

## HORIZON SOUTH RECREATIONAL FACILITIES CORPORATION.

## BY-LAWS.

These are the By-Laws of Horizon South Recreational Facilities corporation ( hereinafter called "Recreation Association"), a corporation not for profit, incorporated under the laws of the State of Florida. The Recreation Association has been organized for the purpose of administering recreational facilities and private roads within the complex known as Horizon South, and as defined in Recreation and Common Areas Agreement filed in Bay County Records Book 760, pages 517 to 531.

DEFINITIONS:

Member: As defined in the "RECREATION AND COMMON AREAS AGREEMENT " section IV. A. and owners of individual units for the lands described in exhibit "C" (Bay County Fl. Records Book 760 page 532

Parcel: Any single family dwelling within the boundaries of Horizon South Complex. (Townhouse, Condominium, or other dwelling)

Voting Member: The person of record authorized to cast a vote for each parcel.

## SECTION 1. RECREATION ASSOCIATION

1.1 Principle Office. The office of the Recreation Association shall be at 17462 Front Beach Road, Panama City Beach, Florida, 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 Recreation Association shall be the calendar year.

1.3 Seal. The seal of the Recreation Association shall have inscribed thereon the name of the Recreation 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.

## SECTION 2. MEMBERS

2.1 Qualifications. The members of the Recreation Association shall consist of all individual parcel owners as specified in Articles of Incorporation and the Recreation Agreement recorded in the Official Records of Bay County, Florida, Book 760, pages 517 to 531.

2.2 Membership. Membership in the Recreation 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 Parcel. ( as defined in the Recreation agreement obligating the parcel owner to an equal share of the recreation expenses as defined in section IV, Book 760 Page 521) and delivery to the Recreation Association of a copy of such instrument. The grantee in such

instrument shall immediately become a member of the Recreation Association. The membership of any prior owner of the same Parcel shall be terminated upon delivery to the Recreation Association of a copy of the deed or other instrument as aforesaid.

2.3 Designation of Voting Representative. Each parcel Owner shall be entitled to cast one (1) vote for each parcel owned. If a parcel is owned by one person, his right to vote shall be established by the roster of members. If a parcel is owned by more than one person, any record Owner may vote in person or by proxy, provided that the number of votes for a parcel shall not thereby be increased. In the case of a conflict among the owners of the parcel, the vote for that parcel shall not be counted as to the matter under consideration for which the conflict arose, whether the conflict appears by vote in person or by proxy.

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

### SECTION 3. MEMBER'S MEETINGS.

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

3.2 Regular Meeting. Annual meetings of the Members of the Recreation Association shall be held on the first Saturday at 9:00am (CT) in the month of October of each year or at such other date as may be authorized by the Board of Directors. Membership list /voting roster shall be available in the office no less than five (5) days prior to the scheduled meeting. Any unit owner may tape record or videotape a meeting of the Members subject to reasonable rules.

3.3 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, of 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 10% of the voting members for the purpose of recall of a member or members of the Board of Directors. Members shall have the right to participate in the special meeting with reference to all designated agenda items, the Recreation Association may adopt reasonable rules governing the frequency, duration, and manner of the Member participation. Any Member may tape record or video tape a special meeting of the Members subject to reasonable rules.

3.4 Notice. Notice of regular meetings of the members shall be by written notice. Written notice shall be mailed or delivered to each Member at least fourteen (14) days prior to the regular meeting and shall be posted in a conspicuous place on the property. Upon notice to members, the Board shall by duly adopted rule, designate a specific location of the property, upon which all notices of member meetings shall be posted.



3.5 Participation. All members shall be entitled to participate in any meeting of the Recreation 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 one vote. 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.

3.6 Proxies. Members may not vote by general proxy, but may vote by limited proxies substantially conforming to a limited proxy form. 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 Articles of Incorporation or By-Laws; and for any other matter which requires or permits a vote of the members. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting of nonsubstantive changes to items for which a limited proxy is required and given. Notwithstanding the provisions herein, members may vote in person at member meetings.

3.7 Vote Required to Transact Business. When a quorum is present at any Member 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 provisions of Articles of Incorporation of these By-Laws in which case the express provision shall govern and control the number of votes required.

3.8 Quorum. Thirty percent (30%) of the total number of Voting Members of the Recreation 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 Recreation 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 Recreation Association shall be managed by a Board of Directors, consisting of not less than three (3) nor more than seven (7) directors.

4.2 Term. Each director shall be appointed to serve a term one (1) year or until his successor shall be appointed as outlined in section 4.4 and shall qualify, except that directors appointed prior to the annual members Meeting shall serve only until such meeting.

4.3 Vacancy and Replacement. Vacancies in the Board of Directors shall be filled in the same manner as of Directors as provided for in paragraph 4.4 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 as noted in section 4.4.

4.4 Appointment of Directors. Directors shall be appointed as follows.

\*Horizon South Condominium Association Inc.--2 members

\*Horizon South Homeowners Association Inc.---4 members

\*Horizon South Townhomes---1 member.

