

EXHIBIT "E"

**GRAND PANAMA BEACH RESORT CONDOMINIUM**

BY-LAWS OF  
GRAND PANAMA BEACH RESORT CONDOMINIUM ASSOCIATION, INC.

**BYLAWS**  
**OF**  
**GRAND PANAMA BEACH RESORT CONDOMINIUM ASSOCIATION, INC.**  
**a Florida Corporation Not for Profit**

**I. IDENTITY**

**A. Applicability.** These are the Bylaws of GRAND PANAMA BEACH RESORT CONDOMINIUM ASSOCIATION, INC. (the "Association"), a Florida corporation not-for-profit organized pursuant to the provisions of Chapters 617 and 718, Florida Statutes as amended to the date of filing of the Articles of Incorporation. The purpose and object of the Association shall be to administer the operation and management of this Condominium as established in accordance with the Florida Condominium Act, Chapter 718, Florida Statutes ("Act").

**B. Office.** The office of the Association shall be at 11501 Hutchison Drive, Panama City Beach, Florida 32407, or at such other place as may be established by resolution of the Board of Directors.

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

**D. Seal.** The seal of the Association shall bear the name of Grand Panama Beach Resort Condominium Association, Inc., the word "Florida", the words "Corporation Not-for-Profit", and the year of incorporation. An impression of the seal is as follows:

**II. MEMBERSHIP, VOTING, QUORUM, PROXIES**

**A. Membership.** The qualification of members of the Association (the "Members"), the manner of their admission to membership and termination of such membership, and voting by Members, shall be as set forth in Article VI of the Articles, the provisions of which are incorporated herein by reference.

**B. Quorum.** A quorum at meetings of Members shall consist of persons entitled to cast one third (1/3) of the votes whether in person or by proxy. The written joinder or absentee ballot of a Member in the action of a meeting may not be utilized to establish a quorum.

**C. Voting.** The vote of the owner(s) of a Unit in the Condominium owned by more than one natural person, as tenants in common, joint tenants (except a husband and wife as tenants by the entirety), a partnership, or any other association of natural persons, or by a corporation, a trust, or any other entity shall be cast or otherwise exercised, at all meetings at which Members of the Association are entitled to vote or otherwise act, by one natural person designated by the owner(s) of such Unit as the "Primary Occupant" thereof. In each instance where title to a Unit is proposed to be conveyed or is otherwise to become vested in more than one natural person (except a husband and wife as tenants by the entirety), a partnership, or any association of natural persons, or a corporation, a trust, or any other entity, the prospective owner(s) shall, by written instrument acceptable to the Association, designate one natural person as the Primary Occupant. The instrument designating the Primary Occupant shall be filed with the Association, and the person so designated shall be and remain the Primary Occupant of the Unit until such designation has been revoked by written instrument executed by the owner(s) of the Unit or by lawful conveyance of the Unit. The Primary Occupant of the Unit shall be the only person entitled to cast or exercise, in person or by proxy, the vote of the owner(s) of such Unit at any meeting of Members or in connection

with any action concerning which Members of the Association shall be required or allowed to vote or otherwise act.

In the case of Units owned by husband and wife as tenants by the entirety, both persons shall be Members and either party may vote the Unit's vote without designations and whoever casts the vote shall be deemed the "Primary Occupant."

Matters properly brought before the Members shall be deemed passed if approved by a majority of the votes cast in person or by proxy at a meeting at which a quorum is present, unless a higher percentage of approval is required by the Articles or Declaration.

Only the Owners of the Non-Residential Units may vote as to those matters concerning only Non-Residential Units (including without limitation, the election of the two (2) Non-Residential Directors as set forth in Article IX of the Articles of Incorporation and Article III of these Bylaws), and only the Owners of the Residential Units may vote as to those matters concerning only Residential Units (including without limitation, the election of the five (5) Residential Directors as set forth in Article IX of the Articles of Incorporation and Article III of these Bylaws). All Members shall vote on matters concerning both Non-Residential Units and Residential Units and matters that cannot be clearly categorized as affecting only Non-Residential Units or Residential Units exclusively.

**D. Approval.** Evidence of the approval or disapproval of the owner(s) of a Unit upon any matter, whether or not the subject of an Association Meeting, shall be given to the Association by the Primary Occupant.

**E. Vote Required.** Except as otherwise required under the provisions of the Articles, these Bylaws or the Declaration, or where the same otherwise may be required by law, at any meeting of the general Membership of the Association, if any, duly called and at which a quorum is present, the acts approved by the affirmative vote of the majority of the votes present in person or by proxy and entitled to vote upon any question shall be binding upon the Members.

