

THE CLUB AT MEXICO BEACH, A CONDOMINIUM

EXHIBIT D TO THE DECLARATION OF CONDOMINIUM

BYLAWS

OF

THE CLUB AT MEXICO BEACH HOME OWNERS' ASSOCIATION, INC.

ARTICLE I

1.1 Name. These are the Bylaws of The Club at Mexico Beach Home Owners' Association, Inc., called "Association" in these Bylaws, a corporation not for profit under the laws of the State of Florida. The Association has been organized for the purpose of administering a condominium pursuant to Chapter 718, Florida Statutes, called the Condominium Act in these Bylaws.

1.2 Principal Office. The office of the Association shall be 404 Jenks Avenue, Panama City, Florida 32401.

1.3. Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.4 Seal. The seal of the Association shall bear its name, the word, "Florida", the words, "corporation not for profit", and the year of its incorporation.

1.5 Definitions. The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that Declaration of Condominium for The Club at Mexico Beach ("Declaration"), filed in the Office of the Clerk of the Circuit Court, Bay County, Florida (the "Official Records"), as it may be amended, unless the context indicates otherwise.

ARTICLE II

ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING PROXIES

2.1. Membership. All Unit Owners in The Club at Mexico Beach Condominium shall be members of the Association.

2.2 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board, either within the Properties or as convenient as possible and practical.

2.3. Annual Meetings. The annual members' meeting shall be held at a location determined by the Board in March, April, or May of each year for the purpose of electing directors and transacting any other business authorized to be transacted by the members; provided, however, that if the day is a legal holiday, the meeting shall be held on the next day that is not a holiday. The time and day of all meetings shall be set by the Board. The Board by a majority vote may change the date of the annual meeting.

2.4 Special Meetings. Special members' meetings shall be held whenever called by the president and vice-president or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast one-third of the votes of the entire membership. Special

meetings for approval of assessments which exceed 115% of assessments for a prior year and for recall of a Board member may be called as set forth in Sections 718.112(2)(e) and (j), Florida Statutes, respectively.

2.5 Notice of Meetings.

(1) Notice of all members' meetings stating the time and place and an identification of agenda items, shall be given by the president or vice-president or secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings. Adequate notice of members' meetings shall also be posted in a conspicuous place on the Condominium Property at least fourteen (14) continuous days preceding said meeting, except in emergency.

(2) Notice of any meeting where assessments against Unit Owners are to be considered for any reason shall specifically contain the statement that the assessments will be considered and the nature of such assessments.

2.6 Quorum. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The acts approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Declaration, the Articles of Incorporation or these Bylaws.

2.7 Voting.

(1) The voting rights of the Members shall be as set forth in the Declaration and in these Bylaws, and such voting rights provisions are specifically incorporated by this reference.

(2) If a Unit is owned by one person, his right to vote shall be established by the record title to his Unit. If a Unit is owned by more than one person, or is under lease, the person entitled to cast the vote for the Unit shall be designated by a 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 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 until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote of a Unit may be revoked by any owner of a Unit. If such a certificate is not of file, the vote of such owners shall not be considered in determining the requirement of a quorum nor for any other purpose.

2.8 Proxies. The use of limited and general proxies shall be permitted as set forth by Florida law. Votes may be cast in person or by proxy. Any proxy given shall be effective only for the specific meeting for which originally given. 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. Every proxy shall be revocable at any time at the pleasure of the Unit Owner executing it. A proxy must be filed with the secretary before the appointed time of the meeting or any adjournment of the meeting for that proxy to be valid.

2.9 Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.10 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 of the meeting.
- (3) Calling 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) Reports of officers.
- (7) Reports of committees.
- (8) Election of Directors.
- (9) Unfinished business.
- (10) New business.
- (11) Adjournment.

2.11 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 and these Bylaws.

