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OFFICE OF THE  
CLERK OF THE  
COURTBAY POINT STUDIO VILLAS II  
A CONDOMINIUM

## DECLARATION OF CONDOMINIUM

## SUBMISSION STATEMENT

The undersigned, being the owner of record of the fee simple title to the following described real property, situate, lying and being in Bay County, Florida, to wit:

Commence at the Northwest corner of section 14, township 4, South, range 15 West, Bay County, Florida. Thence South  $00^{\circ} 15' 40''$  East along the West line of said section 14 for 278.45 feet to the Northerly right-of-way line of Bay Point Road; Thence South  $82^{\circ} 16' 00''$  East along said right-of-way line for 376.57 feet to the P. C. of a curve in said right-of-way line concave to the Southwest and having a radius of 296.14 feet; Thence Easterly along said curve for an arc distance of 228.82 feet to the point of beginning, said arc having a chord of 223.17 feet bearing South  $60^{\circ} 07' 50''$  East; Thence continue Southeasterly along said curve in said right-of-way line for an arc distance of 120.84 feet, said arc having a chord of 120.00 feet bearing South  $26^{\circ} 18' 17.5''$  East; Thence South  $14^{\circ} 36' 55''$  East along the Easterly right-of-way line of said Bay Point Road for 66.98 feet to the P. C. of a curve in said right-of-way line concave to the Northeast and having a radius of 370.00 feet; Thence Southeasterly along said curve for an arc distance of 88.06 feet, said arc having a chord of 87.85 feet bearing South  $21^{\circ} 26' 00''$  East; Thence South  $28^{\circ} 15' 05''$  East along said right-of-way line for 73.86 feet to the P. C. of a curve in said right-of-way line concave to the West and having a radius of 380.00 feet; Thence Southeasterly along said curve for an arc distance of 110.39 feet, said arc having a chord of 110.00 feet bearing South  $19^{\circ} 55' 45''$  East; Thence North  $79^{\circ} 30' 00''$  East for 106.00 feet; Thence North  $16^{\circ} 30' 00''$  East for 278.00 feet; Thence North  $22^{\circ} 00' 00''$  West for 72.00 feet; Thence South  $83^{\circ} 30' 00''$  West for 45.00 feet; Thence North  $78^{\circ} 30' 00''$  West for 66.00 feet; Thence North  $24^{\circ} 30' 00''$  West for 88.00 feet; Thence North  $69^{\circ} 00' 00''$  West for 59.00 feet; Thence South  $66^{\circ} 30' 00''$  West for 73.00 feet; Thence North  $85^{\circ} 03' 22''$  West for 50.92 feet; Thence South  $40^{\circ} 00' 00''$  West for 19.00 feet to the point of beginning containing 2.125 acres more or less.

See OLB 472, Pg 336  
for amst.

hereby states and declares that said realty, together with improvements thereon, is submitted to condominium ownership, pursuant to the Condominium Act of the State of Florida, Florida Statutes 711 Et. Seq. (hereinafter referred to as the "Condominium Act"), and the provisions of said Act are hereby incorporated by reference included herein thereby, and does herewith file for record this Declaration of Condominium.

Definitions: As used in this Declaration of Condominium and By-Laws attached hereto, and all Amendments thereto, unless the context otherwise requires, the following definitions shall prevail:

A. Declaration, or Declaration of Condominium, or Enabling Declaration, means this instrument, as it may be from time to time amended.

B. Association or Corporation means BAY POINT STUDIO VILLAS II ASSOCIATION, INC., a Florida non-profit corporation, being the entity responsible for the operation of the Condominium.

C. By-Laws, means the By-Laws of BAY POINT STUDIO VILLAS II ASSOCIATION, INC., as they exist from time to time.

D. Common Elements, means the portions of the Condominium property not included in the Units.

E. Limited Common Elements means and includes those common elements which are reserved for the use of certain units, to the exclusion of all other units.

F. Condominium, means that form of ownership of condominium property under which units of improvements are subject to ownership by different owners, and there is appurtenant to each unit, as part thereof, an undivided share in the common elements.

G. Condominium Act, means and refers to the Condominium Act of the State of Florida (Florida Statutes 711, Et. Seq.), as the same may be amended from time to time.

H. Common Expenses means the expenses for which the unit owners are liable to the Association.

I. Common Surplus means the excess of all receipts of the Association, including but not limited to assessments, rent, profits and revenues on account of the common elements, over the amount of common expenses.

J. Condominium Property means and includes the land in a condominium whether or not contiguous, and all improvements thereon intended for use in connection with the condominium.

K. Assessment means a share of the funds required for the payment of common expenses which, from time to time is assessed against the unit owner.

L. Condominium Parcel means a Unit, together with the undivided share in the common elements, which is appurtenant to the Unit.

M. Condominium Unit, or Unit, means a part of the condominium property which is to be subject to private ownership.

N. Unit Owner, or Owner of a Unit, or Parcel Owner, means the owner of a condominium parcel.

O. Developer means THE GRAND LAGOON COMPANY, a Florida corporation, its successors or assigns.

P. Institutional Mortgagee means a Bank, Savings and Loan Association, Insurance Company, or Union Pension Fund, authorized to do business in the State of Florida, or an Agency of the United States Government. The mortgage may be placed through a Mortgage or Title Company.

Q. Occupant means the person or persons, other than the Unit owner, in possession of a Unit.

R. Condominium Documents means this Declaration, the By-Laws and all Exhibits annexed hereto as the same from time to time may be amended.

S. Unless the context otherwise requires, all other terms in this Declaration shall be assumed to have the meaning attributed to said term by Section 711.03, Florida Statutes, a section of the Condominium Act of the State of Florida.

II

NAME

The name by which this Condominium is to be identified is: BAY POINT STUDIO VILLAS II, a condominium.

III

IDENTIFICATION OF UNITS

The condominium property consists essentially of 36 units in all and for the purpose of identification, all units in the building located on said condominium property are given identifying numbers and delineated on the survey exhibits collectively identified as Exhibit No. 1, attached hereto and made a part of this Declaration. No unit bears the same identifying number as does any other unit. The aforesaid identifying number as to the unit is also the identifying number as to the parcel. The said Exhibit No. 1 also contains a Survey of the land, a graphic description of the improvements in which the units are located, and a plat plan and, together with this Declaration, they are in sufficient detail to identify the location, dimensions and size of the common elements of each unit, as evidenced by the Certificate of the Registered Land Surveyor hereto attached. The legend and notes contained within the said Exhibit are incorporated herein and made a part hereof by reference.

The aforesaid building or buildings are or will be constructed substantially in accordance with the plans prepared by Robert G. Hecht, A.I.A., copies of which plans shall be on file with the Association.

IV

OWNERSHIP OF COMMON ELEMENTS

Each of the unit owners of the Condominium shall own an undivided interest in the common elements and limited common elements (if there are any such limited common elements), and the undivided interest stated as percentages of such ownership in the said common elements and limited common elements, is set forth on Exhibit A, which is annexed to this Declaration and made a part hereof.

The fee title to each condominium parcel shall include both the condominium unit and the above respective undivided interest in the common elements, said undivided interest in the common elements to be deemed to be conveyed or

encumbered with its respective condominium unit, even though the description in the instrument of conveyance may refer only to the fee title to the condominium unit. Any attempt to separate the fee title to a condominium unit from the undivided interest in the common elements appurtenant to each unit shall be null and void. The term "common elements," when used throughout this Declaration, shall mean both common elements and limited common elements, unless the context otherwise specifically requires.

## V

## VOTING RIGHTS

There shall be one person with respect to each unit ownership, who shall be entitled to vote at any meeting of the unit owners--such person to be known (and is hereinafter referred to) as a "voting member." If a unit is owned by more than one person, the owners of said unit shall designate one of them as the voting member, or in the case of a corporate unit owner, an officer or an employee thereof shall be the voting member. The designation of the voting member shall be made as provided by, and subject to, the provisions and restrictions set forth in the By-Laws of the Association. The total number of votes shall be equal to the total number of units in the Condominium, and each condominium unit shall have no more and no less than one equal vote in the Association. If one individual owns two condominium parcels, he shall have two votes. The vote of a condominium unit is not divisible.

Unit ownership, for the purposes of voting rights, is defined as ownership in fee title; however, should a person acquire the unexpired term of a Ninety-nine Year Leasehold interest in and to a unit, said Lessee shall be entitled to the voting rights for said unit until the expiration of said Lease.

## VI

## COMMON EXPENSES AND COMMON SURPLUS

The common expenses of the condominium shall be shared by the unit owners as specified and set forth in Exhibit A. The foregoing ratio of sharing common expenses and assessments shall remain regardless of the purchase price of the condominium parcels, their location or the building square footage included in each condominium unit.

Any common surplus of the Association shall be owned by each of the unit owners in the same proportion as their percentage ownership interest in the common elements--any common surplus being the excess of all receipts of the Association, from this Condominium, including but not limited to assessments, rents, profits and revenues on account of the common elements of this Condominium, over the amount of the common expenses of this Condominium.

## VII

## METHOD OF AMENDMENT OF DECLARATION

This Declaration may be amended at any regular or special meeting of the unit owners of this Condominium, called and convened in accordance with the By-Laws, by the affirmative vote of voting members casting not less than three-fourths (3/4) of the total vote of the members of the Association.



All Amendments shall be recorded and certified as required by the Condominium Act. No Amendment shall change any Condominium parcel nor a Condominium unit's proportionate share of the common expenses or common surplus, nor the voting rights appurtenant to any unit, unless the record owner(s) thereof, and all record owners of mortgages, or other voluntarily placed liens thereon, shall join in the execution of the Amendment. No Amendment shall be passed which shall impair or prejudice the rights and priorities of any mortgages. No Amendment shall change the provisions of this Declaration with respect to institutional mortgagees with the written approval of all institutional mortgagees of record. No Amendment shall change the rights and privileges of the developer without the developer's written approval.

Notwithstanding the foregoing two paragraphs, the developer reserves the right to change the interior design and arrangement of all units and to alter the boundaries between units, as long as the developer owns the units so altered; however, no such change shall increase the number of units nor alter the boundaries of the common elements, except the party walls between the condominium units without Amendment of this Declaration in the manner hereinbefore set forth. If the Developer shall make any changes in units as provided in this paragraph, such changes shall be reflected by an Amendment of this Declaration with the servity attached, reflecting such authorized alteration of units, and said Amendment need only be executed or acknowledged by the Developer and any holders of institutional mortgages encumbering the said altered units. The survey shall be certified in the manner required by the Condominium Act. If more than one unit is concerned, the Developer shall apportion between the units the shared of the common elements appurtenant to the unit's concern, together with apportioning common expenses and common surplus of the units concerned, and such shares of common elements, common expenses and common surplus shall be duly noted in the Amendment of the Declaration.

## VIII

## BY-LAWS

The operation of the condominium property shall be governed by By-Laws, which are set forth in a document entitled "By-Laws of BAY POINT STUDIO VILLAS II ASSOCIATION, INC.", which is annexed to this Declaration, marked "Exhibit 2," and made a part hereof.

No modification or Amendment to the By-Laws of said Association shall be valid unless set forth in or annexed to a duly recorded Amendment to this Declaration. The By-Laws may be amended in the manner provided for therein, but no Amendment to said By-Laws shall be adopted which would affect or impair the validity or priority of any mortgage covering any condominium parcel(s) without the written approval of the affected mortgagees of record.

## IX

## THE OPERATING ENTITY

The name of the Association responsible for the operation of the Condominium is set forth in Article VIII hereinabove; said Corporation is a non-profit Florida corporation, organized and existing pursuant to the Condominium Act. The said Association shall have all the powers and duties set forth in the Condominium Act, as well as all of the powers and duties granted to or imposed upon it by this Declaration, the By-Laws of the Association, and its Articles of Incorporation, which Articles of Incorporation are attached hereto, marked "Exhibit 3," and made a part hereof.

Every owner of a condominium parcel, whether he has acquired his ownership by purchase, by gift, conveyance, or transfer by operation of law, or otherwise, shall be bound by the By-Laws of said Association, by the Articles of Incorporation of the Association, and by the provisions of the Declaration.

X

#### ASSESSMENTS

The Association, through its Board of Directors, shall have the power to fix and determine, from time to time, the sum or sums necessary and adequate to provide for the common expenses of the condominium property, and such other assessments as are specifically provided for in this Declaration and the By-Laws attached hereto. The procedure for the determination of such assessments shall be as set forth in the By-Laws of the Association.

The common expenses shall be assessed against each Condominium parcel owner, as provided in Article VI of the Declaration.

Assessments that are unpaid for over fifteen (15) days after due date, shall bear interest at the rate of ten percent (10%) per annum, from due date until paid, and at the sole discretion of the Board of Directors, a late charge of \$25.00 shall be due and payable thereon.

The Association shall have a lien on each condominium parcel for any unpaid assessments, together with interest thereon, against the unit owner of such condominium parcel, together with a lien on all tangible personal property located within said unit, except that such lien upon the aforesaid tangible personal property shall be subordinate to prior bona fide liens of record. Reasonable attorney's fees incurred by the Association incident to the collection of such assessment for the enforcement of such lien, together with all sums advanced and paid by the Association, for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, shall be payable by the unit owner and secured by such lien.

The Board of Directors may take such action as they deem necessary to collect assessments by personal action, or by enforcing and foreclosing said lien, and may settle and compromise the same, if in the best interests of the Association. Said lien shall be effective as and in the manner provided for by the Condominium Act, and shall have the priorities established by said Act. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an assessment lien, and to apply as a cash credit against its bid, all sums due the Association covered by the lien enforced. In case of such foreclosure, the unit owner shall be required to pay a reasonable rental for the condominium parcel, and the Plaintiff in such foreclosure shall be entitled to the appointment of a Receiver to collect same from the unit owner and/or occupant.