**F. Proxies.** At any meeting of the Members, every Member having the right to vote shall be entitled to vote in person or by proxy, provided, however that a proxy may not be utilized in electing directors or for any other purpose that is prohibited under the Act. Any proxy given shall contain the date, time and place of the meeting for which the proxy is given. A limited proxy in the form specified by the Division of Land Sales, Condominiums and Mobile Homes (the "Division"), which proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. The proxy shall set forth the name of the person voting by proxy and the name of the person authorized to vote the proxy for him. All such proxies shall be filed with the Secretary prior to or during the roll call of such meeting. In no event shall any 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 Member executing it.

**G. Limited or General Proxies.** Limited or general proxies may be used to establish a quorum. Limited proxies may only be used for (a) votes taken to waive or reduce reserves; (b) votes taken to waive financial statement requirements; (c) votes taken to amend the Declaration; (d) votes taken to amend the Articles or the Bylaws; or (e) for any other matter for which this chapter requires or permits a vote of Members. No proxy, limited or general, may be used in connection with the election of the Board of Directors except in connection with an election to fill a vacancy on the Board of Directors caused by the recall of board members. General proxies may be used for other matters for which limited proxies are not required.

**H. Consent to Action.** Unless a duly called meeting of the Association shall be specifically required for action to be taken by the Members in these Bylaws, the Articles, the Declaration, the Act or other Florida Statutes, any action to be taken by the Association may be taken by written consent setting forth the action so taken, approved by Members holding not less than the minimum number of votes necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voting.

### **III. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP**

**A. Annual Meeting.** The annual meeting of the Members shall be held at the office of the Association or such other place in Bay County, Florida and at such time as may be specified in the notice of the meeting, on the first Tuesday of February of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the Members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding Tuesday.

**B. Special Meetings.** Special meetings of the entire membership of the Association shall be held whenever called by the President or 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 a ten percent (10%) of the votes of the entire membership.

**C. Notice of Meetings.**

1. **Generally.** Written notice of all meetings of Members shall be given by the Secretary or, in the absence of the Secretary, another officer of the Association, to each Primary Occupant unless waived in writing. Each notice shall state the time and place of and purpose for which the meeting is called, shall contain an agenda and shall be posted at a conspicuous place on the Condominium Property at least fourteen (14) continuous days prior to the meeting. Unless a Primary Occupant waives in writing the right to receive notice of the annual meeting, the notice of the annual meeting shall be sent by mail, by hand delivery or by electronic transmission (to those Primary Occupants who consent to receive notice by electronic transmission) to each Primary Occupant. Where a Unit is owned by more than one person, the notice for the meeting and all other purposes shall be to the address or electronic mailing address last furnished to the Association by the Primary Occupant or shall be hand delivered. The Primary Occupant shall thereafter advise the Association in writing and if there is no address or electronic mailing address identified and the parties do not agree, the notice shall be sent to the address on the deed conveying the Unit. The Secretary or, in the absence of the Secretary, another officer of the Association shall execute and file an affidavit in the Association's official records to evidence compliance with the notice requirement. The Board of Directors shall by duly adopted rule designate a specific location on the Condominium property upon which all notices of the meeting shall be posted.

2. **Annual.** Notice of the annual meeting shall be given to each Member not more than sixty (60) days and not less than fourteen (14) days prior to the date set for the meeting, and shall be mailed or electronically transmitted (to those Members who consent to receive notice by electronic transmission) to each Member unless the right is waived in writing. If mailed, such notice shall be deemed properly given when deposited in the United States Mail addressed to the Primary Occupant at his post office address in the same manner as set forth in Article III(C)(1). If electronically transmitted, such notice shall be deemed properly given (i) when actually transmitted by facsimile telecommunication, if correctly directed to the number at which the Primary Occupant has consented to receive notice; (ii) when actually transmitted by electronic mail, if correctly directed to an electronic mail address at which the Primary Occupant has consented to receive notice; (iii) when posted on an electronic network that the Primary Occupant has consented to consult upon the later of such correct posting or the giving of a separate notice to the Primary Occupant of the fact of

such posting; or (iv) when correctly transmitted to a Primary Occupant by any other form of electronic transmission consented to by the Primary Occupant to whom notice is given. Notices may also be delivered personally. If delivered personally, receipt of notice shall be signed by the Primary Occupant, indicating the date received. Each notice shall, in addition, be posted at a conspicuous place in the Condominium at least fourteen (14) continuous days prior to the meeting.

3. Special. Notice of Special Meetings shall be given to each Primary Occupant not less than fourteen (14) days prior to the date set for the meeting and shall be mailed by regular mail, electronically transmitted (to those Primary Occupants who consent to receive notice by electronic transmission) or delivered personally as provided above.

4. Waiver. Any Member may, in writing signed by such Member, waive notice of any meeting prior to such meeting, and such waiver, when filed in the records of the Association shall be deemed equivalent to the giving of such notice to such Member.

