after recordation of the Declaration of Condominium, whichever occurs first. The Developer is entitled to elect at least one member of the Board of Administration of the Association as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) 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. The transfer shall occur in accordance with the provisions of 718.301.

3.8 Proxies. Unit owners may vote by general proxy in certain instances as set forth herein and by limited proxies substantially conforming to a limited proxy form adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes. Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes taken to waive or reduce reserves; for votes taken to waive financial statements; for votes taken to amend the Declaration; for votes taken to amend the Articles of Incorporation or By-Laws; and for any other matter which the Florida Condominium Act requires or permits a vote of the unit owners. No proxy, limited or general, shall be used in the election of Board Members. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given. Notwithstanding the provisions herein, unit owners may vote in person at unit owner meetings.

3.9 Vote Required to Transact Business. When a quorum is present at any

meeting, the majority of Voting Members present and voting shall decide any question brought before the meeting, unless the question is one which requires more than a majority vote by express provision of the Condominium Act or the Declaration of Condominium Ownership, Articles of Incorporation or these By-Laws (hereinafter "Condominium Documents"), in which case the express provision shall govern and control the number of votes required.

3.10 Quorum. Fifty percent (50%) of the total number of Voting Members of the Association (present in person or by proxy) shall constitute a quorum at all meetings of the members, except as otherwise provided by statute or the Condominium Documents. If a quorum is not present at any meeting, the Voting Members may adjourn the meeting. Any rescheduled meeting must be properly noticed. Any business may be transacted at any adjourned meeting where a quorum was present which could have been transacted at the meeting called.

#### SECTION 4. DIRECTORS.

4.1 Number. The affairs of the Association shall be managed by Board of Directors, consisting of not less than three (3) nor more than five (5) directors. The number of directors shall be determined from time to time by the Voting Members.

4.2 Term. Each director shall be elected to serve for a term of two (2) years, which terms shall be staggered, or until his successor shall be elected and shall qualify, except that directors elected prior to the Unit Owners' Initial Meeting shall serve only until such meeting. The first two (2) directors elected shall serve for a term of one (1) year and all subsequent directors, including the initial directors, when their term expires, shall be elected for two (2) years.

4.3 First Board of Directors. The first Board of Directors shall consist of three (3) persons appointed by Developer, who shall hold office and exercise all powers of the Board at the pleasure of Developer, until other directors are named pursuant to Section 3.7 of these By-Laws.

4.4 Vacancy and Replacement. Vacancies in the Board of Directors shall be filled in the same manner as election of Directors as provided for in paragraph 4.5 hereof. If a vacancy occurs on the Board as a result of a recall and less than a majority of the Board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors. If vacancies occur on the Board as a result of a recall and a majority or more of the Board members are removed, the vacancies shall be filled in accordance with procedural rules adopted by the Division.

4.5 Election of Directors. Directors shall be elected by written ballot or voting machine. Proxies shall in no event be used in electing Directors, either in general elections or elections to fill vacancies caused by resignation. 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 or delivery, including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be candidate for the Board of Administration, shall give written notice to the Secretary of the Association not less than forty (40) days before a scheduled election. Together with the written notice and agenda of the annual meeting, the Association shall mail or deliver a second notice of the election to all unit owners

entitled to vote therein, together with a ballot which shall list all candidates. Upon request of the candidate, the Association shall include an information sheet, no larger than eight and one-half inches by eleven inches (8½ x 11), which must be furnished by the candidate no less than 35 days before the election, to be included in the mailing of the ballot, with the cost of mailing or delivering and copying to be borne by the Association. The voting shall be in accordance with rules as established by the Division of Florida Land Sales, Condominiums and Mobile Homes including rules providing for the secrecy of ballots. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20% of the eligible voters must cast a ballot in order to have a valid election of the members of the Board of Administration. 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 as stated in Florida Statute 101.051 may obtain assistance in casting the ballot. Any unit owner violating this provision may be fined by the Association in accordance with Florida Statute 718.303. 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 or are nominated than vacancies exist on the Board. The Association may, by the affirmative vote of a majority of the total voting interests, provide for different voting and election procedures in its bylaws, which vote may be by a proxy specifically delineating the different voting and election procedures. The different voting and election procedures may provide for elections to be conducted by limited or general proxy.

4.6 Removal. Directors may be removed with or without cause by an affirmative vote of a majority of the voting members. The removal/recall of Directors shall be in accordance with 718.112(2)(j). No director shall continue to serve on the Board, if, during his term of office, his membership in the Association is terminated for any reason.