Where the mortgagee of an Institutional first mortgage of record, or other purchaser of a condominium unit obtains title to a condominium parcel as a result of foreclosure of the Institutional first mortgage, or when an Institutional first mortgagee of record accepts a deed to said condominium parcel in lieu of foreclosure, such acquirers of title, his successors and assigns, shall not be liable for the share of common expenses or assessments by the Association pertaining to such condominium parcel, or chargeable to the former unit owner of such parcel, which became due prior to acquisition of title as a result of the foreclosure, or the acceptance of such deed in lieu of foreclosure. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all the unit owners, including such acquirer, his successors and assigns.

Any person who acquires an interest in a unit, except through foreclosure of an institutional first mortgage of record or deed in lieu thereof as specifically provided in the paragraph immediately preceding, including without limitation, persons acquiring title by operation of law, including purchasers at judicial sales, shall not be entitled to occupancy of the unit or enjoyment of the common elements, until such time as all unpaid assessments due and owing by the former unit owner have been paid.

The Association, acting through its Board of Directors, shall have the right to assign its claim and lien rights for the recovery of any unpaid assessment, to the Developer, or to any unit owner or group of owners, or to any third party.

## XI

PROVISIONS RELATING TO SALE OR RENTAL OR OTHER  
ALIENATION OR MORTGAGING OF CONDOMINIUM UNITSA. SALE OR RENTAL OF UNITS

In the event any unit owner wishes to sell his unit or rent or lease his unit for a period in excess of 364 days, the Association shall have the option to purchase, rent or lease said unit, upon the same conditions as are offered by the unit owner to a third person. Any attempt to sell, rent or lease (for in excess of said period of time) said unit, without prior offer to the Association, shall be deemed a breach of this Declaration, and shall be wholly null and void, and shall confer no title or interest whatsoever upon the intended purchaser, tenant or lessee.

Should a unit owner wish to sell, lease or rent (for in excess of such period of time) his condominium parcel (which means the unit, together with the undivided share of the common elements appurtenant thereto), he shall, before making or accepting any offer to purchase, sell or so lease or rent his condominium parcel, deliver to the Board of Directors of the Association, a written notice containing the terms of the offer he has received or which he wishes to accept, or proposes to make, the name and address of the person (s) to whom the proposed sale, lease or transfer is to be made, and two bank references, and three individual references, local, if possible, and such other information (to be required within five days from receipt of such notice) as may be required by the Board of Directors of the Association. The Board of Directors of the Association is authorized to waive any or all of the references aforementioned.

The Board of Directors of the Association, within ten days after receiving such notice and such supplemental information as is required by the Board of Directors, shall either consent to the transaction specified in said Notice, or by written Notice to be delivered to the unit owner's unit, (or mailed to the place designated by the unit owner in his Notice), designate the Association, one or more persons then unit owner, or any other person (s) satisfactory to the Board of Directors of the Association, who are willing to purchase, so lease or rent, upon the same terms as those specified in said Notice, or object to the sale, leasing or renting to the prospective purchaser, tenant or lessee, for good cause, which cause need not be set forth in the Notice of the Board of Directors to the unit owner. However, it shall require the unanimous vote of the Board of Directors in order to object for good cause. The Association shall not unreasonably withhold its consent to any prospective sale, rental or lease.

The stated designee of the Board of Directors shall have 14 days from the date of the notice sent by the Board of Directors to make a binding offer to buy, so lease or rent upon the same terms and conditions specified in the unit owner's notice. Thereupon, the unit owner shall either accept such offer or withdraw and/or reject the offer specified in his Notice to the Board of Directors. Failure of the

Board of Directors to designate such person(s) or failure of such person(s) to make such an offer within said fourteen day period or failure of the Board of Directors to object for good cause shall be deemed consent by the Board of Directors to the transaction specified in the unit owner's Notice, and the unit owner shall be free to make, or accept the offer specified in his Notice, and sell, lease or rent said interest, pursuant thereto, to the prospective purchaser or tenant named therein, within ninety days after his Notice was given.

The consent of the Board of Directors of the Association shall be in recordable form, signed by two officers of the Association, and shall be delivered to the purchaser or lessee. Should the Association fail to act, as herein set forth, and within the time provided herein, the Association shall, nevertheless, thereafter prepare and deliver its written approval in recordable form, as aforesaid, and no conveyance of title or interest whatsoever shall be deemed valid without the consent of the Board of Directors, as herein set forth.

The sub-leasing or sub-renting of said unit owner's interest for a period in excess of 364 days shall be subject to the same limitations as are applicable to the leasing or renting thereof. The Board of Directors shall have the right to require that a substantially uniform form of lease or sublease be used, or in the alternative, the Board of Directors' approval of the lease or sublease form to be used shall be required. After approval as herein set forth, entire units may be rented provided the occupancy is only by the lessee, his family and guests.

Where a corporate entity is the owner of a unit, it may designate the occupants of the unit as it desires and for such period of time as it desires without compliance with the provisions of Paragraph A of this Article XI.

Nothing herein shall be construed as prohibiting the lease or sub-lease of a unit for a period of 364 days or less without notice to the Directors of the Association.

#### B. MORTGAGE AND OTHER ALIENATION OF UNITS

1. A unit owner may not mortgage his unit nor any interest therein, without the approval of the Association, except as to an institutional mortgagee, as hereinbefore defined. The approval of any other mortgagee may be upon conditions determined by the Board of Directors of the Association, and said approval, if granted, shall be in recordable form, executed by two officers of the Association.
2. No judicial sale of a unit nor any interest therein shall be valid unless:
  - (a) The sale is to a purchaser approved by the Association, which approval shall be in recordable form executed by two officers of the Association and delivered to the Purchaser, or,
  - (b) The sale is a result of a public sale with open bidding.
3. Any sale, mortgage or lease which is not authorized pursuant to the terms of the Declaration shall be void, unless subsequently approved by the Board of Directors, and said approval shall have the same effect as though it had been given and filed of record simultaneously with the instrument it approved.
4. The foregoing provisions of this Article XI shall not apply to transfers by a unit owner to any member of his immediate family (that is, spouse, children or parents). The phrase, "sell, rent or lease," in addition to its general definition, shall be defined as including the transferring of a unit owner's interest by gift, devise, or involuntary or judicial sale. In the event a unit owner dies and his unit

is conveyed or devised to some person other than his spouse, children or parents, or if some other person is designated by decedent's legal representative to receive the ownership of the condominium unit, or if under the laws of descent and distribution of the State of Florida, the condominium descends to some person or persons other than the decedent's spouse, children or parents, the Board of Directors of the Association shall, within thirty (30) days of proper evidence or rightful designation served upon the President or any other officer of the Association, or within thirty (30) days from the date the Association is placed on actual notice of the said devisee or descendant, express its refusal or acceptance of the individual or individuals so designated as owner of the condominium parcel. If the Board of Directors of the Association shall consent, ownership of the condominium parcel may be transferred to the person or persons so designated, who shall thereupon become the owner of the condominium parcel, subject to the provisions of this Declaration of Condominium and the By-Laws of the Association. If, however, the Board of Directors of the Association shall refuse to consent, then the members of the Association shall be given an opportunity during thirty (30) days next after said last above mentioned thirty (30) days to purchase or to furnish a purchaser for cash, the said condominium parcel at the then fair market value thereof. Should the parties fail to agree on the value of such condominium parcel, the same shall be determined by an appraiser appointed by the senior Judge of the Circuit Court in and for the area wherein the condominium is located, upon ten (10) days notice, on petition of any party in interest. The expense of appraisal shall be paid by the said designated person or persons or the legal representative of the deceased owner out of the amount realized from the sale of such condominium parcel. In the event the then members of the Association do not exercise the privilege of purchasing or furnishing a purchaser for said condominium parcel within such period and upon such terms, the person or persons so designated may then, and only in such event, take title to the condominium parcel; or, such person or persons or the legal representative of the deceased owner may sell the said condominium parcel, but such sale shall be subject in all other respects to the provisions of this enabling Declaration of Condominium and the By-Laws of the Association.

5. The liability of the unit owner under these covenants shall continue notwithstanding the fact that he may have leased, rented or sublet said interest, as provided herein. Every purchaser, tenant or lessee shall take subject to this Declaration of Condominium and the By-Laws of the Association, as well as the provisions of the Condominium Act.

6. Special Provisions re Sale, Leasing, Mortgaging or Other Alienation by certain Mortgagees and the Developer.

(a) An institutional first mortgagee holding a mortgage on a condominium parcel upon becoming the owner of said condominium parcel through foreclosure or by deed in lieu of foreclosure, or whomsoever shall become the acquirer of title at the foreclosure sale of an institutional first mortgage shall have the unqualified right to sell, lease or otherwise transfer said unit, including the fee ownership thereof, and/or to mortgage said parcel without prior offer to the Board of Directors of the Association. The provisions of Paragraphs A and B, sub-paragraphs 1-5, of this Article XI, shall be inapplicable to such institutional first mortgagee or the acquirer of the title as described above in this paragraph.

(b) The provisions of Paragraphs A and B, Sub-paragraphs 1-5 of this article XI, shall be inapplicable to the Developer. The said Developer is irrevocably empowered to sell, lease, rent and/or mortgage condominium parcels or units, and portions thereof, to any purchaser, lessee or mortgagee approved by it, and the Developer shall have the right to transact any business necessary to consummate sales or rentals of units, or portions thereof, including but not

limited to, the right to maintain models, have signs, use the common elements, and to show units. The sales office(s), signs, and all items pertaining to sales, shall not be considered common elements, and shall remain the property of the Developer. In the event that there are unsold parcels, the Developer retains the right to be the owner of said unsold parcels under the same terms and conditions as all other parcel owners in said Condominium; however, said Developer, at such time as he continues to be parcel owner, and not exceeding twenty-four (24) months after the date of the filing of the said Declaration, shall only be required to contribute such sums to the common expenses of the Condominium, in addition to the total monthly common expenses and assessments paid by all other parcel owners as may be required by the Association to maintain the Condominium and fulfill its obligations, as provided in this Declaration and the Exhibits attached hereto, but in no event shall the Developer be required to contribute to the common expenses as to the parcels owned by him, in an amount exceeding the obligation for such unit, as specified and set forth in Exhibit A attached to this Declaration. Commencing twenty-four (24) months after the date of the filing of this Declaration of Condominium, the Developer shall contribute to the common expenses, as to the parcels owned by him, in the same manner as all other parcel owners, as provided in Exhibit A attached to this Declaration.

## XII

## INSURANCE PROVISIONS

A. LIABILITY INSURANCE

The Board of Directors of the Association shall obtain public liability and property damage insurance covering all of the common elements of the condominium, and insuring the Association and the common owners as its and their interests appear, in such amounts as the Board of Directors of the Association may determine from time to time, provided that the minimum amount of coverage shall be \$250,000/\$500,000/\$10,000. Said insurance shall include but be not limited to water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverages. All liability insurance shall contain cross-liability endorsements to cover liabilities of the unit owners as a group to a unit owner. Premiums for the payment for such insurance shall be paid by the Association and charged as a common expense.

B. CASUALTY INSURANCE

1. Purchase of Insurance. The Association shall obtain fire and extended coverage insurance and vandalism and malicious mischief insurance, insuring all the insurable improvements within the Condominium, including personal property owned by the Association, in and for the interests of the Association, all unit owners and their mortgagees, as their interests may appear, in a company acceptable to the standards set by the Board of Directors of the Association, in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors of the Association; the premiums for such coverage and other expenses in connection with such insurance shall be paid by the Association and charged as a common expense. The company or companies with whom the Association shall place its insurance coverage as provided in this Declaration must be good and responsible companies authorized to do business in the State of Florida. The institutional first mortgagee owning and holding the first recorded mortgage encumbering a condominium unit shall have the right for so long as it owns and holds any mortgage encumbering a

condominium unit, to approve the policies and the company or companies who are the insurers under the insurance placed by the Association as herein provided in the amount thereof and the further right to designate and appoint the Insurance Trustee. At such time as aforesaid Institutional first mortgagee is not the holder of a mortgage on a unit, then these rights of approval and designation shall pass to the Institutional first mortgagee having the highest dollar indebtedness on units in the condominium property and in the absence of the action of said mortgagee, the Association shall have the right without qualification.

2. Loss Payable Provisions--Insurance Trustee. All policies purchased by the Association shall be for the benefit of the Association, all unit owners and their mortgagees, as their interests may appear. Such policies shall be deposited with the Insurance Trustee (as hereinafter defined), who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof. The Insurance Trustee may be the named insured and it shall not be necessary to name the Association or the unit owners; however, a mortgagee endorsement shall be issued. Said policy shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Insurance Trustee, which may be any bank in Florida with trust powers as may be approved by the Board of Directors of the Association, which Trustee is herein referred to as the Insurance Trustee. The Insurance Trustee shall not be liable for the payment of premiums nor for the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds, nor for the form or contents of the policies. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Association, the unit owners and their respective mortgagees, in the following shares, but such shares need not be set forth upon the records of the Insurance Trustee.

(a) Common Elements. Proceeds on account of damage to common elements--an undivided share for each unit owner, such share being the same as the undivided share in the common elements appurtenant to his unit.

(b) Condominium Units. Proceeds on account of condominium units shall be in the following undivided shares:

1. Partial Destruction--When units are to be repaired and restored--for the owners of the damaged units in proportion to the cost of repairing the damage suffered by each unit owner.

2. Total Destruction of Condominium Improvements or Where "Very Substantial" Damage Occurs and the Condominium Improvements are not to be Restored as Provided Hereinafter in this Article--For the owners of all condominium units, each owner's share being in proportion to his share in the common elements appurtenant to his condominium unit.

(c) Mortgagees. In the event a mortgagee endorsement has been issued to a unit, the share of a unit owner shall be held in trust for the mortgagee and the unit owner as their interests may appear; provided, however, that no mortgagee shall have the right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

3. Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners and expended or disbursed after first paying or making provision for the payment of the expenses of the Insurance Trustee in the following manner:



(a) Reconstruction or Repair. If the damage for which the proceeds were paid is to be repaired and restored, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, all remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by him. Said remittance shall be made solely to an institutional first mortgagee when requested by such institutional first mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment or reduction of its mortgage debt.