5. Adjourned Meetings. If any meeting of Members cannot be held because a quorum is not present, or because a greater percentage of the membership required to constitute a quorum for a particular purpose is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, the Bylaws or the Declaration, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

D. Presiding Officer and Minutes. At meetings of Members, the President, shall preside, or in his absence, the Members present shall select a chairman of the meeting or the President shall delegate the responsibility of presiding over meetings to the Vice President. Minutes shall be kept in a businesslike manner and available for inspection by Directors, Members and their authorized representatives during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven (7) years.

E. Order of Business. The order of business at annual meetings of Members, and, as far as practical, at other meetings of Members, shall be:

- a) The collection of election ballots
- b) Calling of the roll and certifying of proxies
- c) Proof of notice of meeting or waiver of notice
- d) Reading or waiver of reading of minutes of previous meeting of Members
- e) Reports of officers
- f) Reports of committees
- g) Appointment of Chairman of inspectors of election
- h) Election of Directors
- i) Unfinished business
- j) New business
- k) Adjournment

**III. BOARD OF DIRECTORS**

A. Members of Board. The first Board of Directors shall consist of not less than three (3) persons as designated in the Articles of Incorporation. Pursuant to the Declaration of Condominium, BNP Investment Properties, LLC ("Developer") reserves the right to appoint Directors to the Board as set forth therein. At such time as the Members, other than the Developer, are entitled to elect the majority of the Directors, the number of Directors shall be increased to seven

(7); five (5) of whom will be elected by the Residential Unit Owners and two (2) of whom will be elected by the Non-Residential Unit Owners.

**B. Election of Directors.** Directors shall be elected in the following manner:

1. Until Developer is required to turnover control of the Association, as set forth in Section 718.301, Florida Statutes, Developer shall appoint the Board of Directors, and upon such appointment by Developer, by written instrument presented to the meeting at which such election is held, the persons so appointed by Developer shall be deemed and considered for all purposes Directors of the Association and shall thenceforth hold the offices and perform the duties of such Directors until their successors shall have been elected or appointed, as the case may be, and qualified in accordance with the provisions of these Bylaws.

2. Residential Unit Owners other than the Developer may elect no less than one third (1/3) of the Members of the Board of Directors upon the sale of fifteen percent (15%) of the Units in the Condominium that will ultimately be operated by the Association.

3. Residential Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors as set forth in Article IX of the Articles of Incorporation and Section 718.301, Florida Statutes.

4. For so long as the Developer has the right to appoint at least one (1) member of the Board of Directors, as provided in Section 718.301, Florida Statutes, the Director appointed by the Developer shall be a Non-Residential Director.

5. Commencing with the first annual election of Directors after the Developer shall have lost or relinquished the right to appoint at least one Director, the Members shall elect all the Directors, by a plurality of the votes cast by written ballot or voting machine at the annual meeting of the general membership; provided that the Residential Unit Owners will elect the Residential Directors to of the Board and the Non-Residential Unit Owners will elect the Non-Residential Directors to the Board.

6. Vacancies on the Board may be filled, through the next regularly scheduled election, by the remaining Directors except that, should any vacancy on the Board be created in a directorship previously filled by any person appointed by Developer, such vacancy should be filed by Developer appointing by written instrument delivered to any officer of the Association, the successor Director, who shall fill the vacated directorship. The vacancy of a Residential member of the Board must be filled by a Residential member. The vacancy of a Non-Residential member of the Board must be filled by a Non-Residential member.

7. Until such time as the Members are entitled to elect all of the Directors, each Director shall serve for one (1) year until the next annual meeting or such other time as his successor is elected. At the turnover meeting, two (2) Residential directorships and one (1) Non-Residential directorship shall be designated as a three (3) year director, two (2) Residential directorships and one (1) Non-Residential directorship shall be designated as two (2) year directors and the remaining Residential director shall be for a one (1) year term. The intent hereof is to stagger the terms of the directorships so that there shall be some members of the Board with prior experience. Notwithstanding the foregoing, each Director elected at the turnover meeting to serve a one-year term shall serve until the first annual meeting following the turnover meeting; provided however that if such period shall be less than six (6) months, such directors shall serve until the second annual meeting following the turnover meeting.

8. (a) In the election of Residential Directors, there shall be appurtenant to each Residential Unit one (1) vote for each Director to be elected. Provided, however, that no Residential Unit Owner may cast more than one (1) vote for any person nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative. The election shall be by secret ballot, but if there is only one (1) candidate for election to fill each vacancy, no election is required.

(b) In the election of Non-Residential Directors, there shall be appurtenant to each Non-Residential Unit one (1) vote for each Director to be elected. Provided, however, that no Non-Residential Unit Owner may cast more than one (1) vote for any person nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative. The election shall be by secret ballot, but if there is only one (1) candidate for election to fill each vacancy, no election is required.