ARTICLE III BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

3.1 Purpose and Composition of the Board. The affairs of the Association shall be managed by a Board of Directors of not less than three, nor more than nine, directors, the exact number to be determined by the Board of Directors from time to time. The term of office for all directors elected at each annual meeting shall be two year terms. At each annual meeting, elections shall be held to elect directors to replace those whose terms have expired, with an odd number of directors being elected in odd years, and an even number of directors elected in even years. All directors shall continue in office after the expiration of their terms until the director's successor is duly elected and qualified, except in the event of earlier resignation, removal or disqualification.

The term of each director's service shall extend for two years until the annual meeting of the members at which his term expires and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

3.2 Nomination, Election and Removal of Directors. Election of directors shall be conducted in the following manner:

- (a) Election of directors shall be held at the annual members' meeting.
- (b) The election shall be written ballot or voting machine. Proxies shall in no event be used in electing the Board of Directors in general elections. However, limited proxies may be used pursuant to the provisions of Rule 61B-23.0026(2)(d), F.A.C. for elections to fill vacancies caused by recall. Not less than 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 desiring to be a candidate for the Board of Directors 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 for the annual meeting, the Association shall then mail or deliver a second notice of the meeting to all Unit Owners entitled to vote therein,

together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8.5 inches by 11 inches furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association. 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.

(c) Vacancies Except as to vacancies provided by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining directors.

(d) Removal. Any director may be removed by concurrence of a majority of the votes of the entire membership at a special meeting of the members called for that purpose, or by agreement in writing as provided for in Section 718.112(2)(j), F.S. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meetings. The initial directors named in the Articles or any director elected by the Developer may be removed only by the Developer.

3.3 Directors During Developer Control Period. Notwithstanding anything to the contrary contained in this Article, the Board shall consist of three (3) directors during the period that the Developer is entitled to appoint a majority of the directors, as hereinafter provided. The first Board as appointed by the Developer shall hold office and serve until their successors have been elected and qualified as hereinafter provided, and the first Board shall consist of those persons set forth in the Articles of Incorporation. The Developer shall have the right to appoint all the members of the Board until Unit Owners other than the Developer own fifteen (15%) percent or more of the Units that will be operated ultimately by the Association. When Unit Owners other than the Developer own fifteen (15%) percent or more of the Units that will be operated ultimately by the Association, the owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board upon the earlier of: (a) three (3) years after fifty (50%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (b) three (3) months after ninety (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 having been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; or (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 (7) years after recordation of the Declaration. The Developer is entitled to elect at least one (1) member of the Board as long as the Developer holds for sale in the ordinary course of business at least five (5%) percent of the Units operated by the Association. The Developer may, in its sole discretion, turn over control of the Association to Unit Owners other than the Developer prior to such dates by causing all of its appointed directors to resign, whereupon it shall be the affirmative obligation of Unit Owners other than the Developer to elect directors and assume control of the Association. Within seventy-five (75) days after the Unit Owners other than the Developer are entitled to elect a member or members of the Board, the Association shall call, and give not less than sixty (60) days' notice of an election for the members of the Board. The election shall proceed as provided in §718.112(2)(d) Florida Statutes. The notice may be given by any Unit Owner if the Association fails to do so. Upon election of the first Unit Owner other than the Developer to the Board, the Developer shall forward to the Division the name and mailing address of the Unit Owner Board member. Directors appointed by the Developer need not be Unit Owners.

3.4 Organizational Meeting. The organizational meeting of the newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the Board at the meeting at which they

were elected. Adequate notice of this meeting date, including an identification of agenda items, shall be conspicuously posted on the condominium property at least forty-eight (48) continuous hours prior to the meetings.

3.5 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 facsimile transmission, at least forty-eight (48) hours prior to the day named for the meeting.

3.6 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 one-third (1/3) of the directors. Not less than forty-eight (48) hours notice of the meeting shall be given personally, or by mail, telephone or facsimile transmission, which notice shall state the time, place and purpose of the meeting.

3.7 Notice of Meetings. All meetings are open to all Unit Owners. Except in emergencies, notice shall be conspicuously posted at least forty-eight (48) continuous hours prior to the meetings. Any meeting regarding assessments against Unit Owners shall specifically state said fact on this notice.

3.8 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.