(\*By appointment from the groups listed above)

4.5 Removal. Directors may be removed with or without cause by an affirmative vote of a majority of the voting members. No director shall continue to serve on the Board, if, during his term of office, his membership in the Recreation Association is terminated for any reason.

4.6 Powers and Duties of Board of Directors. All of the powers and duties of the Recreation Association shall be exercised by the Board of Directors, or its delegate, subject only to approval by Members, when such approval is specifically required. The powers and duties of the directors include but are not limited to the following:

- A. Assess. To make and collect assessments against members to pay the expenses incurred by the Recreation Association and the power to make and assess members for capital improvements and replacements.
- B. Disburse. To use the process of assessments in the exercise of its powers and duties.
- C. Maintain. To maintain, repair, replace and operate the Recreation Property.
- D. Purchase. To purchase the necessary equipment and tools required for the maintenance, care and preservation referred to above.
- E. Insure. To insure and keep insured the Recreation Property in the manner set forth in the Articles of Corporation and to purchase such other insurance as the Board may deem advisable, including officers; and directors' liability insurance.
- F. Enforce. To enjoin or seek damages from any member of violation of these By-Laws.
- G. Employ. To employ and contract with a maintenance service contractor or manager, or either of them, for the maintenance, service and management of the Recreation Common Elements and to authorize such contractor and manager or either of them to use or exercise any of the powers and duties granted to it.
- H. Regulate. To make reasonable rules and regulations concerning the uses and occupancy of the Recreation facilities.

4.7 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.

4.8 Compensation. The directors shall not be entitled to any compensation for service as directors. However, any director may be reimbursed for actual expenses incurred in the performance of duties.

## SECTION 5. DIRECTORS' MEETINGS.



5.1 Annual Meetings. The first meeting of each new Board appointed shall be held immediately upon adjournment of the meeting at which they were appointed or as soon thereafter as may be practical. The annual meeting of the Board shall be held at the same place as the general members' meeting, immediately following said meeting or as soon as practical.

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 Recreation 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 Recreation property for at least 48 continuous hours preceding this meeting. Special meeting 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 Meeting. 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.

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 the Board.

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 the minutes of the 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 Recreation 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 Members. All members shall have the right to attend such meetings including the right to speak at such meetings with reference to all designated agenda items. The tape recording and or videotaping of the meeting by members shall be in accordance with rules adopted by the Recreation Board of Directors. The Recreation Association may adopt reasonable rules governing the frequency, duration, and manner of member statements. The notice of the meeting, shall be posted conspicuously on the Recreation property at least forty eight (48) continuous hours preceding the meeting, except in emergency. Written notice of any meeting at which non-emergency special assessments or at which amendments to rules regarding Recreation Facilities use will be considered and shall be mailed or delivered to the members and posted conspicuously on the Recreation property not less than fourteen (14) days prior to the meeting.

Upon notice to the Members, the Board shall by duly adopted rule, designate a specific location of the Recreation Association property upon which all notices of the board meeting shall be posted. Notice of any meeting in which regular or special assessments against members are to be considered and the nature of any such assessments shall be mailed or delivered to members and posted conspicuously on the recreation property not less than fourteen days (14) prior to the meeting.

#### SECTION 6. OFFICERS

6.1 Officers. The executive officers of the Recreation Association shall be a President, Vice President, Treasurer, and Secretary, each of whom shall be a member as defined in section 2.2, elected at the annual meeting of the Board of Directors or at the first Board meeting of the calendar year (whichever occurs first). 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 such as an Assistant Secretary who does not need to be a member, 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 Term. The officers of the Recreation Association shall hold office until their successors are chosen and qualify in their stead. Any officer appointed by the Board may be removed at any time by the affirmative vote of a majority of the Voting Members of the Recreation Association.

6.3 The President. The President shall be the chief executive officer of the Recreation 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.

6.4 The Secretary /Assistant Secretary. The Secretary and/or Assistant 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 Member or his authorized representative and board members at reasonable times.

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

B. They 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.

C. They shall keep a register of the name and post office address of each member and each Voting Member. Each member shall promptly notify, in writing, any changes to the roster.

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



6.5 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.

6.6 The Treasurer.

The Treasurer shall keep full and accurate records of receipts and disbursements in books belonging to the corporation, and shall deposit all funds 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.

The Treasurer 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/her transactions as Treasurer, and the financial condition of the corporation.

6.7 Vacancies. If any office becomes vacant by reason of death, resignation, disqualification or otherwise, a successor may be appointed by majority vote of the Board of Directors.

6.8 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 the resignation shall not be required to make it effective.

#### SECTION 7. APPROVAL BY VOTING MEMBERS

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

- A. Termination of the project when 90% of the value of the property is destroyed--2/3 of the Voting Members.
- B. Amendment of Articles of Incorporation--majority of the Voting Members
- C. Removal of Directors -- A majority of the Voting Members
- D. Making Agreements for use of Off-Site Recreational Facilities--A majority of the Voting Members.