9. Within seventy-five (75) days after Members other than the Developer are entitled to elect a member or members of the Board of Directors of the Association, the Association shall call and give not less than sixty (60) days' notice of a special meeting to elect the members of the Board of Directors, to be held in accordance with the provisions of these Bylaws. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, to each Member entitled to vote, a first notice of the date of the election.

Any Member may nominate himself; provided that only Residential Unit Owners may serve as Residential members of the Board and only Non-Residential Unit Owners may serve as Non-Residential members of the Board. Any Member desiring to be a candidate for the Board must give written notice to the Board not less than forty (40) days before the scheduled election. The Association shall mail or deliver a written notice of the meeting and agenda together with a second notice of the election to all Members, together with a ballot which shall list all candidates and may contain such information about the candidate as provided in accordance with the rules and regulations of the Board.

10. In the event that Developer selects any person or persons to serve on the Board, Developer shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on the Board. Replacement of any person or persons designated by Developer to serve on any Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from the Board. The removal of any Director appointed by the Developer and designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

**C. Election Procedure.** The election of the Board members shall be decided by a plurality of ballots cast. There shall be no quorum requirement for the election of Directors so long as at least twenty percent (20%) of the eligible voters cast a ballot. No Member shall permit any other Member to vote his ballot and any such ballots improperly cast shall be deemed invalid. Any Member who violates this provision may be fined by the Association in accordance with Article 15 of the Declaration. Notwithstanding the provisions hereof, an election is not required unless more candidates file notices of intent to run or are nominated than vacancies to be filled. The regular election shall occur on the date of the annual meeting.

**D. Regular Board Meeting.** 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 telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived. Any item not included in a

notice of a Board Meeting may be taken up on an emergency basis by a majority of the members of the Board plus one and such action shall be noticed and ratified at the next regular meeting.

**E. Special Meeting.** Special meetings of the Board 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 three (3) days notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting, unless notice is waived.

**F. Notices and Open Meetings.** All meetings of the Board of Directors at which a quorum is present shall be open to all Members and notices of meetings shall be posted conspicuously in the Condominium forty-eight (48) continuous hours in advance for the attention of Members, except in an emergency and shall, to the extent possible, identify all agenda items. The Board shall adopt a rule to designate the place on the Condominium Property on which the notice shall be posted. Notice of any meeting where assessments against Members are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Written notice of any meeting at which the annual budget, non-emergency special assessments or amendments to rules are to be considered shall be mailed, electronically transmitted (to those Members who consent to receive notice by electronic transmission) or delivered to Members and posted conspicuously on the Condominium Property not less than fourteen (14) continuous days prior to the meeting. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items. Provided that, the Board may adopt written reasonable rules governing the duration and manner of the foregoing member statements.

1. Any item not included on the notice may be taken up on an emergency basis by a vote of at least a majority plus one of the members on the Board. Any 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 an amendment to rules regarding Unit use will be considered shall be mailed, electronically transmitted (to those Members who consent to receive notice by electronic transmission) or delivered to the Members and posted on the Condominium Property not less than fourteen (14) days prior to the meeting.

2. When any Board or committee meeting is held by telephone conference, those Directors or committee members attending by telephone conference may be counted toward obtaining a quorum and may vote by telephone. A telephone speaker must be used so that the conversation of those Directors or committee members attending by telephone may be heard by all Directors and committee members, as well as Members present at the meeting.

**G. Board Minutes.** Minutes of all meetings of the Board shall be kept in a businesslike manner and available for inspection by Members and Directors during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven (7) years.

**H. Waiver of Notice.** Any Director may waive notice of a meeting before, at or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

**I. Quorum.** A quorum at meetings of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Any Director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to an action unless he or she votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. Directors may not vote by proxy or by secret ballot at Board meetings, except that officers may be elected by secret ballot.



If any meeting of the Board cannot be held because a quorum is not present, or because the greater percentage of the Directors required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these Bylaws or the Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

**J. Voting and Approval.** The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these Bylaws or the Declaration.

**K. Disagreement by Board Members.** A Director or member of the committee may submit his or her agreement or disagreement with any action taken at a meeting that the Director or member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