(b) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be repaired and restored, the proceeds shall be disbursed to the beneficial owners; remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by him. Said remittance shall be made solely to an institutional first mortgagee when requested by such institutional first mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment of its mortgage debt. In the event of loss or damage to personal property belonging to the Association and should the Board of Directors of the Association determine not to replace such personal property as may be lost or damaged, the proceeds shall be disbursed to the beneficial owners as surplus in the manner elsewhere stated.

(c) Certificate. In making distribution to the unit owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association as to the names of the unit owners and their respective shares of the distribution approved in writing by an attorney authorized to practice law in the State of Florida, or a title insurance company or abstract company authorized to do business in the State of Florida. Upon request of the Insurance Trustee, the Association forthwith shall deliver such certificate.

4. Loss Within Single Unit. If loss shall occur within a single unit or units without damage to the common elements, the insurance proceeds shall be distributed to the beneficial unit owner, remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by him. Said remittance shall be made solely to an institutional first mortgagee when requested by such institutional first mortgagee whose mortgage provides that it has the right to require application of the insurance proceeds to the payment or reduction of its mortgage debt. The unit owner shall thereupon be fully responsible for the restoration of the unit.

5. Loss Less Than "Very Substantial". Where a loss or damage occurs to more than one unit, or to the common elements, or to any unit or units and the common elements, but said loss is less than "very substantial" (As hereinafter defined), it shall be obligatory upon the Association and the unit owners to repair, restore and rebuild the damage caused by said loss. Where such loss or damage is less than "very substantial":

(a) The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the cost of repairing and restoration.

(b) If the damage or loss is limited to the common elements, with no, or minimum damage or loss to any individual units, and if such damage or loss to the common elements is less than \$3,000, the insurance proceeds shall be endorsed by the Insurance Trustee over to the Association, and the Association shall promptly contract for the repair and restoration.

(c) If the damage or loss involves individual units encumbered by institutional first mortgages, as well as the common elements, or if the damage is limited to the common elements alone, but is in excess of \$3,000.00, the insurance proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property upon the written direction and approval of the Association and provided,



however, that upon the request of an institutional first mortgagee, the written approval shall also be required of the institutional first mortgagee owning and holding the first recorded mortgage encumbering a condominium unit so long as it owns and holds any mortgage encumbering a condominium unit. At such time as the aforesaid first institutional mortgagee is not the holder of a mortgage on a unit, then this right of approval and designation shall pass to the institutional first mortgagee having the highest dollar indebtedness on units in the condominium property. Should written approval be required as aforesaid, it shall be said mortgagee's duty to give written notice thereof to the Insurance Trustee. The Insurance Trustee may rely upon the certificate of the Association and the aforesaid institutional first mortgagee, if said institutional first mortgagee's written approval is required, as to the payee and the amount to be paid from said proceeds. All payees shall deliver paid bills and waivers of mechanics' liens to the Insurance Trustee, and execute any Affidavit required by law or by the Association, the aforesaid institutional first mortgagee, and Insurance Trustee, and deliver same to the Insurance Trustee. In addition to the foregoing, the institutional first mortgagee, whose approval may be required as aforesaid, shall have the right to require the Association to obtain a completion, performance and payment bond in an amount and with a bonding company authorized to do business in the State of Florida, which are acceptable to said mortgagee.

(d) Subject to the foregoing, the Board of Directors shall have the right and obligation to negotiate and contract for the repair and restoration of the premises.

(e) If the net proceeds of the insurance are insufficient to pay for the estimated cost of restoration and repair (or for the actual cost thereof if the work has actually been done), the Association shall promptly upon determination of the deficiency, levy a special assessment against all unit owners in proportion to the unit owner's share in the common elements for that portion of the deficiency as is attributable to the cost of restoration of the common elements, and against the individual unit owners for that portion of the deficiency as is attributable to his individual unit; provided, however, that if the Board of Directors finds that it cannot determine with reasonable certainty the portion of the deficiency attributable to specific individual damaged unit(s), then the Board of Directors shall levy the assessment for the total deficiency against all of the unit owners in proportion to the unit owner's share in the common elements just as though all of said damage had occurred to the common elements. The special assessment funds shall be delivered by the Association to the Insurance Trustee and added by said Trustee to the proceeds available for the repair and restoration of the property.

(f) In the event the insurance proceeds are sufficient to pay for the cost of restoration and repair, or in the event the insurance proceeds are insufficient but additional funds are raised by special assessment within ninety (90) days, after the casualty so that sufficient funds are on hand to fully pay for such restoration and repair, then no mortgagee shall have the right to require the application of insurance proceeds to the payment of its loan, provided, however, that this provision may be waived by the Board of Directors in favor of any institutional first mortgagee upon request therefor at any time. To the extent that any insurance proceeds are required to be paid over to such mortgagee, the unit owners shall be obligated to replenish the funds so paid over, and said unit owner and his unit shall be subject to special assessment for such sum.

6. "Very Substantial" Damage. As used in this Declaration, or any other context dealing with this condominium, the term "very substantial" damage shall mean loss or damage whereby three-fourths (3/4) or more of the total unit space of the condominium is rendered untenable, or loss or damage whereby seventy-five percent (75%), or more, of the total amount of insurance coverage (placed pursuant to Article XII B-1) becomes payable. Should such "very substantial" damage occur, then:

(a) The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the cost of repair and restoration.

OFFICIAL RECORD

BOOK 467 PAGE 40

(b) The provisions of Article XII B-5 (f) shall not be applicable to any institutional first mortgagee who shall have the right if its mortgage so provides to require applications of the insurance proceeds to the payment or reduction of its mortgage debt. The Board of Directors shall ascertain as promptly as possible the net amount of insurance proceeds available for restoration and repair.

(c) Thereupon, a membership meeting shall be called by the Board of Directors of the Association, to be held not later than sixty (60) days after the casualty, to determine the wishes of the membership with respect to the abandonment of the condominium project, subject to the following:

(1) If the net insurance proceeds available for restoration and repair, together with funds advanced by unit owners to replace insurance proceeds paid over the institutional first mortgagees, are sufficient to cover the cost thereof so that no special assessment is required, then the condominium property shall be restored and repaired, unless two-thirds (2/3) of the total votes of the members of the Association shall vote to abandon the condominium project, in which case the condominium property shall be removed from the provisions of the law, in accordance with Section 711.16, Florida Statutes, and there shall be recorded in the Public Records of Bay County, Florida, an instrument terminating this condominium, which said instrument shall further set forth the facts effecting the termination, certified by the Association and executed by its President and Secretary. Termination of the condominium shall become effective upon the recording of said instrument, and the unit owners shall, thereupon, become owners as tenants in common in the property, that is, the real, personal, tangible and intangible personal property, and any remaining structures of the condominium and their undivided interests in the property shall be the same as their undivided interests in the common elements of this condominium prior to its termination and the mortgages and liens upon condominium parcels shall become mortgages and liens upon the undivided interests of such tenants in common with the same priority as existed prior to the termination of the condominium.

(2) If the net insurance proceeds available for restoration and repair, together with funds advanced by unit owners to replace insurance proceeds paid over to institutional first mortgagees are not sufficient to cover costs thereof, so that a special assessment will be required, then if a majority of the total votes of the members of the Association vote against such special assessment and to abandon the condominium project, then it shall be so abandoned and the property removed from the provision of the law in accordance with Section 711.16, Florida Statutes, and with the preceding paragraph hereof. In the event a majority of the total members of the Association vote in favor of the special assessment, the Association shall immediately levy such assessment and thereupon the Association shall proceed to negotiate and contract for such repairs and restoration, subject to the provisions of Sub-paragraph 5 (c) and (d) above. The special assessment funds shall be delivered by the Association to the Insurance Trustee and added by said Trustee for the repair and restoration of the property as provided in Sub-paragraph 5 (c) above. To the extent that any insurance proceeds are paid over to such mortgagee and in the event it is determined not to abandon the condominium project and to vote such special assessment to his mortgagee and said unit owner and his unit shall be subject to special assessment for such sum.

In the event any dispute shall arise as to whether or not "very substantial" damage has occurred, it is agreed that such a finding made by the Board of Directors of the Association shall be binding upon all unit owners.

7. Surplus. It shall be presumed that the first moneys disbursed in payment of costs of repair and restoration shall be from the insurance proceeds; and if there is a balance in the funds held by the Insurance Trustee after payment of all costs of the repair and restoration, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated.

8. Certificate. The Insurance Trustee may rely upon a certificate of the Association, certifying as to whether or not the damaged property is to be repaired and restored. Upon request of the Insurance Trustee, the Association forthwith shall deliver such certificate.

9. Plans and Specifications. Any repair and restoration must be substantially in accordance with the plans and specifications for the original building, or as the building was last constructed, or according to the plans approved by the Board of Directors of the Association, which approval shall not be unreasonably withheld. If any material or substantial change is contemplated, the approval of all institutional first mortgagees shall also be required.

10. Association's Power to Compromise Claim. The Association is hereby irrevocably appointed agent for each unit owner for the purpose of compromising and settling claims arising under insurance policies purchased by the Association, and to execute and deliver releases therefor upon the payment of claims.

C. Workmen's Compensation Policy to Meet the Requirements of Law.

D. Such other insurance as the Board of Directors of the Association may determine from time to time to be desirable.

E. Each individual unit owner shall be responsible for purchasing, at his own expense, liability insurance to cover accidents occurring within his own unit, and for purchasing insurance upon his own personal property, and living expense insurance. Such insurance, where applicable, shall contain the same waiver of subrogation, if available, as referred to in Paragraph F hereinafter.

F. If available and where applicable, the Board of Directors of the Association shall endeavor to obtain policies which provide that the insurer waives its rights of subrogation as to any claims against unit owners, the Association, and their respective servants, agents and guests.

### XIII

#### USE AND OCCUPANCY

The owner of a unit shall occupy and use his apartment as a single family private dwelling for himself and the members of his family, his social guests, his lessees as provided for in this Declaration, and for no other purpose. The unit owner shall not permit or suffer anything to be done or kept in his unit which will increase the rate of insurance on the condominium property, or which will obstruct or interfere with the rights of other unit owners, or annoy them by unreasonable noises, or otherwise; nor shall the unit owner commit or permit any nuisance, immoral or illegal act in or about the condominium property.

No animals or pets of any kind shall be kept in any unit, or on any property of the condominium, except with the written consent of the Board of Directors and thereafter, under the Rules and Regulations adopted by the Board; provided that they are not kept, bred or maintained for any commercial purpose, and further, provided that such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the property subject to these restrictions, upon three days written notice from the Board.

The unit owner shall not cause anything to be hung, displayed or placed on the exterior walls, doors or windows of the building, without the prior written consent of the Board of Directors of the Association. No clothes line or similar device shall be allowed on any portion of the condominium property by any person, firm or corporation without the written consent of the Board of Directors.

No person shall use the common elements or any part thereof, or a condominium unit or the condominium property, or any part thereof, in any manner contrary to or not in accordance with such rules and regulations pertaining thereto, as from time to time may be promulgated by the Association.

The Initial Rules and Regulations are captioned "Building Rules and Regulations," and are as set forth in the By-Laws of the Association, which are annexed hereto as "Exhibit 2." The said Building Rules and Regulations shall be deemed effective until amended, as provided in the By-Laws.

## XIV

## MAINTENANCE AND ALTERATIONS

A. The Board of Directors of the Association may enter into a contract with any firm, person or corporation, for the maintenance and repair of the Condominium property.

B. There shall be no material alterations, or substantial additions to the common elements or limited common elements, except as the same are authorized by the Board of Directors, and ratified by the affirmative vote of voting members casting not less than seventy-five percent (75%) of the total votes of the members of the Association present at any regular or special meeting of the unit owners called for that purpose, provided the aforesaid alterations or additions do not prejudice the right of any unit owner unless his consent has been obtained. The cost of the foregoing shall be assessed as common expenses. Where any alterations or additions as aforesaid are exclusively or substantially exclusively for the benefit of the unit owner(s) requesting same, then the cost of such alterations or additions shall be assessed against and collected solely from the unit owners exclusively or substantially exclusively benefiting and the assessment shall be levied in such proportion as may be determined as fair and equitable by the Board of Directors of the Association. Where such alterations or additions exclusively or substantially exclusively benefit unit owners requesting same, said alterations or additions shall only be made when authorized by the Board of Directors and ratified by not less than seventy-five percent (75%) of the total votes of the unit owners exclusively or substantially exclusively benefiting therefrom, and where said unit owners are ten or less, the approval of all but one shall be required.

C. Each unit owner agrees as follows:

1. To maintain in good condition and repair his unit, and all interior surfaces within or surrounding his unit (such as the surfaces of the walls, ceiling, floors, etc.), whether or not part of the unit or common elements, and to maintain and repair the fixtures therein, which includes but is not limited to the following where applicable: air conditioning and heating units; refrigerators, stoves, fans and hot water heaters, and to pay for such utilities as are separately metered to his unit. Where a unit is carpeted, the cost of replacing carpeting shall be borne by the owner of said unit. Likewise, where a unit is furnished, the cost of replacing or repairing such furniture shall be borne by the owner of said unit.

2. Not to make or cause to be made any structural addition or alteration to his unit, or to the common elements, without prior consent of the Association, and all mortgagees holding a mortgage on his unit.

3. To make no alteration, decoration, repair, replacement or change of the common elements, or to any outside or exterior portion of the building whether within a unit or part of the common elements; to only use those contractors or subcontractors within his unit approved by the Board of Directors.

4. To allow the Board of Directors, or the agents or employees of the Association, to enter into any unit for the purpose of maintenance, inspection, repair, replacement of the improvements within the units or the common elements, or to determine in case of emergency circumstances threatening units or the common elements, or to determine compliance with the provisions of this Declaration and the By-Laws of the Association.

5. To show no signs, advertisements or notices of any type on the common elements, or his unit and erect no exterior antenna and aerials except as consented to by the Board of Directors of the Association.