4.7 Powers and Duties of Board of Directors. All of the powers and duties of the Association under the Condominium Act and the Condominium Documents shall be exercised by the Board of Directors, or its delegate, subject only to approval by Unit Owners and institutional mortgagees when such approval is specifically required. The powers and duties of the directors include but are not limited to the following:

- 4.7.1 Assess. To make and collect assessments against members to pay the Common Expenses and the expenses incurred by the Association and the power to make and assess members for capital improvements and replacements.
- 4.7.2 Disburse. To use the process of assessments in the exercise of its powers and duties.
- 4.7.3 Maintain. To maintain, repair, replace and operate the Condominium Property in the manner provided by the Declaration of Condominium Ownership.
- 4.7.4 Purchase. To purchase the necessary equipment and tools required for the maintenance, care and preservation referred to above.

4.7.5 Insure. To insure and keep insured the Condominium Property in the manner set forth in the Declaration of Condominium Ownership and to purchase such other insurance as the Board may deem advisable, including officers' and directors' liability insurance.

4.7.6 Enforce. To enjoin or seek damages from any Unit Owner for violation of these By-Laws and the terms and conditions of the Declaration of Condominium Ownership.

4.7.7 Employ. To employ and contract with a maintenance service contractor or manager, or either of them, for the maintenance, service and management of the Common Elements.

4.7.8 Regulate. To make reasonable rules and regulations concerning the use and occupancy of the Condominium Parcels consistent with the Condominium Documents.

4.7.9 Condemnation. To convey a portion of the common elements to a condemning authority for the purposes of providing utility easements, rights of any expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings.

4.8 Annual Statement. The Board will present a full and clear statement of the business and condition of the corporation at the annual meeting of the members.

4.9 Compensation. The directors shall not be entitled to any compensation for service as directors.

## SECTION 5. DIRECTORS' MEETINGS.

5.1 Organizational Meetings. The first meeting of each new Board elected by the members shall be held immediately upon adjournment of the meeting at which they were elected or as soon thereafter as may be practicable. The annual meeting of the Board shall be held at the same place as the general members' meeting.

5.2 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegraph, at least 48 hours in advance of the time named for such meeting and shall be posted conspicuously on the Condominium property at least 48 continuous hours in advance except in an emergency.

5.3 Special Meetings. Special meetings of the Board may be called by the President on 48 hours notice to each director, provided notice of such meeting is posted in a conspicuous place on the Condominium property for at least 48 continuous hours preceding this meeting. Special meetings shall be called by the President or Secretary in like manner and on like notice upon the written request of two (2) directors.

5.4 Adjourned Meetings. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting. Any rescheduled meeting must be properly noticed. At any adjourned meeting where a quorum was present any business that might have been transacted at the meeting as originally called, may be transacted without further notice. Notice of any adjourned meeting must be posted conspicuously on the condominium property at least forty eight (48) continuous hours preceding the meeting.

5.5 Quorum. A quorum at a directors' meeting shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present, shall constitute the act of a Board, except when approval by a greater number of directors is required by the Condominium Documents.

5.6 Joinder in Meeting by Approval of Minutes. The joinder of a director in any action taken at a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such director except for the purpose of determining a quorum.

5.7 Presiding Officer. The presiding officer of a director's meeting shall be the President of the Association. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

5.8 Procedures for Meetings. All meetings of the Board of Directors may be tape recorded or videotaped by unit owners. All unit owners shall have the right to attend such meetings and this includes the right to speak at such meetings with reference to all designated agenda items. The tape recording and/or videotaping of the meeting by unit owners shall be in accordance with rules adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes. The Association may adopt reasonable rules governing the frequency, duration, and manner of unit owner statements. Notice of the meeting shall specifically incorporate an identification of the agenda items. The notice of the meeting, together with the identification of the agenda items, shall be posted conspicuously on the condominium property at least forty-eight (48) continuous hours preceding the meeting, except in emergency. Any item not included on the Notice may be taken up on an emergency basis by at least a majority plus one of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. Written notice of any meeting at which non-emergency special assessments, or at which amendment to rules regarding unit use will be considered and shall be mailed or delivered to the unit owners and posted conspicuously on the condominium property not less than fourteen (14) days prior to the meeting. Evidence of compliance with the 14-day notice, shall be made by Affidavit executed by the person providing the notice and filed among the official records of the Association. Upon notice to the unit owners, the Board shall by duly adopted rule, designate a specific location on the condominium property or Association property upon which all notices of the board meetings shall be posted. 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 assessments.