#### 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 Recreation Association are supplemented by the following provisions:

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

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

B. Reserve Fund Account. All funds to be expended for replacement, acquisition, and repair of capital improvements which are a part of the Common Recreation Elements or Limited Common Recreation Elements shall be held in the Reserve Fund Account.

#### 9.2 Budget.

The Board of Directors shall adopt a detailed budget for each calendar year which budget will include the estimated funds required to pay the Recreation Expense and provide and maintain funds for the foregoing accounts according to good accounting practices and as may be required by law. If an adopted budget requires assessment against the Members in any year of an amount exceeding 115% of the assessments for the preceding year, and if 10% of the Members file objections to the adoption thereof, the Board of Directors shall call a special meeting of the Unit Owners within 30 days, upon not less than 10 days' written notice to each unit owner, and a majority vote of the Unit Owners shall be required to ratify the budget. If not ratified, or a quorum of the members cannot be filled, the budget shall be approved by majority vote of the Board of Directors.

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.

9.3 Assessments. Assessments against the Members for their shares of the items of the budget, when applicable, shall be made by the Board of Directors for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments shall be payable in periodic installments not less often than quarterly as determined by the Board 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 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 therefore may be amended at any time by the Board of Directors; provided, however, that 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 Recreation Association as set forth therein.

A. Charges Against Individual Parcels. Charges by the Recreation Association against members for other than Common Expenses shall be payable in advance. Those charges shall be levied against the individual parcel. Charges for other than Common Recreation Expense may be made only after approval of member.



B. Assessments for Emergencies. Assessment for Common Recreation Expense for emergencies and special occurrences that cannot be paid from the annual assessments for Recreation Facilities Expense shall be due only after thirty (30) days notice is given to the Members and shall be paid in such manner as the Board of Directors of the Recreation Association may require in the notice of assessment.

C. Depository. The funds of the Recreation 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.

D. Fidelity Bond. The Recreation Association shall obtain and maintain adequate fidelity bonding (or an acceptable insurance policy) of all persons who control or disburse funds of the Recreation Association. As used in this section, the term "persons who control or disburse funds of the Recreation Association" means those individuals authorized to sign checks, and the President, Secretary, Assistant Secretary, and the Treasurer of the Recreation Association.

#### SECTION 10. RULES AND REGULATIONS.

10.1 As to Recreation 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 Recreation Elements. The Secretary shall from time to time post in a conspicuous place on the Property, a copy of the rules and regulations adopted by the Board and shall deliver a copy of such rules and regulations to each Member. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

#### SECTION 11. DEFAULT.

11.1 Foreclosure. In the event a Parcel or Unit Owner/Member does not pay any assessments required to be paid to the Recreation Association within thirty (30) days from the due date, the Recreation Association, acting in its own behalf, may foreclose the lien encumbering said Member/Unit Owner's Parcel created by non-payment of the required monies in the same manner as mortgage liens are foreclosed. The Recreation Association shall be entitled to the appointment of a receiver if it so desires. The Recreation Association shall have the right to bid on the Members Unit Parcel at a foreclosure sale and to acquire, hold, mortgage and convey the same. In lieu of foreclosing its lien, or in addition thereto, the Recreation Association may bring suit to recover a money judgment for assessments required to be paid to the Recreation Association against a Member. The Recreation Association in any such action shall be entitled to recover the costs thereof, together with a reasonable attorney's fee.

11.2 Recreation Association Expenses. If the Recreation Association becomes the owner of a Unit 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 Unit 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 Documents as same are now or may hereafter be constituted, the Recreation 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 and in any such action the Recreation Association shall be entitled to recover the costs thereof, together with a reasonable attorney's fee.

11.4 Consent to the Foregoing Provisions. Each Member/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 Recreation Association, and regardless of the availability of other equally adequate legal procedures. It is the intent of all Members to give to the Recreation 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 Members and to preserve each Member/Unit Owner's right to enjoy his Parcel and Recreation Facilities free from unreasonable restraint and nuisance.

#### SECTION 12 AMENDMENT OF BY-LAWS

12.1 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 Board of Directors by a 2/3 vote of the Voting Board Members of the Recreation Association.

#### SECTION 13. COMPLAINTS

13.1 Complaint Requirements. When a unit owner files a written complaint by certified mail with the Board of Directors, the Board shall respond to the unit owner within 30 days of receipt of the complaint. The Board shall give a 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.

#### SECTION 14. FINES.

14.1 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 Recreation Association By-Laws, or Rules of the Recreation 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, Recreation Association By-laws, or Recreation Association rules which have allegedly been violated; and
3. A short and plain statement of the matters asserted by the Recreation 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 Recreation Association.

c) The hearing shall be held before a committee or other Members. If the committee does not agree with the fine, the fine may not be levied.

d) No fine may exceed \$50 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 \$1000.