D. In the event the owner of a unit fails to maintain it as required herein, or make any structural addition or alteration without the required written consent, or otherwise violates or threatens to violate the provisions hereof, the Association shall have the right to proceed in a court of law for an injunction to seek compliance with the provisions hereof. In lieu thereof, and in addition thereto, the Association shall have the right to levy an assessment against the owner of the unit, and the unit, for such necessary sums and to restore the property to good condition and repair. Said assessment shall have the same force and effect as all other special assessments. The Association shall have the further right to have its employees and agents, or any subcontractors appointed by it, enter the unit at all reasonable times, to do such work as is deemed necessary by the Board of Directors of the Association to enforce compliance with the provisions hereof.

E. The Association shall determine the exterior color scheme of the building and all exteriors, and shall be responsible for the maintenance thereof, and no owner shall paint an exterior wall, door, window or balcony, or any exterior surface or replace anything thereon or affixed thereto, without the written consent of the Association.

XV

LIMITED COMMON ELEMENTS

If any areas are designated on Exhibit 1 hereto as limited common elements, any expense for maintenance, repair or replacement shall be treated as and paid for as a part of the common expense of the Association. Should said maintenance, repair or replacement be caused by the negligence or misuse of a unit owner, his family or the guests, servants and invitees, he shall be responsible therefor, and the Association shall have the right to levy an assessment against the owner of said unit, which assessment shall have the same force and effect as all other special assessments.

XVI

TERMINATION

This Condominium may be voluntarily terminated in the manner provided for in Section 711.16, Florida Statutes, at any time. However, when there has been "very substantial" damage, as defined in Article XII B (6) above, this Condominium shall be subject to termination as provided in Article XII B (6) above.

MISCELLANEOUS PROVISIONS

A. The owner of the respective "condominium unit" shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding his respective condominium unit, nor shall the unit owner be deemed to own pipes, wires, conduits, or other public utility lines running through said respective condominium unit which are utilized for or serve more than one condominium unit, which items are by these presents hereby made part of the common elements. Said unit owner, however, shall be deemed to own the walls and partitions which are contained in said unit owner's respective condominium unit, and also shall be deemed to own the inner decorated and/or finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint, wallpaper, etc.

B. The owners of the respective condominium units agree that if any portion of a condominium unit or common element or limited common element encroaches upon another, a valid easement for the encroachment and maintenance of same, as long as it stands, shall and does exist. In the event the condominium building is partially or totally destroyed, and then rebuilt, the owners of the condominium parcels agree that encroachments of parts of the common elements or limited common elements or condominium units, as aforescribed, due to construction, shall be permitted, and that a valid easement for said encroachments and the maintenance thereof shall exist.

C. The owner of a condominium parcel may exempt himself from liability for his contribution toward the common expenses by waiver of the use and enjoyment of any of the common elements, or by the abandonment of his condominium unit.

D. The owners of each and every condominium parcel shall return the same for the purpose of ad valorem taxes with the Tax Assessor of the County wherein the condominium is situate, or such other future legally authorized governmental authority or officer having jurisdiction over the same. Nothing herein shall be construed, however, as giving to any unit owner the right of contribution or any right of adjustment against any other unit owner on account of any deviation by the taxing authorities from the valuations herein prescribed, each unit owner to pay such ad valorem taxes and special assessments as are separately assessed against his "condominium parcel."

For the purposes of ad valorem taxation, the interests of the owner of a "condominium parcel", in his "condominium unit," and in the "common element," shall be considered as a unit. The value of such unit shall be equal to the percentage of the value of the entire condominium, including land and improvements as has been assigned to said unit and as set forth in this Declaration. The total of all of said percentages equals 100% of the value of all of the land and improvements thereon.

E. All provisions of this Declaration and Exhibits attached hereto and Amendments thereof, shall be construed to be covenants running with the land, and of every part thereof and interest therein, including but not limited to every unit and the appurtenances thereto, and every unit owner and claimant of the property or any part thereof or of any interest therein, and his heirs, executors, administrators, successors and assigns, shall be bound by all of the provisions of said Declaration and Exhibits annexed hereto and Amendments thereof.

F. If any provisions of this Declaration or of the By-Laws attached hereto or of the Condominium Act or any section, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held invalid, the validity of the remainder of this Declaration, the By-Laws attached hereto, or the Condominium Act, and of the application of any such provision, section, sentence, clause, phrase or word, in other circumstances, shall not be affected thereby.

G. Whenever notices are required to be sent hereunder, the same may be delivered to unit owners, either personally or by mail addressed to such unit owners, at their place of residence in the condominium building, unless the unit owner has, by prior written notice duly receipted for, specified a different address. Proof of such mailing or personal delivery by the Association shall be given by the Affidavit of the person mailing or personally delivering said notices. Notices to the Association shall be delivered by mail to the office of the Association at Bay Point Panama City Beach, Florida. Notices to the Developer shall be delivered by mail at Bay Point, Panama City Beach, Florida 32401. All notices shall be deemed and considered sent when mailed. Any party may change its mailing address by written notice duly receipted for. Notices required to be given the personal representative of a deceased owner or devisee, when there is no personal representative, may be delivered either personally or by mail to such party at his or its address appearing in the records of the Court wherein the estate of such deceased owner is being administered.

H. Nothing hereinabove set forth in this Declaration shall be construed as prohibiting the Developer or the Board of Directors of the Association from removing, or authorizing the removal of any party wall between any condominium units in order that the said units might be used together as one integral unit. In such event, all assessments, voting rights and the share of common elements shall be calculated as if such units were as originally designated on the exhibits attached to this Declaration, notwithstanding the fact that several units are used as one, to the intent and purpose that the unit owner of such "combined" units shall be treated as the unit owner of as many units as have been so combined.

I. The "Remedy for Violation," provided for by Section 711.23, Florida Statutes, shall be in full force and effect. In addition thereto, should the Association find it necessary to bring a Court action to bring about compliance with the law, this Declaration and the By-Laws, upon a finding by the Court that the violation complained of is willful and deliberate, the unit owner so violating shall reimburse the Association for reasonable attorney's fees incurred by it in bringing such action, as determined by the Court.

J. The change of any mailing address of any party to this Declaration of Condominium shall not require an Amendment to this Declaration.

K. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and the plural shall include the singular. The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the condominium.

L. The captions used in this Declaration and Exhibits annexed hereto are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text of this Declaration or Exhibits hereto annexed.

M. Where an institutional first mortgage by some circumstance fails to be a first mortgage, but it is evident that it is intended to be a first mortgage, it shall nevertheless, for the purpose of this Declaration and Exhibits annexed, be deemed to be an institutional first mortgage.

N. If any term, covenant, provision, phrase, or other element of the condominium documents is held invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify, or impair in any manner whatsoever, any other term, provision, covenant, or element of the condominium documents.



O. The Developer specifically disclaims any intent to have made any warranty or representation in connection with the property or the condominium documents, except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made therein. Any estimates of common expenses, taxes or other charges are deemed accurate, but no warranty or guaranty is made or intended, nor may one be relied upon.

P. In order to insure the Condominium of adequate and uniform water, sewage disposal and television cable service, Developer shall have and hereby reserves the exclusive right to contract for the servicing of this Condominium and the unit owners therein with said services. This right may be terminated by a waiver executed by the Developer in writing.

Q. Notwithstanding the fact that the present provisions of the Condominium Act of the State of Florida incorporated by reference and included herein thereby, the provisions of this Declaration and Exhibits thereto shall be paramount to the condominium act as to those provisions where permissive variances are permitted; otherwise, the provisions of said Condominium Act shall prevail and shall be deemed incorporated therein.

R. No Condominium parcel shall bring, or have any right to bring, any act of partition or division of the Condominium property.

S. This Declaration of Condominium and Exhibits thereto shall be interpreted under the laws of the State of Florida.

T. Each member of the operating entity as provided for in Article IX hereof shall also be a member of the Bay Point Improvement Association, Inc., a Florida non-profit corporation; a copy of the Articles of Incorporation of said corporation is attached hereto as Exhibit "4".

IN WITNESS WHEREOF, THE GRAND LAGOON COMPANY has caused these presents to be signed in its name by its President, and its Corporate Seal affixed, attested by its Secretary, this 15th day of December, 1973.

THE GRAND LAGOON COMPANY

B: Richard [Signature] (SEAL)  
Its President

ATTEST:

[Signature]  
Secretary

Signed, sealed and delivered  
in the presence of:

Hal Carlson

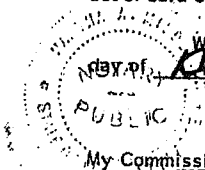
Theresa A. Middleton





STATE OF FLORIDA )  
                          )  
COUNTY OF BAY    )

BEFORE ME, the undersigned authority, personally appeared Cliff M. Averett, Jr. and Thomas P. Talley to me well known to be the persons described in and who executed the foregoing instrument, as President and Secretary, respectively, of THE GRAND LAGOON COMPANY, a Florida corporation, and they severally acknowledged before me that they executed such instrument as such officers of said corporation, and that the seal affixed thereto is the true corporate seal of said corporation, and that it was affixed to said instrument by due and regular act of said corporation.



WITNESS my hand and seal at the County and State aforesaid, this 15<sup>th</sup> day of December, 1973.

Martha A. Middleton  
Notary Public

My Commission Expires: \_\_\_\_\_  
NOTARY PUBLIC STATE OF FLORIDA AT LARGE

FOR GOOD AND VALUABLE CONSIDERATION, receipts whereof is hereby acknowledged, BAY POINT STUDIO VILLAS II ASSOCIATION, INC., a Florida non-profit corporation, hereby agrees to accept all of the benefits and all of the duties, responsibilities, obligation, and burdens imposed upon it by the provisions of this Declaration and Exhibits attached hereto.

IN WITNESS WHEREOF, BAY POINT STUDIO VILLAS II ASSOCIATION, INC., a Florida non-profit corporation, has caused these presents to be signed in its name by its President, and its Corporate Seal affixed and attested by its Secretary, this 15<sup>th</sup> day of December, 1973.

BAY POINT STUDIO VILLAS II ASSOCIATION, INC.

By: Cliff M. Averett, Jr.  
Its President

ATTEST:

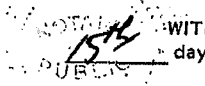
(Corporate Seal)

[Signature]  
Secretary



STATE OF FLORIDA )  
                          )  
COUNTY OF BAY    )

BEFORE ME, the undersigned authority, personally appeared Cliff M. Averett, Jr. and Thomas P. Talley to me well known to be the persons described in and who executed the foregoing instrument, as President and Secretary, respectively, of BAY POINT STUDIO VILLAS II ASSOCIATION, INC., a Florida non-profit corporation, and they severally acknowledged before me that they executed such instrument as such officers of said corporation, and that the seal affixed thereto is the corporate seal of said corporation, and that it was affixed to said instrument by due and regular corporate authority, and that said instrument is the free act and deed of said corporation.



WITNESS my hand and official seal at the County and State aforesaid, this 15<sup>th</sup> day of December, 1973.

Martha A. Middleton  
Notary Public

My Commission Expires: \_\_\_\_\_  
NOTARY PUBLIC STATE OF FLORIDA AT LARGE  
MY COMMISSION EXPIRES 16 NOVEMBER 1977

Bay Point Studio Villas II Association, Inc., a Florida non-profit corporation, has been formed to operate this Condominium, as set forth in the Articles of Incorporation attached hereto as Exhibit 3, and all members of the Association shall, as unit owners, share the common expenses in the foregoing ratios.

EXHIBIT A

<u>Condominium Unit and Parcel</u>	<u>Percentages of Undivided Interest In Common Elements</u>	<u>Unit Owner's Share of Common Expenses</u>
Unit No. 153	2.7778	2.7778
154	2.7778	2.7778
155	2.7778	2.7778
156	2.7778	2.7778
157	2.7778	2.7778
158	2.7777	2.7777
159	2.7778	2.7778
160	2.7778	2.7778
161	2.7778	2.7778
162	2.7778	2.7778
163	2.7778	2.7778
164	2.7778	2.7778
165	2.7777	2.7777
166	2.7777	2.7777
167	2.7778	2.7778
168	2.7778	2.7778
169	2.7777	2.7777
170	2.7777	2.7777
253	2.7778	2.7778
254	2.7778	2.7778
255	2.7778	2.7778
256	2.7778	2.7778
257	2.7778	2.7778
258	2.7777	2.7777
250	2.7778	2.7778
260	2.7778	2.7778
261	2.7778	2.7778
262	2.7778	2.7778
263	2.7778	2.7778
264	2.7778	2.7778
265	2.7777	2.7777
266	2.7778	2.7778
267	2.7778	2.7778
268	2.7778	2.7778
269	2.7778	2.7778
270	2.7777	2.7777

EXHIBIT NO. 1

SURVEYOR'S CERTIFICATE

STATE OF FLORIDA,

COUNTY OF BAY,

BEFORE ME, the undersigned authority duly authorized to administer oaths and take acknowledgements, personally appeared BUELL H. HARPER, JR., who after being first duly sworn, deposes and says as follows:

1. That he is a duly licensed land surveyor under the laws of the State of Florida, being Surveyor No. 1718.

2. Affiant hereby certifies that the Declaration of Condominium of BAY POINT STUDIO VILLAS II, together with the exhibits attached hereto, constitute a correct representation of the improvements located upon the real property described therein, and that there can be determined therefrom, the identification, location, dimension and size of the common elements, and of each Condominium Unit therein.

FURTHER AFFIANT SAYETH NAUGHT.

*Buell H. Harper, Jr.*

SWORN TO AND SUBSCRIBED before me this 14th day of

April, 1974.