## SECTION 6. OFFICERS.

6.1 Officers. The executive officers of the Association shall be a President, Vice President, Treasurer, and Secretary, each of whom shall be elected at the

annual meeting of the Board of Directors. Any two of said offices may be held by one person except that the President shall not also be the Secretary or an Assistant Secretary of the corporation. The Board may elect more than one Vice President. The Board may appoint such other officers and agents that it may deem necessary, who shall hold office at the pleasure of the Board and have such authority and perform such duties as from time to time may be prescribed by said Board.

6.2 Qualification. No person shall be entitled to hold office except a Voting Member or an officer of a corporate Voting Member. No officer except the President need be a member of the Board.

6.3 Term. The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the members of the Board.

6.4 The President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and directors; shall be an ex-officio member of all standing committees; shall have general management of the business of the corporation, and shall see that all orders and resolutions of the Board are carried into effect.

6.5 The Secretary.

6.5.1 The Secretary shall keep minutes of the members' meetings and of the Board of Directors' meetings in one or more books provided for that purpose, and shall make the same available to inspection by any unit owner or his authorized representative and board members at reasonable times.

6.5.2 He shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law.

6.5.3 He shall be custodian of the corporate records and of the seal of the corporation. Minutes of meetings of members and of the board shall remain as corporation records for at least seven (7) years.

6.5.4 He shall keep a register of the name and post office address of each member and each Voting Member.

6.5.5 In general, he shall perform all duties incident to the office of the Secretary and such other duties as may be assigned to him by the President or by the Board of Directors.

6.6 The Vice President. The Vice President shall be vested with all the powers and required to perform all the duties of the President in his absence, and such other duties as may be prescribed by the Board of Directors.

6.7 The Treasurer.

6.7.1 The Treasurer shall keep full and accurate records of receipts and disbursements in books belonging to the corporation, and shall deposit all monies and other valuable effects in the name of and to the credit of the



corporation in such depositories as may be designated by the Board of Directors or these By-Laws.

6.7.2 He shall disburse the funds of the corporation as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors at the regular meetings of the Board, an account of all his transactions as Treasurer, and of the financial condition of the corporation.

6.8 Vacancies. If any officer becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining directors by a majority vote may choose a successor or successors who shall hold office for the unexpired term.

6.9 Resignations. Any director or other officer may resign his office at any time. Such resignation shall be made in writing, and shall take effect at the time of its receipt by the corporation, unless some time be fixed in the resignation, and then from the date so fixed. The acceptance of a resignation shall not be required to make it effective.

## SECTION 7. APPROVAL BY VOTING MEMBERS.

7.1 The Association shall act through its Board of Directors and only the following matters shall require an affirmative vote of the Voting Members of the Association:

<u>Matter to be Approved</u>	<u>Approval Required</u>
(1) Alteration, improvements or additions to the Common Elements, exclusive of the Limited Elements.	2/3 of the Voting Members
(2) Alteration, improvements or additions to the Limited Common Elements.	A majority of the voting interests of the Association, all of the unit owners affected thereby and all record owners of liens on units affected.
(3) Termination of the Project when 90% of the value of the Condominium Property is destroyed.	1/4 of the Voting Members
(4) Approval of changes in building plans for re-construction after casualty.	3/4 of the Voting Members and all of the Voting Members in the affected Units
(5) Amendment of By-Laws and Articles of Incorporation.	2/3 of the Voting Members.
(6) Amendment of the Declaration.	2/3 of the Voting Members owning Units in the Condominium the Declaration of which is to be amended.

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| (7) Termination of Condominium.   | 3/4 of the Voting Members owning Units in the Condominium except as provided in item (3) of this Section 7.1.                                    |
| (8) Election of Directors and Officers.                                   | Plurality of Voting Members.   |
| (9) Amendment prohibiting rental of units.                                | 100% of the Voting Members owning Units in the Condominium.  |
| (10) Making Agreements for use of Off-Site Recreational Facilities.       | A majority of the Voting Members.  |
| (11) Approval of the Purchase of a Condominium Parcel by the Association. | 2/3 of the Voting Members.   |
| (12) Dividing or combining units.   | A majority of the voting interests of the Association, all of the unit owners affected thereby and all record owners of liens on units affected. |

#### SECTION 8. CONDUCT OF MEETING.

All meetings of the Members and of the Board shall be governed by Robert's Rules of Order.