3.9 Quorum. A quorum at a Board 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 acts of the Board, except when approval by a greater number of directors is required by the Declaration, the Articles of Incorporation or these Bylaws.

3.10 Adjourned Meetings. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted.

3.11 Joinder in a Meeting By Approval of Minutes. The written joinder of a board member may not be utilized as a vote for or against any action taken at a meeting that the member did not attend and may not be used for the purpose of establishing a quorum.

3.12 Conduct of Meetings.

(a) The presiding officer of Board meetings shall be the chairman of the Board if such an officer has been elected; and if none, the president shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

(b) The order of business at directors' meetings shall be:

- (1) Calling of the roll.
- (2) Proof of due notice of meeting.
- (3) Reading and disposal of any unapproved minutes.
- (4) Reports of officers and committees.
- (5) Election of officers.

- (6) Unfinished business.
- (7) New business.
- (8) Adjournment.

(c) Telephonic Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

3.13 Compensation of Directors. Directors' fees, if any, shall be determined by the members.

3.14 Powers and Duties of the Board of Directors.

(a) Powers. All of the powers and duties of the Association existing under the Condominium Act, Declaration, Articles of Incorporation and these Bylaws shall be exercised exclusively by the Board, its agents, contractor or employees, subject only to approval by Unit Owners when such is specifically required.

(b) Duties. The duties of the Board shall include, without limitation:

(i) preparation and adoption, in accordance with the Declaration , of an annual budget establishing each Owner's share of the Common Expenses;

(ii) levying and collecting such assessments from the Owners;

(iii) providing for the operation, care, upkeep and maintenance of the Common Property;

(iv) designating, hiring and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;

(v) depositing all funds received on behalf of the Association in a bank account which it shall approve and using such funds to operate the Association; provided, any reserve fund may be deposited, in the Board's best business judgment, in depositories other than banks;

(vi) making and amending use restrictions and rules in accordance with the Declaration;

(vii) opening of bank accounts on behalf of the Association and designating the signatories required;

(viii) making or contracting for the making of repairs, additions and improvements to or alternations of the Common Property in accordance with the Declaration and these Bylaws;

(ix) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules of the Association and bringing any proceedings which may be instituted on behalf of or against the Unit Owners concerning the Association; provided, the Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the

Association's position is not strong enough to justify taking enforcement action. Any such determination shall not be construed as a waiver of the right to enforce such provision under other circumstances or estop the Association from enforcing any other covenant, restriction or rule;

(x) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof and filing and adjusting claims, as appropriate;

(xi) paying the cost of all services rendered to the Association;

(xii) keeping books with detailed accounts of the receipts and expenditures of the Association;

(xiii) making available to any prospective purchaser of a Unit, any Owner and the holders, insurers and guarantors of any Mortgage of any Unit, current copies of the Declaration, the Articles of Incorporation, the Bylaws, rules and all other books, records and financial statements of the Association, as provided in Section 6.4;

(xiv) permitting utility suppliers to use portions of the Common Property reasonably necessary to the ongoing development or operation of the Properties;

(xv) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is required under Florida law, the Articles of Incorporation, the Declaration; and

(xvi) assisting in the resolution of disputes between Owners and other without litigation, as set forth in the Declaration .

ARTICLE IV OFFICERS

4.1 Officers. The executive officers of the Association shall be a president, who shall be a director, a vice-president, who shall be a director, a treasurer and secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting. Any person may hold one or more offices except that the president shall not be also the secretary. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

(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 a 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 corporation.

(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 powers 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 directors and members. He shall attend to the giving and serving of all notices to the members and 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. He 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.

(d) Treasurer. The treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices. He shall perform all other duties incident to the office of treasurer.

4.2 Indemnification. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or settlement of any proceeding to which he may be a part or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of gross negligence or willful misconduct in the performance of his duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE V FISCAL MANAGEMENT

5.1 Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration and Articles of Incorporation shall be supplemented by the following provisions:

(a) The receipt and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be Common Expenses:

(i) Current expense, which shall include all receipts and expenditures within the year for which the budget is made including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements or to operations. The balance in the fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year.