*Elke M. Coleman*

NOTARY PUBLIC


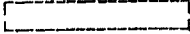
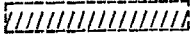
My Commission expires: 1-1-2014

EXHIBIT NO. 1

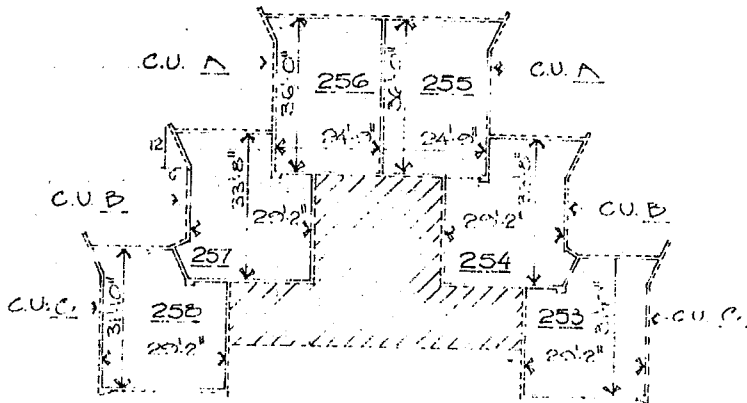




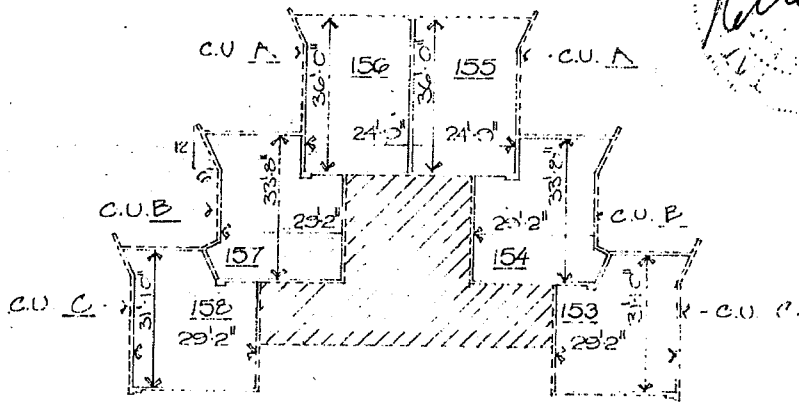
LEGEND

1. Each condominium unit consists of the space bounded by a vertical projection of the condominium unit boundary line shown and by the horizontal planes at the floor and ceiling elevations.
2. All interior angles of condominium units are 90°, unless otherwise noted.
3.  Indicates boundary of condominium units.  
 Indicates common element.  
 Indicates limited common element.
4. Parking areas are for the use of all condominium unit owners and specific parking areas will be assigned by the Association.
5. Exterior walls are 8" unless otherwise noted.
6. There are three plan configurations for condominium units identified as A, B, and C on the plans. All units have 1 bath and dressing area, 1 living and dining area, 1 bedroom area.
7. "All condominium units in the buildings located on the condominium property are given identifying numbers, which are delineated within each condominium unit space in this Exhibit. The condominium unit number together with the condominium building number, is the condominium parcel number".
8. "The condominium property shall be subject to such utility service easements as specified herein, and as the developer may hereafter deem necessary, pursuant to the Declaration of Condominium to which this Exhibit No. 1 is attached".
9. The following drawings, Sheets 4 of 6, 5 of 6 and 6 of 6 were prepared by Hecht and Burdeshaw, Architects.





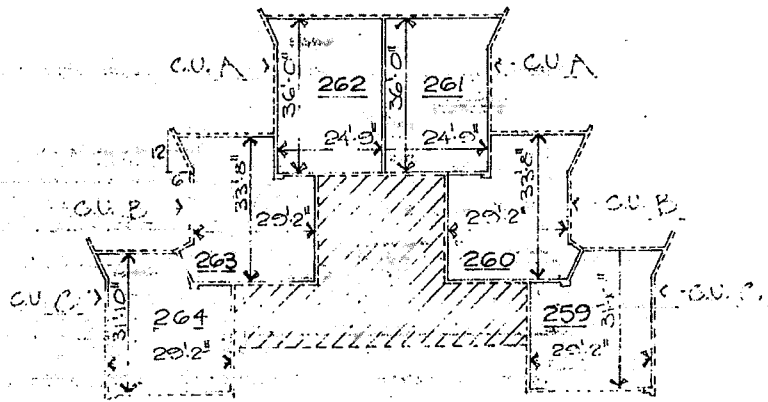
SECOND FLOOR PLAN



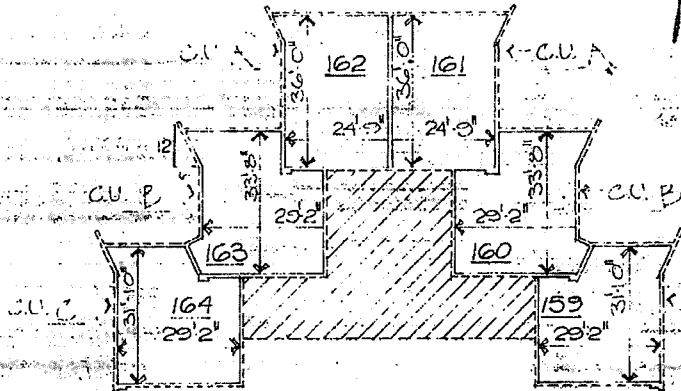
FIRST FLOOR PLAN

BUILDING #1

*Handwritten signature: Harry White*



SECOND FLOOR PLAN

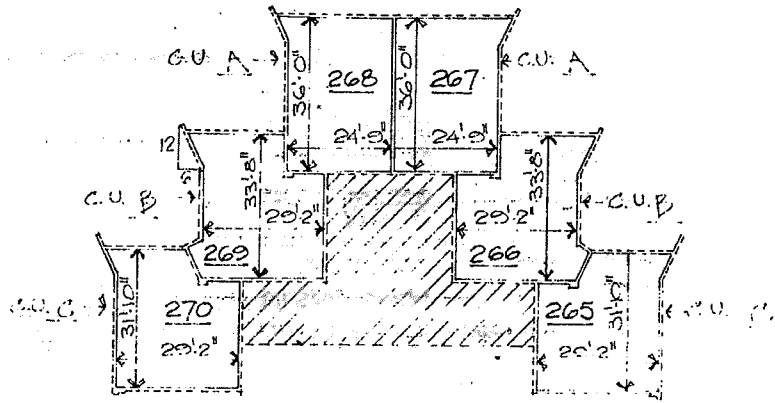


FIRST FLOOR PLAN

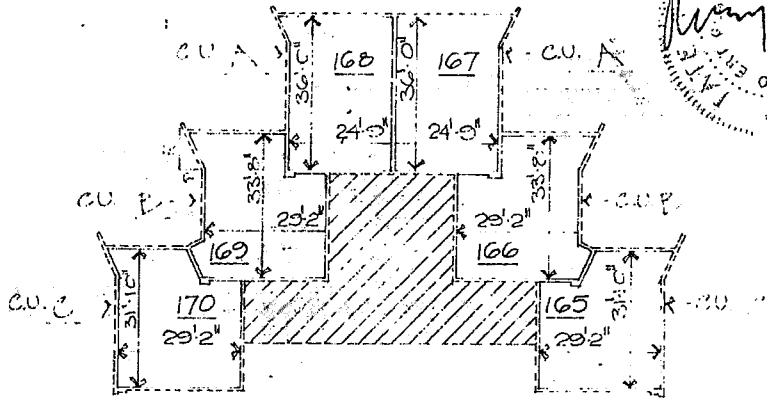
*Handwritten signature*  
A circular official stamp is partially visible behind the signature.

BUILDING # 2





SECOND FLOOR PLAN



FIRST FLOOR PLAN

BUILDING # 3

BY-LAWS  
OF  
BAY POINT STUDIO VILLAS II ASSOCIATION, INC.

ARTICLE I  
NAME AND LOCATION

Section 1. The name of this corporation shall be BAY POINT STUDIO VILLAS II ASSOCIATION, INC.

Section 2. The principal place of business shall be located at Delwood Beach Road, Panama City Beach, Florida.

ARTICLE II  
PURPOSE

Section 1. This corporation has been organized as a non-profit corporation pursuant to the provisions of Chapter 617, Florida Statutes, for the purpose of operating and managing BAY POINT STUDIO VILLAS II pursuant to the provisions of the Florida Condominium Act, Chapter 711, Florida Statutes. The condominium to be operated and managed by this corporation shall be located upon those lands located in Bay County, Florida, as described on Exhibit A which is annexed hereto and hereby made a part hereof.

Section 2. BAY POINT STUDIO VILLAS II ASSOCIATION, INC., was duly incorporated in the Office of the Secretary of State of the State of Florida on the 24th day of July, 1973, and its Articles of Incorporation were duly filed in the Office of the Secretary of State of the State of Florida on the 24th day of July, 1973, which Articles of Incorporation are attached to the Declaration of Condominium, as Exhibit 3.

Section 3. These By-Laws shall be attached to the Declaration of Condominium of BAY POINT STUDIO VILLAS II to be filed with the Clerk of the Circuit Court in and for Bay County, Florida, as Exhibit 2 thereto, and shall be considered a part thereof.

ARTICLE III  
MEMBERS

Section 1. All of the owners of condominium parcels (apartment units) shall be members of the corporation. Upon recording of a deed or by any other means which establish a change of record title to a condominium parcel by operation of law or otherwise, the new owner shall become a member of the corporation and the membership of the prior owner shall be thereby terminated.

Section 2. The owners of individual condominium parcels shall be entitled to a vote in the affairs of the corporation as set forth in the original Declaration of Condominium.

Section 3. No other person or legal entity shall be a member of the corporation or vote in its affairs.

ARTICLE IV  
MEMBERS MEETINGS

Section 1. The annual meeting of the members shall be held at 7:00 p.m. Central Standard Time on the second Monday in February of each year at the principal office of the corporation or at such other place as may be set forth in the notice of said meeting in Bay County, Florida. At such meeting the members shall elect Directors to serve until the next annual meeting of the members or until their successors shall be duly elected and qualified and for such other business as may be authorized to be transacted by the members.

Section 2. A special meeting of the members to be held at the same place as the annual meeting or such other place in Bay County, Florida, as may be set forth in the notice of said meeting, may be called at any time by the President, or in his absence, by the Vice President, or by a majority of the Board of Directors. It shall be the duty of the Directors, President or Vice President to call such a meeting whenever so requested by members holding thirty-three (33) percent or more of the voting rights of the corporation.

Section 3. Notice of the time and place of all annual and special meetings shall be mailed by the President or Vice President or Secretary to each member not less than ten days prior to the date of said meeting, to the address of said member as it appears upon the books of the corporation. A certificate of the officer mailing said notice shall be prima facie proof that said notice was given.

Section 4. The President or in his absence, the Vice President shall preside at all annual or special meetings of the membership.

Section 5. A quorum for members' meeting shall consist of persons entitled to cast fifty-one percent (51%) of the votes of the entire membership. In the event that a quorum is not present, the members present at any meeting, though less than a quorum, may adjourn the meeting to a future date.

The execution by any member of a copy of the minutes shall constitute the presence of such member for the purpose of determining a quorum and for the further purpose of validating all of the actions taken at said meeting.

Section 6. Votes may be cast in person or by proxy. All proxies shall be in writing and shall be filed with the Secretary and entered of record in the minutes of said meeting. No proxy shall be valid unless the same is executed by all members owning any interest in the individual condominium parcels.

Section 7. Annual or special meetings of the members may be held at any time or place without notice with the written consent of all members.

Section 8. In the event that any individual condominium parcels owned by more than one person or by a corporation or other entity, the owners of the same shall execute and deliver to the Secretary of the corporation or trustees, as the case may be, designating the person who shall be authorized to cast the vote allocated to such individual condominium parcel. Such certificate shall be valid until revoked by a subsequent certificate. Unless said certificate is filed with the Secretary of the corporation prior to the meeting in which said vote is to be cast, the vote of such owner shall not be considered for the purpose of determining a quorum or for any other purpose.

In the event that the approval or disapproval of the owner of an individual condominium parcel is required upon any subject, whether or not the same is the subject of any meeting, said approval or disapproval shall be executed by the same person who would be entitled to cast the vote of such owner at any corporation meeting.

Section 9. The order of business at all meetings of the members of the corporation where applicable shall be as follows:

- a. Election of chairman of the meeting.
- b. Call of the roll and certifying of proxies.
- c. Proof of notice of meeting or waiver of notice.
- d. Reading or waiver of reading of any unapproved minutes.
- e. Reports of officers.
- f. Reports of committees.
- g. Election of inspectors of election.
- h. Election of directors.
- i. Unfinished business.
- j. New business.
- k. Adjournment.

ARTICLE V  
TRANSFER OF ASSOCIATION CONTROL

Section 1. When unit owners other than the developer own fifteen percent (15%) or more of the units that will be operated ultimately by an association, the unit 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 of the association. Unit owners other than the developer shall be entitled to elect not less than a majority of the members of the Board of Directors of an association three (3) years after sales by the developer have been closed on seventy-five percent (75%) of the units that will be operated ultimately by the association, or three (3) months after sales have been closed by the developer on ninety percent (90%) of the units that will be operated ultimately by the association, or when all of the units that will be operated ultimately by the association have been completed and some of them have been sold and none of the others are being offered for sale by the developer in the ordinary course of business, whichever shall first occur. The developer shall be entitled to elect and maintain on the Board not less than (1) one member of the Board of Directors of an association as long as the developer holds for sale in the ordinary course of business any units in a condominium or cooperative operated by the association.

Section 2. Prior to or within a reasonable time after unit owners other than the developer elect a majority of the members of the Board of Directors of the association, the developer shall relinquish control of the association and shall deliver to the association all property of the unit owners and of the association held by or controlled by the developer, including but not limited to the following items, if applicable, as to each condominium operated by the association.

(a) Original declaration, association articles of incorporation, by-laws, minute books and regulations.

(b) Resignation of officers and members of Board of Directors.

(c) Accountings for association funds. The developer shall be liable to the association for all of these funds that are not properly expended. The developer shall bear all expenses of the association and of the operation of the condominium in excess of assessments or payments collected or due from unit owners by or to the association or the developer prior to the time the developer relinquished control of the association.

(e) All tangible personal property that is represented by the developer to be part of the common elements, or that is ostensibly part of the common elements, or that is property of the association, and inventories of these properties.

(f) As-built plans and specifications for construction of improvements and equipment, and for construction and installation of all mechanical components servicing the improvements and the site, certified by the developer or by an architect authorized to practice in this state that the plans represent the building and other improvements as constructed or remodeled.

(g) Insurance policies.

(h) Certificates of occupancy, if applicable.