#### SECTION 9. FISCAL MANAGEMENT.

The provisions for fiscal management of the Association are set forth in the Declaration of Condominium Ownership and are supplemented by the following provisions:

9.1 Accounts. The funds and expenditures of the Association shall be credited and charged to the appropriate account as set forth below.

9.1.1 Current Expenses. All funds to be expended during the year for the maintenance of the Common Elements, the operation and working capital of the Association shall be held in the Current Expense Account. Any balance in this fund at the end year of each year may be used to pay Common Expenses incurred in any successive year or may be placed in the Reserve Fund Account.

9.1.2 Reserve Fund Account. All funds to be expended for replacement, acquisition, and repair of capital improvements which are a part of the Common Elements or Limited Common Elements shall be held in the Reserve Fund Accounts separate from its operating account or accounts.

## 9.2 Budget.

- (a) The Board of Directors shall adopt a detailed budget for each calendar year which budget will include the estimated funds required to pay the Common Expenses and provide and maintain funds for the foregoing accounts according to good accounting practices and as may be required by law. If a board adopts in any fiscal year an annual budget which requires assessments against unit owners which exceed 115 percent of assessments for the preceding fiscal year, the board shall conduct a special meeting of the unit owners to consider a substitute budget if the board receives, within 21 days after adoption of the annual budget, a written request for a special meeting from at least 10 percent of all voting interests. This special meeting shall be conducted within 60 days after adoption of the annual budget. At least 14 days prior to such special meeting, the board shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished to the Association, a notice of the meeting. An officer or manager of the Association, or other person providing notice of such meeting shall execute an affidavit evidencing compliance with this notice requirement, and such affidavit shall be filed among the official records of the Association. Unit owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of all voting interests unless the Bylaws require adoption by a greater percentage of voting interests. If there is not a quorum at the special meeting or a substitute budget is not adopted, the annual budget previously adopted by the Board shall take effect as scheduled.
- (b) In determining whether the assessment exceeds 115% of similar assessments in prior years, reasonable reserves for repairs or replacements, expenses which cannot be reasonably anticipated to be incurred on a regular or annual basis, and assessments for betterment shall not be considered in the computation.
- (c) In addition, if the Association maintains limited common elements with the cost to be shared only by those entitled to use the limited common elements, the budget or a schedule attached thereto, shall show amounts budgeted therefor. Prior to turnover of control of the Association by the Developer to unit owners, the Developer may vote to waive the reserves for the first two (2) years of the operation of the Association, after which time reserves may only be waived or reduced upon the vote of a majority of non-developer voting interest present at a duly-called meeting of the Association. A vote must be taken each budget year to waive reserves. Reserve funds and any interest accruing thereon shall remain in the reserve account for authorized reserve expenditures, unless their use for other purposes is approved in advanced by a vote of the majority of the voting interest present at a duly-called meeting of the Association.

9.3 Assessments. Assessments against the Unit Owners for their shares of the items of the budget, when applicable, shall be made by the Board of Directors for the fiscal year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments shall be payable, initially in monthly installments; however, the Board may change the period installments to no less frequently than quarterly, on the first day of the period for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the prior assessment and payments thereon shall be due upon the first day of each period until changed by an amended assessment. The budget and assessments therefor may be amended at any time by the Board of Directors; provided, however, that if an amended budget exceeds the limitation upon increases for that year imposed by Section 9.2, supra, it shall be subject to the approval of the membership of the association as set forth therein.

9.4 Charges Against Individual Units. Charges by the Association against members for other than Common Expenses shall be payable in advance. Those charges shall be levied against the individual unit. Charges for other than Common Expense may be made only after approval of a member and may include, but shall not be limited to, charges for the use of Condominium property or common elements, which shall be the subject matter of a lease between the Association and the Unit Owners.

9.5 Assessments for Emergencies. Assessment for Common Expenses of emergencies that cannot be paid from the annual assessments for Common Expenses shall be due only after thirty (30) days notice is given to the Unit Owners concerned and shall be paid in such manner as the Board of Directors of the Association may require in the notice of assessment.

9.6 Depository. The funds of the Association will be deposited in such banks or savings and loan association as shall be designated from time to time by the Board of Directors. Withdrawals of funds from such accounts shall be only by checks signed by such persons authorized by the Board.

9.7 Fidelity Bonds. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the association. The association shall bear the costs of bonding.