**L. Removal and Recall.** If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall will be effective as provided herein. The Board shall duly notice and hold a Board meeting within five (5) full business days of the adjournment of the Member meeting to recall one or more of the Board members. At the meeting, the Board shall either certify the recall, in which case such member or members of the Board shall be recalled effective immediately and shall turn over to the Board within five (5) full business days any and all records and property of the Association in their possession or shall proceed as hereinafter provided. If the proposed recall is by agreement in writing by a majority of all voting interests, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized by Chapter 48, Florida Statutes and the Florida Rules of Civil Procedure. The Board shall duly notice and hold a meeting of the Board within five (5) full business days after receipt of the written agreement. At the meeting, the Board shall either certify the written agreement or shall recall the member or members of the Board, in which case such member or members of the Board shall be recalled effective immediately and shall turn over to the Board within five (5) full business days any and all records and property of the Association in their possession as hereinafter described. If the Board determines not to certify the written recall of a member or members of the Board or does not certify the recall by a vote at a meeting, the Board shall within five (5) full business days after the meeting, file with the Division a petition for arbitration pursuant to the Condominium Act. For purposes of this section, the members who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the Board, the recall will be effective upon mailing of the final order of arbitration to the Association. If the Association fails to comply with the order, the arbitrator of the Division may take action pursuant to the Condominium Act. Any member or member so recalled shall deliver to the Board any and all records of the Association in their possession within five (5) full business days of the effective date of the recall. If the Board fails to duly notice or hold a Board meeting within five (5) full business days of service of an agreement in writing or within five (5) full business days of the adjournment of the Member recall meeting, the recall shall be deemed effective and the Board members so recalled shall immediately turn over to the Board any and all records and property of the Association. If a vacancy occurs on a Board as a result of a recall, unless the majority of the Board members are removed, the vacancy may be filled by the affirmative vote of the majority of the remaining directors notwithstanding any other provision to the contrary in this section. If vacancies occur on the Board as a result of recall and a majority or more of the Board members are removed, the vacancy shall be filled in accordance with the provisions hereof.

Directors may be removed from office with or without cause by the vote or agreement in writing by a majority of all votes. A special meeting of Members to recall a Director may be called by ten percent (10%) of the votes, giving notice of the meeting and stating the purpose. The action of the Members in connection with recall shall be governed by the rules and regulations of the Board of Directors. Any recalled Director shall turnover to the Board any and all records of the Association in their possession within five business days after the meeting at which the recall vote is passed.

**M. Presiding Officer.** The presiding officer of meetings of the Board 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.

#### IV. OFFICERS

**A. Generally.** The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries, Assistant Treasurers or other officers as the Board shall deem advisable from time to time. The officers shall serve at the pleasure of the Board. Subsequent to the transfer of control of the Board to non-Developer Members, the President shall be elected from the membership of the Board, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of the President and Secretary or Assistant Secretary be held by the same person. The Board may from time to time elect such other officers, and designate their powers and duties, as the Board may deem necessary to properly manage the affairs of the Association. Officers may be removed from office by the Board. The Board may remove such officers for cause or no cause in their discretion, by a majority vote.

**B. President.** The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of a corporation not for profit, including but not limited to the power to appoint committees from among the Members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall have such additional powers as the Board may designate.

**C. Vice President.** The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

**D. Secretary.** The Secretary shall keep the minutes of all proceedings of the Board and the Members. He shall attend to the affairs of the Association. He shall have such additional powers as the Board may designate. He shall attend to the giving and serving of all notices to the Members and the Board, and such other notices as may be required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of a corporation not for profit and as may be required by the Board and the President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

**E. Treasurer.** The Treasurer shall have custody of all of the property of the Association including funds, securities and evidences of indebtedness. He shall keep the assessment roll and accounts of the Members; he shall keep the books of the Association (including without limitation a separate set of books of account for each of the condominiums administered by the Association) in accordance with good accounting practices, and he shall perform all other duties incident to the office of Treasurer.

**F. Compensation.** No compensation shall be paid to any officer of the Association except with the approval of a majority of the membership, reflected by a vote taken at a duly constituted membership meeting. No officer who is appointed by the Developer shall receive any compensation for his services as an officer. Nothing herein shall be construed so as to prohibit or prevent the Board of Directors from employing any director or officer as an employee of the Association at such compensation as the Board shall determine, nor shall anything herein be construed so as to preclude the Board from contracting with a director or officer or with any corporation in which a director or officer or with any corporation in which a director or officer of the Association may be a stockholder, officer, director or employee, for the management of the Condominium for such compensation as shall be mutually agreed between the Board and such officer, director or corporation, or from contracting with a director or officer or corporation in which a director or officer of the Association may be a stockholder, officer, director or employee for the purpose of making available to the owners of condominium Units such services as are contemplated by the provisions of Article IV of these Bylaws. An officer, director or manager may not solicit, offer to accept, or accept anything of service or value for which consideration has not been provided for his own benefit or that of his immediate family, from any person providing or proposing to provide goods or services to the Association.

**G. Committees.** The Board may from time to time appoint such committees as it may deem necessary or convenient and for such purposes as the Board may elect. No committee meetings, except committees to take final action on behalf of the Board or to make recommendations to the Board regarding the Association budget shall be required to be open to the Members.

#### V. FISCAL MANAGEMENT

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

**A. Assessment Roll.** The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Member and his respective Unit. Such account shall designate the name and mailing address of the Member owning each Unit, the amount of each assessment against the Member, the amount of each assessment and due date thereof, and all amounts paid, and the balance due upon each assessment.