(i) Other permits issued by governmental bodies, if applicable.

(j) Warranties of the contractor, subcontractors and suppliers, if any.

(k) Roster of unit owners and their addresses and telephone numbers.

(l) Leases, if any.

(m) Employment contracts, if any.

(n) Service contracts, if any.

(o) Other contracts, if any.

ARTICLE VI  
DIRECTORS

Section 1. The business affairs of the corporation shall be managed by a Board of Directors who shall be elected by the members. Said Board of Directors shall consist of not less than three persons nor more than fifteen. The exact number of directors is to be set at the annual meeting.

Provided, however, that until the developer transfers control of the condominium association as outlined in Article V, Section 1, the directors designated by the developer need not be owners of the units in the condominium and may not be removed by members of the association, as elsewhere provided herein. After the developer has transferred control of the condominium association, it shall be necessary for a member of the Board of Directors to be an owner of a condominium parcel or an official of any corporation owning an individual condominium parcel, or a trustee of a trust owning a condominium parcel.

Section 2. The original members of the Board of Directors shall be those persons set forth in the Articles of Incorporation and shall hold office until the developer terminates his control of the condominium as outlined in Article V, Section 1. At the first annual meeting of the members occurring on the second Monday in February after the developer transfers control of the condominium, the directors shall be annually elected by the members at said annual meeting, and such directors shall serve until the next annual meeting or until their successors are duly elected and qualified, or until they are removed in the manner elsewhere provided.

Section 3. After developer transfers control, in the event of a vacancy occurring in the Board of Directors for any reason whatsoever, the remaining directors shall elect a person of legal age to serve as a director for the unexpired portion of the term of the former director, except as to seat of developer pursuant to Article V, Section 1.

Section 4. After the developer has transferred control of the condominium to the association, a director may be removed from the office with or without cause by a vote of the majority of all condominium parcel owners at any regular or special meeting duly called. At said meeting a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 5. No compensation shall be paid to directors for their services as directors. Compensation may be paid to a director in his or her capacity as an officer or employee or for other services rendered to the corporation outside of his or her duties as a director. In this case, however, said compensation must be approved in advance by the Board of Directors and the director to receive said compensation shall not be permitted to vote on said compensation. The directors shall have the right to set and pay all salaries or compensation to be paid to officers, employees or agents or attorneys for services rendered to the corporation.

Section 6. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such directors were elected and no notice shall be necessary to the newly elected directors in order to legally constitute such meeting, providing a majority of the whole board shall be present.

Section 7. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Board of Directors. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

The Directors may establish a schedule of regular meetings to be held in the office of the corporation and no notice shall be required to be sent to said Directors of said regular meetings, once said schedule has been adopted.

Section 8. Special meetings of the Board of Directors may be called by the President on five (5) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least five (5) Directors.

Section 9. Before or at any meeting of the Board of Directors, said Directors may, in writing, waive notice of said meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. At all meetings of the Board of Directors, a majority of the Board of Directors shall constitute a quorum for transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. 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. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called, may be transacted without further notice. The President of the Corporation shall act as Chairman of the Board of Directors and he shall be entitled to vote as a member of the Board of Directors on all questions arising before the Board of Directors.

Section 11. The Board of Directors shall have all the powers vested under common law and pursuant to the provisions of Chapter 617, Florida Statutes, and Chapter 711, Florida Statutes, together with any powers granted to it pursuant to the terms of the Articles of Incorporation of the corporation and the condominium documents, subject only to the approval of the owners of the individual condominium parcels that may be required under these By-Laws, the Articles of Incorporation and the condominium documents.

Such powers shall include but shall not be limited to the following:

- a. Management and operation of Bay Point Studio Villas II and its interests.
- b. To make and collect assessments from members for the purpose of operating and maintaining the condominium and interests.

- c. The maintenance, repair and replacement of the condominium property and interests.
- d. The reconstruction of improvements after any casualty in the further improvement of the property.
- e. The hiring and dismissal of any necessary personnel required to maintain and operate the condominium and its interests.
- f. Power to make and amend regulations respecting the use of the property and the condominium, provided however, that all such regulations and amendments thereto shall be approved by not less than 75% of the votes of the entire membership of the corporation before such shall become effective. Provided further, however, that until the second Monday in February, 1976, or until the developer elects to terminate his control of the condominium, whichever shall first occur, the Board of Directors shall have the authority to make and amend regulations respecting the use of the property in the condominium without the approval of the membership.
- g. To approve and disapprove proposed purchasers, lessees or assignees, sublessees and mortgagees of the condominium parcels in the manner provided in the Declaration of Condominium.
- h. To carry and pay the premium for such insurance as may be required for the protection of the owners of condominium parcels and the corporation against any casualty or any liability to third persons.
- i. To employ a management agent at a compensation established by the Board of Directors and to delegate to such management agent such powers and duties as the Board shall authorize, except those as are specifically required to be exercised by the Board of Directors or the membership.
- j. To enforce by legal means the provisions of the condominium documents, the Articles of Incorporation and the regulations for the use of the property in the condominium.
- k. To pay any taxes or special assessments against any condominium parcel where the same is in default, and to assess the same against the condominium parcel subject to said taxes and liens.
- l. To pay any taxes or special assessments on any condominium parcels acquired by the corporation through the enforcement of any lien held by the corporation against said condominium parcel.

ARTICLE VII  
OFFICERS

Section 1. The principal officers of the corporation shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an assistant Treasurer and an Assistant Secretary and such other officers as in their judgement may be necessary. The office of the Secretary and Treasurer may be filled by the same person.

Section 2. The officers of the corporation shall be elected annually by the Board of Directors at the annual meeting of each new Board and shall hold office until the next annual meeting of the Board of Directors or until their successors shall be duly elected and qualified except as hereinabove or herein-after provided.

Section 3. By an affirmative vote of the majority of the vote of the members of the Board of Directors, any officer may be removed, either with or without cause and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.



Section 4. The President shall be the chief executive officer of the corporation. He shall preside at all meetings of the corporation and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of a corporation, including, but not limited to, the power of appointing committees among the members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the corporation.

Section 5. The Vice President shall perform all the duties of President in his absence and such other duties as may be required of him from time to time by the Board of Directors.

Section 6. The Secretary shall issue notices of all Board of Directors' meetings and meetings of the membership and shall attend and keep minutes of the same; he shall have charge of all corporate books, records and papers; he shall be custodian of the corporate seal; he shall attest with his signature and press of the corporate seal all contracts or other documents required to be signed on behalf of the corporation and shall perform all other such duties as are incident to his office. The duties of the assistant secretary shall be the same as those of the Secretary in the absence of the Secretary.

Section 7. The Treasurer shall have the responsibility for corporation funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the corporation. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may from time to time be designated by the Board of Directors. The duties of the Assistant Treasurer shall be the same as those of the Treasurer in the absence of the Treasurer.

Section 8. Any vacancy in the office of President, Vice President, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary, or any other officer or employee for any reason whatsoever may be filled by the Board of Directors who may elect a successor to the vacant office at any regular or special meeting, which successor shall hold office for the balance of the unexpired term.

#### ARTICLE VIII FINANCE

Section 1. The funds of the corporation shall be deposited in such banks or depositories as may be determined by the Board of Directors from time to time, upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for monies signed by such officer or officers of the Association as may be designated by the Board of Directors.

Section 2. The fiscal year of the Association shall begin on the first day of January of each year; provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such times as the Board of Directors deem advisable.

Section 3. An audit of the accounts of the corporation shall be made annually and a copy of the report shall be furnished to each member not later than June 1st of the year following the year for which the report is made.

Section 4. The Board of Directors of the corporation shall maintain an assessment roll in a set of accounting books in which there shall be an account for each condominium parcel. Each account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which the assessments become due, the amounts paid upon the account, and the balance due upon the assessments.

Section 5. The Board of Directors shall adopt a budget each year for the following calendar year which shall contain estimates of the cost of operating and maintaining the corporation, including the following items:



- a. General expenses to be incurred in connection with the operation of the general common elements, and interests of the condominium, including the apartment building.
- b. A breakdown showing the proposed assessment against each owner for the above expenses.

Copies of the proposed budget and assessment shall be transmitted to each member on or before December 1st preceding the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished to each member concerned.

Section 6. The Board of Directors may require that a fidelity bond may be obtained for all officers and employees of the corporation handling or responsible for corporation funds. The amount of such bond shall be determined by the Board of Directors and the premium on such bond shall be paid by the corporation as an item of general expense.

Section 7. All assessments paid by members of the corporation for the maintenance and operation of the condominium shall be utilized by the corporation for the purpose of said assessments. Any excess of monies received from said assessments paid by any members shall be held by the corporation for the use and benefit of the members. Any surplus held by the corporation after the payment of expenses for maintaining and operating the general common elements shall be considered as general surplus and held for the benefit of all members. No distributions of any surplus shall be made in cash to the members at any time.

Section 8. Each member of the corporation shall maintain a working capital deposit with the corporation in a sum equal to the percentage of the member's ownership of the undivided elements multiplied by the sum of the annual insurance premium together with two monthly maintenance and operation assessments, as said insurance premium and monthly maintenance and operation assessment are established in the initial budget of the corporation. Such deposits are assignable but only with transfer of ownership of the unit in accordance with all requirements elsewhere stated.

#### ARTICLE IX

#### AMENDMENTS

Section 1. The Articles of Incorporation of the non-profit corporation may be amended by the members at a duly constituted meeting for such purpose, provided, however, that no amendment shall take effect unless approved by members representing at least 75% of the votes in the condominium as set forth in the Declaration of Condominium.

Section 2. The By-Laws may be amended by the corporation at a duly constituted meeting for such purpose provided, however, no amendment shall take effect unless approved by members representing at least 75% of the total votes in the condominium as set forth in the Declaration of Condominium.

Section 3. The Declaration of Condominium may be amended in accordance with the provisions of the Declaration of Condominium.

Section 4. No amendment to the Articles of Incorporation, the By-Laws or the Declaration of Condominium shall be valid without the written consent of 100% of the members as to the following:

- a. No amendment may be made which in any way changes the percentage of ownership owned by any member of a condominium parcel in the general common elements of the condominium, or which in any way changes or modifies the vote which may be cast by any member or which in any way modifies the percentage of the assessment to be levied against any member for the operation and maintenance of the common elements of the condominium.

Section 5. Before any amendment shall be effective, it shall also be approved by a majority of the members of the Board of Directors.

Section 6. Notice of the subject matter of any proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

Section 7. No amendment to the Articles of Incorporation or the By-Laws of the corporation, or the Declaration of Condominium shall be effective until the same has been recorded with the Clerk of the Circuit Court in and for Bay County, Florida.

THE FOREGOING WERE DULY ADOPTED AS THE BY-LAWS OF BAY POINT STUDIO VILLAS II ASSOCIATION, INC., A FLORIDA CORPORATION, NOT FOR PROFIT, AT THE FIRST MEETING OF THE BOARD OF DIRECTORS.

BAY POINT STUDIO VILLAS II ASSOCIATION, INC.

BY: [Signature]  
President

ATTEST: [Signature]  
Secretary

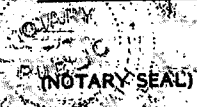


STATE OF FLORIDA

COUNTY OF BAY

BEFORE ME, the undersigned authority, personally appeared Clayton Austin, Jr. and Samuel Dallery, to me well known to be the President and Secretary, respectively, of Bay Point Studio Villas II Association, Inc. who, after being duly cautioned and sworn, depose and said that they executed the foregoing By-Laws for the purposes therein expressed.

SWORN TO AND SUBSCRIBED before me this 15th day of December, 1973.



[Signature]  
Notary Public, State of Florida  
My Commission Expires

NOTARY PUBLIC STATE OF FLORIDA AT LARGE  
MY COMMISSION EXPIRES 18 NOVEMBER 1974

RULES AND REGULATIONS

1. Passageways. The sidewalks, entrances, passages, vestibules, corridors and halls must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises.
2. Signs. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any apartment owner on any part of the outside or inside of any condominium building without the prior written consent of the Association.
3. Window and Door Treatment. No awnings or other projections shall be attached to the outside walls of the buildings, and no blinds, shades or screens shall be attached to or hung in, or used in connection with any window or door of any condominium parcel or any portion of the common elements without the prior written consent of the Association.
4. Wheel Vehicles. No baby carriages, or bicycles shall be allowed to stand in the halls, passageways or public areas of the buildings.
5. Children. Children shall not play in the public halls.
6. Servant Areas. Servants and domestic help of the condominium unit owners may not gather or lounge in the public areas of the building or grounds.
7. Keys and Locks. The Association shall retain a pass key to the premises. No condominium parcel owner shall alter any lock or install a new lock or a knocker on any door of the premises without the written consent of the Association or the Association's agent. In case such consent is given, the apartment owner shall provide the Association with an additional key for the use of the Association pursuant to its rights of access to the premises.
8. Association Employees. No servants or employees of the Association shall be sent off the premises by any apartment owner at any time for any purpose.
9. Trash in Public Areas. No apartment owner shall allow anything whatsoever to fall from the window or doors of the premises, nor shall sweep or throw from the premises any dirt or other substance into any of the corridors or halls, ventilators or elsewhere in the buildings or upon the grounds.
10. Refuse Containers, etc. in Public Areas. No garbage cans, supplies, milk bottles or other articles shall be placed in the halls or landings, nor shall anything be hung from the windows, or balconies or placed upon the window sills. Neither shall any linens, cloths, clothing, curtains, rugs or mops be shaken or hung from any of the windows or doors. No fire exits shall be obstructed in any manner.
11. Nuisances. No apartment owner shall make or permit any disturbing noises in the buildings by himself, his family, servants, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or conveniences of other apartment owners. No apartment owners shall play upon or suffer to be played upon any musical instrument or radio in the demised premises between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if the same shall disturb or annoy other occupants of the buildings. No apartment owners shall conduct or permit to be conducted vocal or instrumental practice, nor give or permit to be given vocal or instrumental instructions at any time.
12. Aerials. No radio or television installation shall be made without the written consent of the Association. Any aerial erected on a roof or exterior walls of the buildings without the consent of the Association in writing is liable to removal without notice.