(ii) Reserve for capital expenditures and deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually, including but not limited to roof replacement, building painting, and resurfacing of paved areas.

(iii) Reserve for replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

(iv) Property improvements, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the Common Property.

(v) Operations, which shall include the gross revenue from the use of the common property. Only the additional direct expense required by the revenue-producing operation will be charged to this account, and any surplus from such operation shall be used to reduce the assessments for current expense in the year following the year in which the surplus is realized. Losses from such operations shall be met by special assessments against Unit Owners, which assessments may be made in advance in order to provide a working fund.

5.2 Budget. The Board of Directors shall adopt a budget for each calendar year that shall include the estimated funds required to defray the common expense and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices. Copies of the budget and proposed assessments shall be transmitted to each member on or before December 2 preceding the year for which the budget is made. If the budget is amended substantially, a copy of the amended budget shall be furnished to each member.

5.3. Assessments. Assessments against the Unit Owners for their shares of the items of the budget shall be made 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 due in quarterly or monthly installments, as may be determined by the Board of Directors. If an assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and payments on such assessment shall be due and payable in the same manner as the prior assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board.

5.4 Acceleration of Assessment Installments Upon Default. If a Unit Owner shall be in default in the payment of an installment upon an assessment, the Board may accelerate the installments of the assessment due for the remainder of the budget year upon the filing of a lien.

5.5 Assessments for Emergencies. A special assessment for Common Expenses for emergencies that cannot be paid from the annual assessments for common expenses due to the unavailability of funds shall be made only after notice to the Unit Owners of a regular or special Board meeting to address the need for such special assessment. After such notice and upon approval of the special assessment by a majority of the Board present at a meeting at which a quorum is present, the special assessment shall become effective, and it shall be due after thirty (30) days notice in such manner as the Board may require in the notice of assessment.

5.6 Depository of the Association. The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall only be by checks signed by such persons as are authorized by the Board of Directors.

ARTICLE VI AMENDMENTS

These Bylaws may be amended in the same manner as is provided in the Articles for the amendment to said Articles. No amendment shall be made which will conflict with the Declaration. No amendment shall be effective until a copy certified by the Association as having been properly adopted has been recorded in the public records of the county in which the Condominium is located.

ARTICLE VII DISPUTE RESOLUTION

As required by Florida law, the Association shall participate in mandatory non-binding arbitration as provided for in Section 718.1255, Florida Statutes, as it may be amended.

ARTICLE VIII ENFORCEMENT

8.1 Generally. The Association is empowered to exercise all such rights to impose sanctions for violations of the Declaration, these Bylaws and the Rules of the Association as are described in the

Declaration.

8.2 Fines. In the event the Association shall at any time decide to impose a fine against the owner of a Unit, or its occupant, licensee or invitee, from failure to abide by any provision of the Declaration, these By-Laws, or rules of the Association, the following shall be applicable:

- (a) No fine will become a lien against a Unit.
- (b) No fine may exceed One Hundred Dollars (\$100) per violation, however, a fine may be levied on the basis of each day of a continuing violation with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed One Thousand Dollars (\$1,000).
- (c) 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:
 - (i) A statement of the date, time and place of the hearing;
 - (ii) A statement of the provisions of the Declaration, Association By-Laws, or Association Rules which have allegedly been violated; and
 - (iii) A short and plain statement of the matters asserted by the Association.
- (d) 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.
- (e) The hearing must be held before a committee of other Unit Owners. If the committee does not agree with the fine, the fine may not be levied.
- (f) The provisions of this section do not apply to unoccupied Units.

ARTICLE IX MISCELLANEOUS

A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Board of Directors as evidence of compliance on the Units with the Condominium Fire and Life Safety Code.

The foregoing were adopted as the Bylaws of The Club at Mexico Beach Home Owners' Association, Inc., a corporation not for profit under the laws of the State of Florida at the first meeting of the Board of Directors on this _____ day of _____, 2006.

_____(Seal)
Secretary

Approved:
_____(Seal)
President