**B. Annual Budget.** The Board shall adopt, for, and in advance of, each fiscal year, a budget for each Condominium it operates and maintains, showing the estimated costs of performing all of the functions of the Association as to such Condominium for the year. The budget shall show the total estimated expenses of the Association for that year and shall contain an itemized breakdown of the Common Expenses, which shall include, without limitation, the costs of operating and maintaining the Common Elements, Limited Common Elements, if maintained by the Association, Association Property, taxes on Association Property, wages and salaries of Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Units, premiums for insurance carried by the Association and reserve accounts for capital expenditures and deferred maintenance and any other reserves and/or funds which may be established from time to time by the Board. Such reserve accounts shall include, but not be limited to, elevators, roof replacement, building painting and pavement resurfacing. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement costs or deferred maintenance expenses of each reserve item. The Association may adjust replacement cost or deferred maintenance annually to take into consideration any changes in estimated or useful life of reserve item caused by deferred maintenance. All such reserve funds and interest thereon shall remain in such accounts for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority of the Members. Each budget shall also show the proportionate share of the

total estimated expenses to be assessed against and collected from the Members and due date(s) and amounts of installments thereof.

Copies of the proposed budgets and proposed assessments shall be mailed or hand delivered to each Member, at the last address furnished to the Association, not less than fourteen (14) days prior to the meeting of the Board of Directors at which the budgets will be considered, together with a notice of the time and place of the meeting, which meeting must be open to Members. Evidence of compliance with this fourteen (14) day notice must be made by affidavit executed by an officer of the Association or the manager and filed among the official records of the Association. If any budget is subsequently amended a copy shall be furnished to each affected Member. Delivery of a copy of any budget or amended budget to a Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon the additional assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies. The Members may, by a vote of the majority of votes present at a duly called meeting of Members, determine to provide no reserves or reserves at a less than adequate amount as established under the Act. Prior to the turnover of control to the Members other than the Developer, the Developer may vote to waive reserves or reduce funding of reserves for the first two (2) fiscal years of operation of the Association beginning with the fiscal year in which the Declaration is recorded, thereafter, reserves may be partially or fully waived only by the majority vote of the non-Developer votes present at a duly called meeting of the Association. If a meeting of Members has been called to determine to provide no reserves or reserves at less than required and the quorum requirement is not met, the reserves in the budget as prepared shall go into effect.

**C. Increased Budget(s).** If a budget is adopted by the Board which requires assessment of the Members in any budget year exceeding one hundred fifteen percent (115%) of such assessments for the preceding budget year, the Board shall conduct a special meeting of the Members to consider a substitute budget if the Board receives, within twenty-one (21) days after adoption of the annual budget, a written request for a special meeting from at least ten percent (10%) of all voting interests. The special meeting shall be conducted within sixty (60) days after adoption of the annual budget. At least fourteen (14) days prior to such special meeting, the Board shall hand deliver to each Member or mail to each Member at the address last furnished to the Association, a notice of the special 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 records of the Association. Members may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted, if approved by the majority of all voting interests.

If a meeting of the Members has been called and a quorum is not obtained or a substitute budget is not adopted by the Members, the budget previously adopted by the Board goes into effect as scheduled. In determining whether assessments exceed one hundred fifteen percent (115%) of assessments in the prior year, any authorized provisions for reasonable reserves for repair or replacement of the Condominium Property, anticipated expenses of the Association which the Board does not expect to be incurred on a regular or annual basis or assessments for betterments to the Condominium Property must be excluded from the computation.

**D. Notice of Adopted Budgets.** Upon adoption of budgets, the Board shall cause a written copy thereof to be delivered to all Members. Assessments shall be made against Members pursuant to procedures established by the Board, and in accordance with the terms of the Declaration and Articles. Members shall be liable to pay assessments not less often than quarterly. Provided, however, that the lien or lien rights of the Association shall not be impaired by failure to

comply with procedures established pursuant to these Bylaws. Further, nothing provided herein shall be construed to preclude the right of the Association to accelerate assessments of a Member who is delinquent in his payment of assessments.

**E. Assessments.** Unless otherwise determined by the Board of Directors, assessments shall be payable monthly on the first day of each month, but in no event shall amounts be payable less often than quarterly. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and installments on such assessment shall be due upon each installment payment date until changed by an amended Assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable in equal installments through the end of the fiscal year; provided, nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency.

**F. Special Assessments.** Special assessments shall be levied and paid as determined by the Board and shall be those chargeable to all Members of a Condominium in the same proportions as regular assessments to meet shortages or emergencies, to construct, reconstruct, repair or replace all or any part of the Common Elements or Association Property (including fixtures and personal property related thereto) and for such other purposes as shall have been approved by the Board.