13. Apartments shall be used for residential purposes exclusively. No building or other structure, or part thereof, at any time situate on said land shall be used as a hospital, professional office, sanitarium, church, charitable, religious or philanthropic institution, or for business or manufacturing purpose, or for any use whatsoever other than single family dwelling purposes as aforesaid.

14. No trailers or habitable motor vehicles of any nature shall be kept on or stored on any part of the property. No trucks of any nature shall be parked overnight on the property. No boats or canoes on or off trailers may be parked on any part of the property.

15. Any golfer may retrieve his or her errant golf ball from any yard area so long as destruction of property does not occur. If destruction of property develops into a nuisance, then the golf club and the apartment owners shall reach an agreement for additional covenants or restrictions to control the nuisance but not to the extent that hardships will be placed on either party.

THE FOREGOING WERE DULY ADOPTED AS THE RULES AND REGULATIONS OF BAY POINT STUDIO VILLAS II ASSOCIATION, INC., A FLORIDA CORPORATION, NOT FOR PROFIT, AT THE FIRST MEETING OF THE BOARD OF DIRECTORS.

BAY POINT STUDIO VILLAS II ASSOCIATION, INC.

BY: [Signature]  
President

ATTEST:

BY: [Signature]  
Secretary

(CORPORATE SEAL)

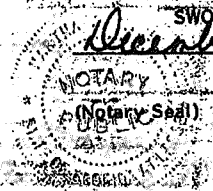


STATE OF FLORIDA

COUNTY OF BAY

BEFORE ME, the undersigned authority, personally appeared Cliff M. Wessitt, Jr. and Thomas P. Haller to me shown to be the President and Secretary of BAY POINT STUDIO VILLAS II ASSOCIATION, INC., who, after being duly cautioned and sworn, depose and said that they executed the foregoing Rules and Regulations for the purposes therein expressed.

SWORN TO AND SUBSCRIBED before me this 15<sup>th</sup> day of December, 1973.



Martha A. Middleton  
Notary Public, State of Florida

My Commission Expires:  
NOTARY PUBLIC STATE OF FLORIDA AT LARGE  
MY COMMISSION EXPIRES 31 NOVEMBER 1977

EXHIBIT A  
(Of By-Laws)

Commence at the Northwest corner of section 14, township 4, South, range 15 West, Bay County, Florida. Thence South  $00^{\circ} 15' 40''$  East along the West line of said section 14 for 278.45 feet to the Northerly right-of-way line of Bay Point Road; Thence South  $82^{\circ} 16' 00''$  East along said right-of-way line for 376.57 feet to the P. C. of a curve in said right-of-way line concave to the Southwest and having a radius of 296.14 feet; Thence Easterly along said curve for an arc distance of 228.82 feet to the point of beginning, said arc having a chord of 223.17 feet bearing South  $60^{\circ} 07' 50''$  East; Thence continue Southeasterly along said curve in said right-of-way line for an arc distance of 120.84 feet, said arc having a chord of 120.00 feet bearing South  $26^{\circ} 18' 17.5''$  East; Thence South  $14^{\circ} 36' 55''$  East along the Easterly right-of-way line of said Bay Point Road for 66.98 feet to the P. C. of a curve in said right-of-way line concave to the Northeast and having a radius of 370.00 feet; Thence Southeasterly along said curve for an arc distance of 88.06 feet, said arc having a chord of 87.85 feet bearing South  $21^{\circ} 26' 00''$  East; Thence South  $28^{\circ} 15' 05''$  East along said right-of-way line for 73.86 feet to the P. C. of a curve in said right-of-way line concave to the West and having a radius of 380.00 feet; Thence Southeasterly along said curve for an arc distance of 110.39 feet, said arc having a chord of 110.00 feet bearing South  $19^{\circ} 55' 45''$  East; Thence North  $79^{\circ} 30' 00''$  East for 106.00 feet; Thence North  $16^{\circ} 30' 00''$  East for 278.00 feet; Thence North  $22^{\circ} 00' 00''$  West for 72.00 feet; Thence South  $83^{\circ} 30' 00''$  West for 45.00 feet; Thence North  $78^{\circ} 30' 00''$  West for 66.00 feet; Thence North  $24^{\circ} 30' 00''$  West for 88.00 feet; Thence North  $69^{\circ} 00' 00''$  West for 59.00 feet; Thence South  $66^{\circ} 30' 00''$  West for 73.00 feet; Thence North  $85^{\circ} 03' 22''$  West for 50.92 feet; Thence South  $40^{\circ} 00' 00''$  West for 19.00 feet to the point of beginning containing 2.125 acres more or less.

# STATE OF FLORIDA

DEPARTMENT OF STATE



I, RICHARD (DICK) STONE, Secretary of State of the State of Florida, do hereby certify that the following is a true and correct copy of

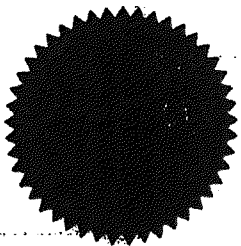
CERTIFICATE OF INCORPORATION

OF

BAY POINT STUDIO VILLAS II ASSOCIATION, INC.

a corporation not for profit organized and existing under the Laws of the State of Florida, filed on the 24th day of July, A.D., 19 73, as shown by the records of this office.

GIVEN under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the 24th day of July, A.D., 19 73.



*Richard (Dick) Stone*

SECRETARY OF STATE

ARTICLES OF INCORPORATION

OF

BAY POINT STUDIO VILLAS II ASSOCIATION, INC.

Jul 21 9 29 AM '73  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

FILED

We, the undersigned, hereby associate ourselves together for the purpose of becoming a non-profit corporation under the Laws of the State of Florida, by and under the provisions of the Statute of the State of Florida providing for the formation, liability, rights, privileges and immunities of the corporation not for profit.

ARTICLE I  
NAME OF CORPORATION

The name of this corporation shall be BAY POINT STUDIO VILLAS II ASSOCIATION, INC.

ARTICLE II  
PURPOSE

The purpose for which the corporation is organized is as follows:

1. For the purpose of operating and managing a condominium for the use and benefit of the owners of the Condominium parcels as the agent of owners. Said condominium shall be constructed upon those lands located in Bay County, Florida, described on Exhibit A annexed hereto and hereby made a part hereof.
2. The documents creating the said condominium will provide for the apartment units to be constructed upon the above described property, together with certain other improvements.

ARTICLE III  
POWERS

- A. To operate and manage a condominium consisting of a number of apartment buildings and other facilities for the use and benefit of the individual owners of the condominium parcels as the agent of said owners.
- B. To carry out all of the powers and duties vested in it pursuant to the Declaration of Condominium and By-Laws of the condominium and the regulations of the condominium.
- C. The corporation shall be authorized to exercise and enjoy all the powers, rights and privileges granted to or conferred upon corporations of

EXHIBIT 3

2. All unit owners of condominium parcels, together with the owners of the unimproved building sites upon which the condominium apartments are to be constructed, shall be members of the corporation and no other persons or legal entities shall be entitled to membership.

3. Membership in the corporation shall be established by one of the two following methods:

- a. The owners of the unimproved apartment building sites upon which a condominium shall be constructed and of the unsold units, shall be members of this corporation.
- b. Other persons shall become members of this corporation by the recording in the Public Records of Bay County, Florida, of a deed or other instrument establishing a change of record title to a condominium parcel whereby the devisee, heir, grantee, lessee or assignee becomes the owner of the fee simple title to said condominium parcel, and upon the delivery to the corporation of a certified copy of such instrument, the new owner designated by said instrument thereby becoming a member of the corporation the membership of the prior owner shall at that time be terminated.

4. The interest of any member in any part of the real property or in the funds and assets of the corporation cannot be conveyed, assigned, mortgaged, hypothecated or transferred in any manner, except as an appurtenance to the condominium parcel or apartment building site in the condominium.

5. Voting by the members of BAY POINT STUDIO VILLAS II ASSOCIATION, INC. in the affairs of this corporation shall be as set forth in the Declaration of Condominium establishing the BAY POINT STUDIO VILLAS II.

The owners of the unimproved apartment sites upon which condominium units are to be constructed and of the unsold units in said condominium shall be entitled to vote 100% of the voting rights of BAY POINT STUDIO VILLAS II ASSOCIATION, INC. until such time as they have sold all of the condominium parcels and deeded the same, or until the first Monday in February, 1976, whichever shall first occur, at which time their membership and said right to vote shall cease except as to any unsold units or sites which they might retain at that time. Should the owners or their successors of said apartment sites require the fee simple title to a condominium parcel, they shall again, in this instance, be entitled to the vote assigned to said condominium parcel.



similar character for the provisions of Chapter 617, Florida Statutes, and Chapter 711, Florida Statutes, and to do any and all of the things necessary to carry out its operations as a natural person might or could do.

D. No compensation shall be paid to Directors for their services as Directors. Compensation may be paid to a Director in his or her capacity as an officer or employee or for other services rendered to the corporation outside of his or her duties as a Director. In this case, however, said compensation must be approved in advance by the Board of Directors and the Director to receive said compensation shall not be permitted to vote on said compensation. The Directors shall have the right to set and pay all salaries or compensation to be paid to officers, employees or agents or attorneys for services rendered to the corporation.

E. All funds and titles of all interest in property acquired by this corporation, whether fee simple or leasehold in nature and the proceeds thereof shall be held in trust by the owners of the condominium parcels in accordance with the provisions of the Declaration of Condominium and its supporting documents.

F. All of the powers of this corporation shall be subject to and shall be exercised in accordance with the provisions of the Declaration of Condominium together with its supporting documents which govern the use of the land to be operated and administered by this corporation.

G. The corporation shall not be authorized to make any unreasonable accumulations of cash or assets as determined by the Internal Revenue Code or the Rules and Regulations enacted pursuant thereto.

#### ARTICLE IV MEMBERSHIP

The qualification of members, the manner of their admission and voting by members shall be as follows:

1. This corporation shall be organized without capital stock nor shall the corporation have or issue shares of stock. No dividends shall be paid, and no part of the income of the corporation shall be distributed to its members, directors or officers, except, however, the corporation may pay compensation in a reasonable amount to its members, directors and officers for services rendered.

Voting rights shall be exercised in accordance with the provisions of the Declaration of Condominium and the By-Laws of the Corporation.

ARTICLE V  
CORPORATE EXISTENCE

This corporation shall have perpetual existence unless sooner dissolved by law. The corporation may be terminated by termination of BAY POINT STUDIO VILLAS II in accordance with the conditions as set forth in the Declaration of Condominium and supporting documents.

ARTICLE VI  
NUMBER OF DIRECTORS

1. The business of this corporation shall be conducted by a Board of Directors of not less than three nor more than fifteen, the exact number of directors to be fixed by the By-Laws of the corporation.

2. The election of Directors, their removal or the filling of vacancies on the Board of Directors shall be in accordance with the By-Laws of the corporation.

ARTICLE VII

OFFICERS

The affairs of the corporation shall be managed by a President, Vice President, Secretary, Treasurer, and Assistant Secretaries and Assistant Treasurers and such other officers as may be authorized by the Board of Directors. Said officers shall be elected as provided in the By-Laws of the Corporation. The first officers of the corporation shall serve until such time as they resign, are removed, or their successors are elected, shall be:

President--Cliff M. Averett, Jr.

Vice President--Robert W. Haines

Vice President--Peter H. Elebash

Secretary-Treasurer--Thomas P. Molloy

ARTICLE VIII  
NAMES AND POST OFFICE  
ADDRESSES OF DIRECTORS

The names and post office addresses of the members of the first Board of Directors who shall hold office pursuant to the terms and provisions of these Articles of Incorporation and the By-Laws of the corporation and until their successors are elected or appointed and have qualified shall be:

Cliff M. Averett, Jr.	2612 Averett Drive Columbus, Georgia
Robert W. Haines	Wahoo Road Panama City Beach, Florida
Peter H. Elebash	Marlin Circle Panama City Beach, Florida
Thomas P. Molloy	Bay Point Road Panama City Beach, Florida

ARTICLE IX  
BY-LAWS

The By-Laws of the corporation shall be adopted by the Board of Directors. The amendment, alteration or rescission of said By-Laws shall be in accordance with the provisions of said By-Laws.

ARTICLE X  
ASSESSMENTS AND REFUNDS

All assessments paid by the owners of condominium parcels for the maintenance and operation of BAY POINT STUDIO VILLAS II and cost of said maintenance and operation. The corporation shall have no interest in any funds received by it through assessments from the owners of individual condominium parcels except to the extent necessary to carry out the powers vested in it as agent for said members.

The corporation shall make no distribution of income to its members, directors or officers, except as salaries for services rendered as provided for herein and in the By-Laws of the corporation, and the corporation shall be conducted as a non-profit corporation.

Any funds held by the corporation from its receipts, over and above the common expenses shall be known as the common surplus of the corporation and the same shall be held for the use and benefit of its members in proportion to the percentage of their ownership in the limited general common elements of the corporation.

Upon termination of the condominium and dissolution or final liquidation of this corporation, the distribution to the members of this corporation of the common surplus in proportion to the percentage of their ownership in the limited and general common elements shall not constitute or be deemed to be a default or distribution of income.

ARTICLE XI  
INDEMNIFICATION

Every director and every officer of the corporation shall be indemnified by the corporation against all expenses and liabilities, including attorney's fees, reasonably incurred or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the corporation, or any settlement thereof, whether or not he is a director or officer at the time such expenses are incurred, except in such cases where the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, however, that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive to all other rights to which said director or officer may be entitled.

ARTICLE XII  
AMENDMENTS

1. These Articles of Incorporation may be amended at a special meeting of the membership called for that purpose, by a two-thirds vote of those present.
2. Amendments may also be made at a regular meeting of the membership upon notice given, as provided by the By-Laws, of intention to submit such amendments.

ARTICLE XIII  
LOCATION

The location of this corporation shall be at Delwood Beach Road, Panama City Beach, Bay County, Florida.