## SECTION 10. RULES AND REGULATIONS.

10.1 As to Common Elements. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing the operation, use, maintenance, management and control of the Common Elements. The Secretary shall from time to time post in a conspicuous place on the Condominium Property, a copy of the rule and regulations adopted by the Board and shall deliver a copy of such rules and regulations to each Unit Owner. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

10.2 As to Condominium Units. The Board of Directors may from time to time

adopt or amend previously adopted rules and regulations governing and restricting the use and maintenance of the Condominium Units, provided, however, that copies of such rules and regulations are furnished to each Unit Owner prior to the time the same shall become effective. Where applicable or desirable, a copy thereof shall be posted in a conspicuous place on the Condominium Property, and shall be delivered to each Unit. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

## SECTION 11. DEFAULT.

11.1 Foreclosure. Any action to foreclose a unit by the Association shall be brought in accordance with the provisions of Florida Statute 718.116 (3), (5) and (6) as it currently exists and may be subsequently amended.

11.2 Association Expenses. If the Association becomes the owner of a Condominium Parcel by reason of foreclosure, it may offer said Parcel for sale and, when the sale is consummated, it shall deduct from such proceeds all sums of money due it from monthly assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and any and all expenses incurred in the resale of the Condominium Parcel, which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the Unit in question. All monies remaining after deducting the foregoing items of expenses shall be added to Common Surplus.

11.3 Enforcement. In the event of violation of the provisions of the Condominium Documents as same are now or may hereafter be constituted, the Association, on its own behalf, may bring appropriate action to enjoin such violation, to enforce the provisions of the Documents, to sue for damages, impose fines or take all such courses of action at the same time, or such other legal remedy it may deem appropriate.

11.4 Consent to the Foregoing Provisions. Each Unit owner for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and injunctive relief, regardless of the harshness of the remedy available to the Association, and regardless of the availability of other equally adequate legal procedures. It is the intent of all Unit Owners to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from Unit Owners and to preserve each Unit Owner's right to enjoy his Condominium Parcel free from unreasonable restraint and nuisance.

## SECTION 12. MORTGAGE OF UNIT.

12.1 The Association shall maintain a suitable register for the recording of the name and address of mortgagees of Condominium Parcels. Any mortgagee of a Condominium Parcel, may, but is not obligated to, notify the Association in writing, of its mortgage, in which case its name and address will be entered in the register. If notice of default is thereafter given any member, under any applicable provision of the Condominium Documents, a copy of such notice shall be mailed to the mortgagee named in the register.

## SECTION 13. ARBITRATION OF DISPUTES.

13.1 In the event of internal disputes arising from the operation of the condominium among unit owners, association's, their agent and assigns, the matter shall be submitted to mandatory non-binding arbitration as provided for in Fla.Stat. 718.1255 as may be amended from time to time.

## SECTION 14. AMENDMENT OF BY-LAWS.

14.1 By-Laws. The By-Laws of the corporation may be altered, amended or repealed, unless specifically prohibited herein, at any regular or special meeting of the members by a two-thirds (2/3) vote of the Voting Members of the Association unless a greater number is required under paragraph 7.1 hereof. No modification or amendment to the By-Laws shall be valid unless set forth or annexed to a duly recorded amendment to the Declaration of Condominium Ownership nor shall any modification or amendment be valid if made by reference to title or number only.

## SECTION 15. CERTIFICATE OF COMPLIANCE.

15.1 Certificate of Compliance. A Certificate of Compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board as evidence of compliance of the condominium units to the applicable Fire and Life Safety Code.

## SECTION 16. COMPLAINTS.

16.1 Inquiry Requirements. When a unit owner files a written inquiry by certified mail with the Board of Administration, the Board shall respond to the unit owner within 30 days of receipt of the complaint. The Board shall give a substantive response to the complainant, notify the complainant that a legal opinion has been requested, or notify the complainant that advice has been requested from the division. The failure to act within 30 days and to notify the unit owner within 30 days after the action taken precludes the Board from recovering attorney's fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the complaint.

## SECTION 17. FINES.

17.1 Procedure. Before a unit owner, or its occupant, licensee, or invitee, can be fined for failure to abide by a provision of the declaration, the Association Bylaws, or Rules of the Association, the following procedure shall be followed:

- (a) The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:
  1. A statement of the date, time and place of the hearing;
  2. A statement of the provisions of the declaration, association bylaws, or association rules which have allegedly been violated; and
  3. A short and plain statement of the matters asserted by the association.
- (b) The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the association.
- (c) The hearing shall be held before a committee of other unit owners. If the committee does not agree with the fine, the fine may not be levied.

- (d) No fine may exceed \$100.00 per violation and the same shall not constitute a lien against a unit. A fine may be levied on the basis of each day of a continuing violation, with single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000.00.