**G. Depository.** The depository of the Association shall be such bank or banks or savings and loan association or associations 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 accounts shall be only by checks or withdrawals signed by such persons as are authorized. Any contract for the management and maintenance the Condominium Property entered into by the Board with a management agent may include in its provisions authority for the Manager to sign checks on behalf of the Association for payment of the obligations of the Association. Reserve and operating accounts shall not be Condominium Property.

**H. Financial Records.**

1. Within ninety (90) days following the end of the fiscal year, the Board of Directors of the Association shall prepare and complete, or cause to be prepared and completed by a third party, a complete financial report for the preceding fiscal year prepared in accordance with generally accepted accounting principles. Within twenty-one (21) days after the financial report is completed or received by the Association, the Association shall mail to each Unit Owner at the address last furnished to the Association by the Unit Owner, or hand deliver to each Unit Owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the Unit Owner, without charge, upon receipt of a written request from the Unit Owner.

2. The financial statements shall be based upon the Association's total annual revenues, as follows:

a) If the Association's total annual revenues are \$100,000 or more, but less than \$200,000, the Association shall prepare compiled financial statements;

b) If the Association's total annual revenues are at least \$200,000, but less than \$400,000, the Association shall prepare reviewed financial statements;

c) If the Association's total annual revenues are \$400,000 or more, the Association shall prepare audited financial statements; and

d) If the Association's total annual revenues are less than \$100,000, the Association shall prepare a report of cash receipts and expenditures. A report of cash receipts and disbursements must disclose the amount of receipts by accounts and receipt classifications and the amount of expenses by accounts and expense classifications, including, but not limited to, the following, as applicable: costs for security, professional and management fees and expenses, taxes, costs for recreation facilities, expenses for refuse collection and utility services, expenses for lawn care, costs for building maintenance and repair, insurance costs, administration and salary expenses, and reserves accumulated and expended for capital expenditures, deferred maintenance, and any other category for which the association maintains reserves.

3. The Association may prepare or cause to be prepared, without a meeting or approval by the Unit Owners:

a) Compiled, reviewed, or audited financial statements, if the Association is required to prepare a report of cash receipts and expenditures;

b) Reviewed or audited financial statements, if the Association is required to prepare compiled financial statements; or

c) Audited financial statements if the Association is required to prepare reviewed financial statements.

**I. Report of Cash Receipts and Expenditures.** If approved by a majority of the voting interests present at a properly called meeting of the Association, the Association may prepare or cause to be prepared;

1. A report of cash receipts and expenditures in lieu of a compiled, reviewed, or audited financial statement;

2. A report of cash receipts and expenditures or a compiled financial statement in lieu of a reviewed or audited financial statement; or

3. A report of cash receipts and expenditures, a compiled financial statement, or a reviewed financial statement in lieu of an audited financial statement.

Such meeting and approval must occur prior to the end of the fiscal year and is effective only for the fiscal year in which the vote is taken. For so long as the Developer has not turned over control of the Association, all Unit Owners, including the Developer, may vote on issues related to the preparation of financial reports for the first two (2) fiscal years of the Association's operation, beginning with the fiscal year in which the Declaration is recorded. Thereafter, all Unit Owners except the Developer may vote on such issues until control is turned over to the Association by the Developer.

**J. Fidelity Bonds.** Fidelity bonds shall be required from any persons handling or responsible for the control or disbursement of Association funds as the Board of Directors shall direct. The premiums of said bonds shall be paid by the Association. The fidelity bond shall be in an amount equal to the maximum amount of funds that will be in the custody of the Association or its Management Agent at any one time.

## VI. OFFICIAL RECORDS

From the inception of the Association, the Association shall maintain each of the following items, when applicable, which shall constitute the Official Records of the Association:

**A.** A copy of the plans, permits, warranties and other items provided by the Developer pursuant to § 718.301(4), Florida Statutes.

**B.** A photocopy of the recorded Declaration of Condominium of the Condominium and of each amendment to the Declaration.

**C.** A photocopy of the recorded Bylaws of the Association and of each amendment to the Bylaws.

**D.** A certified copy of the Articles of Incorporation of the Association, or other documents creating the association and of each amendment thereto.

**E.** A copy of the current rules and regulations of the Association.

**F.** A book or books which contain the minutes of all meetings of the Association, of the Board of Directors, and of Members, which minutes shall be retained for a period of not less than seven (7) years.

**G.** A current roster of all Members and their mailing addresses, Unit identifications, voting certifications, and, if known, telephone numbers. The Association shall also maintain the electronic mailing addresses and the numbers designated by Members for receiving notice sent by electronic transmissions (for those Members who consent to notice by electronic transmission).

**H.** All current insurance policies of the Association and the Condominium.

**I.** A current copy of any management agreement, lease or other contract to which the Association is a party or under which the Association or the Members have an obligation or responsibility.

**J.** Any bills of sale or transfer documents for any property owned by the Association.

**K.** Accounting records for the Association. All accounting records shall be maintained for a period of not less than seven (7) years. The accounting records shall include, but are not limited to:

1. Accurate, itemized and detailed records of all receipts and expenditures.

2. A current account and a monthly, bimonthly or quarterly statement of the account for each Unit designating the name of the Member, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

3. All audits, reviews, accounting statements, and financial reports of the association or condominium.

4. All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one (1) year.

**L.** Ballots, sign-in sheets, voting proxies, and all other papers relating to voting by Members, which shall be maintained for a period of one (1) year from the date of the election, vote or meeting to which the document relates.

M. Any rental records, when the Association is acting as agent for the rental of condominium units.

N. A copy of the current question and answer sheet as described by Section 718.504, Florida Statutes.

O. Copies of year-end financial information as required by Section 718.111, Florida Statutes, as amended through the date of recording the Declaration.

P. All other records of the Association not specifically included in the foregoing which are related to the operation of the Association.

The Official Records of the Association shall be maintained within the state of Florida. The records of the Association shall be made available to a Member within five (5) working days after receipt of written notice required by the board or its designee. This paragraph may be complied with by having a copy of the official records of the Association available for inspection or copying on the condominium property or association property. A certificate of compliance from a licensed electrical contractor may be accepted by the Association's Board of Directors as evidence of compliance of the Condominium Units to the applicable fire and safety code.

The Official Records of the Association are open to inspection by any Member or the authorized representative of such Member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the Member. The Association may adopt reasonable rules regarding the frequency, time, location, notice and manner of record inspections and copying. The failure of an Association to provide the records within ten (10) working days after receipt of a written request shall create a rebuttable presumption that the Association willfully failed to comply with this paragraph. The damages for failure to comply with this section are set forth in Section 718.111(12)(c), Florida Statutes. The Association shall maintain an adequate number of copies of the Declaration, Articles of Incorporation, Bylaws and Rules, and all amendments to each of the foregoing, as well as year-end financial reports as required by Article V(H) and the question and answer sheet provided for in Section 718.504, Florida Statutes, on the Condominium Property to ensure their availability to Members and prospective purchasers, and may charge its actual costs for preparing the furnishing these documents to those requesting the same.

**VII. PARLIAMENTARY RULES**

Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation or these Bylaws.

**VIII. ARBITRATION**

In the event that there are internal disputes among Members, association or their agents and assigns arising from or in connection with the operation of the condominium, the parties shall enter into mandatory non-binding arbitration pursuant to the rules and regulations of the Division in accordance with Section 718.1255, Florida Statutes.

**IX. AMENDMENTS TO BYLAWS**

Amendments to these Bylaws shall be proposed and adopted in the following manner:

A. **Proposal.** Amendments to these Bylaws may be proposed by an affirmative vote of the majority of the Board or by affirmative vote of a majority of the Members of the Association.



**B. Notice.** Upon any amendment or amendments to these Bylaws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Association or acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the Board of Directors for a date not sooner than fourteen (14) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each Member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the Members is required as herein set forth. Members may express views and opinions of the proposed amendments to the Bylaws at the Board meeting.

**C. Content of Amendment.** No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of bylaw. See bylaw... for present text." Nonmaterial errors or omissions in the bylaw amendment process shall not invalidate an otherwise properly promulgated amendment.

**D. Voting.** In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of the majority of the Board of Directors. Thereupon, such amendment or amendments to these Bylaws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the Public Records of Bay County, Florida as an amendment to the Declaration of Condominium within thirty (30) days from the date on which any amendment or amendments have been affirmatively approved by the Members.

**E. Written Vote.** At any meeting held to consider such amendment or amendments to these Bylaws, the written vote of any member of the Board of Directors shall be recognized if such member of the Board of Directors is not present at such meeting in person or by proxy, provided such written vote is delivered to the Secretary at or prior to such meeting.

**F. Developer's Reservation.** Notwithstanding the foregoing provisions of this Article IX, no amendment to these Bylaws which shall abridge, amend or alter the right of Developer to designate members of the Board of Directors of the Association, as provided in Article IV hereof or any other right of the Developer provided herein or in the Articles of Incorporation, may be adopted to become effective without the prior written consent of Developer.

**G. Proviso.** Provided, however, that no amendment shall discriminate against any Member or group of Units unless the Members so affected shall consent. No amendments shall be made that are in conflict with the Condominium Act, the Declaration of Condominium, or the Articles of Incorporation. No amendment shall be adopted that would affect or impair the validity or priority of any mortgage covering the Condominium Property.

**H. Recording.** All amendments to the Bylaws shall be recorded in the public records of Bay County, Florida.

The foregoing were adopted as the Bylaws of the Association at the first meeting of the Board of Directors.