ARTICLE XIV  
SUBSCRIBERS

The names and post office addresses of each subscriber of these Articles of Incorporation are:

Robert W. Haines

Wahoo Road  
Panama City Beach, Florida

Peter H. Elebash

Marlin Circle  
Panama City Beach, Florida

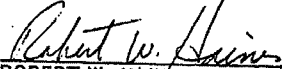
Thomas P. Molloy

Bay Point Road  
Panama City Beach, Florida

ARTICLE XV  
RESIDENT AGENT

Pursuant to Chapter 48.091, Florida Statutes, the following is submitted, in compliance with said Act: That BAY POINT STUDIO VILLAS II ASSOCIATION, INC. desiring to organize under the laws of the State of Florida, with its principal office and location as indicated above at Delwood Beach Road, Panama City Beach, Bay County, State of Florida, has named THOMAS P. MOLLOY, located at Bay Point Road, Panama City Beach, Florida as its agent to accept service of process within the State. Said resident agent's acceptance of this designation is indicated below.


IN WITNESS OF THE FOREGOING, we have hereunto set our hands and seals and acknowledgement to be filed in the office of the Secretary of State, the foregoing Articles of Incorporation, this 26 day of June, 1973.

  
ROBERT W. HAINES

  
PETER H. ELEBASH

  
THOMAS P. MOLLOY

Having been named to accept service of process for the above stated corporation, at a place designated in the certificate, I hereby accept to act in this capacity, and agree to comply with the provisions of said Act relative to keeping open said office.

By:   
Thomas P. Molloy  
Resident Agent

STATE OF FLORIDA )  
COUNTY OF BAY ) ss.

I HEREBY CERTIFY that on this 26 day of June, 1973,  
personally came and appeared before me the undersigned authority,  
ROBERT W. HAINES, PETER H. ELEBASH and THOMAS P. MOLLOY all to  
me well known to be the persons of that name and described in and who executed  
the foregoing Articles of Incorporation as their free and voluntary act and deed  
for the uses and purposes therein set forth and expressed.

IN TESTIMONY THEREOF, I have hereunto set my hand and affixed my  
official seal on the day and year above written.

*Shirley E. Ramsey*  
Notary Public, State of Florida

My Commission Expires: 3/19/77

(SEAL)

STATE OF FLORIDA )  
COUNTY OF BAY ) ss.

I HEREBY CERTIFY that on this 26 day of June, 1973,  
personally came and appeared before the undersigned authority, THOMAS P.  
MOLLOY, to me well known to be the person of that name described in and  
who acknowledged to me that he executed the foregoing Articles of Incorporation  
as Resident Agent as his free and voluntary act and deed and for the uses  
and purposes therein set forth and expressed.

IN TESTIMONY THEREOF, I have hereunto set my hand and affixed my  
official seal on the day and year above written.

*Shirley E. Ramsey*  
Notary Public, State of Florida

My Commission Expires:

(SEAL)

BAY COUNTY, FLORIDA APR 26 1974  
Filed for Record  
3-460  
Notary Public, State of Florida  
Shirley E. Ramsey



RESTATEMENT OF THE

Revised (2-93)

BY-LAWS

OF

BAY POINT STUDIO VILLAS II ASSOCIATION, INC.

a corporation not for profit  
under the laws of the State of Florida

**"SUBSTANTIAL REWORDING OF BY-LAWS.  
SEE BY-LAWS, PARAGRAPHS 1 THROUGH 48  
FOR PRESENT TEXT."**

1. Purpose. These are the By-Laws of BAY POINT STUDIO VILLAS II ASSOCIATION, INC., called "Association" in these By-Laws, a corporation not for profit under the laws of the State of Florida. The Association has been organized for the purpose of providing for the operation, management, maintenance, control and administration of BAY POINT STUDIO VILLAS II ASSOCIATION, INC., a Condominium, and is, with regard to such Condominium, the legal entity responsible for the operation of the Condominium pursuant to Chapter 718, Florida Statutes, called the "Condominium Act" in these By-Laws.

2. Offices. The office of the Association shall be at 100 Delwood Beach Road, Panama City Beach, Bay County, Florida 32411.

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

4. Seal. The seal of the corporation shall bear the name of the Association, the word "Florida" and the words "corporation not for profit," and the year of incorporation, "1973," an impression of which is as follows:

5. Members' Meetings. The annual members' meeting shall be held each year at a place in Panama City Beach, Bay County, Florida, on a date during the months of February as from time to time determined by the Board of Directors for the purpose of electing directors and transacting any other business authorized to be transacted by the members.

6. Special Meetings. Special meetings shall be held whenever allowed by the Condominium Act or 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 holding ten per cent (10%) of the voting interests of



the entire membership.

7. Notice. Notice of all members' meetings stating the time and place and identifying each agenda item, the objects for which the meeting is called, shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be posted at a conspicuous place designated by the Board of Directors on the Condominium property at least fourteen (14) continuous days prior to the meeting and shall be in writing to each member at his address as it appears on the books of the Association, and shall be mailed not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. For members' meetings at which an election of directors is to be held, the notice requirements set forth in By-Law 16 shall apply. An officer of the Association, the manager or other person providing notice of an Association meeting, shall provide an affidavit or United States Postal Service certificate of mailing, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered in accordance with this provision, to each unit owner at the address last furnished to the Association. Notice of meeting may be waived before the meetings.

8. Quorum. A quorum for members' meetings shall consist of persons holding fifty-one per cent (51%) of the voting interests of the entire membership. The acts approved by a majority of the voting interests present at a meeting at which a quorum is present shall constitute the act of the members, except when approval by a greater voting interest is required by the Declaration of Condominium, the Articles of Incorporation of the Association or these By-Laws. In determining whether a quorum is present, proxies may be counted as voting interests present.

9. Member's Vote. At any meeting of the members, the owner or owners of each unit shall be entitled to cast one (1) vote for the unit. An owner holding title to more than one (1) unit shall be entitled to cast one (1) vote for each unit.

10. Multiple Ownership. If an apartment is owned by one (1) person or entity, the right to vote on behalf of such unit shall be established by the record title to the unit. If an apartment is owned by more than one (1) person, the person or entity entitled to cast the vote for the unit shall be designated by a voting certificate signed by all of the record owners of the apartment and filed with the Secretary of the Association. If an apartment is owned by a corporation, the person entitled to cast the vote for the apartment shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificate shall be valid until revoked

By-Laws

or until superseded by a subsequent certificate or a change in the ownership of the apartment concerned. No certificate shall be required for a unit owned by a husband and wife, and either may cast the vote for a unit; however, if a dispute exists as to which may cast the vote for a unit, the vote for that unit shall not be counted. If such certificate is not on file, the vote of such apartment shall not be considered in determining the requirement for a quorum nor for any other purpose.

11. Proxies. Votes may be cast in person or by proxy, subject to the following provisions. A proxy may be made or revoked by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and any lawfully-adjourned meeting thereafter, and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting, provided that in no event shall a proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given.

a. Unit owners may not vote by general proxy, but may vote by limited proxy in the following instances:

- (1) to waive financial statement requirements,
- (2) to waive or reduce reserves,
- (3) to amend the Declaration, Articles of Incorporation or the By-Laws, and
- (4) for any other matter for which the Condominium Act requires a vote by the unit owners.

b. Unit owners may not vote by limited or general proxy in the election of members of the Board of Directors.

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

12. Lack of Quorum. If any meeting of members cannot be organized because a quorum is not present, the voting interests who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

13. Order of Business. The order of business at annual meetings and as far as practical at other members meetings shall be:

- a. Election of chairman of meeting.
- b. Call of the roll and certification of proxies and ballots.
- c. Proof of notice of meeting or waiver of notice.
- d. Reading and disposal of any unapproved minutes.

By-Laws

- e. Report of officers.
- f. Report of committees.
- g. Election of inspectors of an election.
- h. Election of directors.
- i. Unfinished business.
- j. New business.
- k. Adjournment.

14. Conduct of Meetings. Unit owners shall have the right to participate in meetings of unit owners with reference to all designated agenda items. However, the Association may adopt reasonable rules governing the frequency, duration, and a manner of unit owner participation.

Any unit owner may tape record or videotape a meeting of the unit owners, subject to the rules of the Florida Division of Land Sales, Condominiums, and Mobile Homes, Department of Business Regulation.

15. Number of Directors. The affairs of the Association shall be managed by a Board of five (5) directors. In the event there are less than five (5) candidates, the Board shall appoint a person to fill each vacancy necessary to comply with this By-Law and Chapter 617, Florida Statutes. The Board may nevertheless transact business, provided that there are at least three (3) directors, until all vacancies are filled.

16. Election of Directors. Election of directors shall be conducted in the following manner:

a. The election of directors shall be held at the annual members' meeting.

b. Any unit owner or other eligible person may serve as a director.

c. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver to each unit owner a first notice of the date of the election. The notice shall advise that any unit owner desiring to be a candidate for the Board may give written notice to the Association not less than forty (40) days prior to the scheduled election and that each candidate may submit an information sheet, no longer than 8 1/2 inches by 11 inches, which must be furnished by the candidate not less than thirty-five (35) days before the election, to be included with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association.

d. Not less than thirty-five (35) days, nor more than forty (40) days prior to the date of the meeting at which the election of directors shall be conducted, the Board shall hold a meeting at which additional nominations shall be accepted. Any unit owner or other eligible person may nominate himself or may nominate another unit owner or eligible person, if he has permission in writing to nominate the other person.

e. Not less than thirty (30) days prior to the election meeting, the Association shall mail or deliver to each unit owner a second notice of the date of the election, together with a ballot listing all persons who have timely given notice of their candidacy.

f. The election shall be by secret ballot or voting machine. The owner of each apartment shall be entitled to cast a vote for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting. Proxies shall in no event be used in electing the Board of Directors, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise.

g. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least twenty (20%) per cent of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors. No unit owner shall permit any other person to vote his or her ballot, and any such ballots improperly cast shall be deemed invalid. A unit owner who needs assistance in casting the ballot for the reasons stated in §101.051, Florida Statutes, may obtain assistance in casting the ballot. Any unit owner violating this provision may be fined by the Association in accordance with §718.303, Florida Statutes.

h. Notwithstanding the provisions of this paragraph, an election and balloting are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the Board of Directors.

i. Subject to the provisions of §718.301, Florida Statutes, any member of the Board of Directors may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests of the Association. A special meeting of the unit owners to recall a member or members of the Board of Directors may be called by ten (10%) per cent of the voting interests of the Association, giving notice of the meeting as required for a members' meeting, and the notice shall state the purpose of the meeting.

#### By-Laws

(1) If the recall is approved by a majority of all voting interests of the Association by a vote at a meeting, the recall shall be effective immediately, and the recalled member or members of the Board of Directors shall turn over to the Board any and all records of the Association in their possession, within seventy-two (72) hours after the meeting.

(2) If the proposed recall is by an agreement in writing by a majority of all voting interests of the Association, the agreement in writing shall be served on the Association by certified mail. The Board of Directors shall call a meeting of the Board within seventy-two (72) hours after receipt of the agreement in writing and shall either: certify the written agreement to recall a member or members of the Board, in which case such member or members shall be recalled effective immediately and shall turn over to the Board within seventy-two (72) hours any and all records of the Association in their possession; or proceed as described in subparagraph (3).

(3) If the Board determines not to certify the written agreement to recall a member or members of the Board, or if the recall by a vote at a meeting is disrupted, the Board shall, within seventy-two (72) hours, file with the Division a petition for binding arbitration pursuant to the procedures of §718.1255, Florida Statutes. For the purposes of this section, the unit owners who voted at the meeting or who executed the agreement in writing shall constitute one (1) party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the Board, the recall shall be effective upon service of the final order of arbitration upon the Association. If the Association fails to comply with the order of the arbitrator, the Division may take action pursuant to §718.501, Florida Statutes. Any member or members so recalled shall deliver to the Board any and all records of the Association in their possession within seventy-two (72) hours of the effective date of the recall.

17. Director's Term. The term of each director's service shall be two (2) years ending on the date of the annual meeting of the members held during the second calendar year following his or her election or subsequently until his or her successor is duly elected and qualified or until he or she is removed in the manner elsewhere provided.

18. Director's Organizational Meeting. The organizational meeting of a newly-elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be affixed by the directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary. The officers of the Board shall be elected at the organizational meeting, except for vacancies occurring during the

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term of their office.

19. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone, telegraph or facsimile transmission at least three (3) days prior to the day named for such meeting.

20. Special Meeting. Special meetings of the directors may be called by the President and must be called by the Secretary at the written request of one-fourth (1/4) of the directors. Not less than three (3) days notice of the meeting shall be given to each director personally or by mail, telephone, telegraph or facsimile transmission, which notice shall state the time, place and purpose of the meeting.

21. Notice of Meetings of the Board of Directors. Adequate notice of all meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the Condominium property at least forty-eight (48) continuous hours preceding the meeting except in an emergency. The Board shall, by rule, after notice to the unit owners, designate a specific location on the Condominium property upon which all notices of meetings shall be posted. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one (1) of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board of Directors. Written notice of any meeting at which non-emergency special assessments, or at which an amendment to rules regarding use of units will be proposed, discussed or approved, shall be mailed or delivered to the unit owners and posted conspicuously on the Condominium property not less than fourteen (14) days prior to the meeting. Evidence of compliance with the fourteen (14) day notice shall be made by an affidavit executed by the Secretary and filed among the official records of the Association. Notice of any meeting in which regular assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessment.

22. Open Meetings and Records. Meetings of the Board of Directors and any committee thereof at which a quorum of the members of that committee is present, shall be open to all unit owners. Minutes of all meetings of the members or the Board of Directors shall be kept in a book available for inspection by apartment owners or their authorized representatives and Board members at any reasonable time. Said minutes shall be retained for a period of not less than seven (7) years.

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23. 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.

24. Quorum. A quorum at directors' meetings shall consist of a majority of the Board of Directors. 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 of Condominium, the Articles of Incorporation of the Association and these By-Laws.

25. Adjourned Meetings. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time, not to exceed twenty-four (24) hours 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 without further notice.

26. Director Action.

(a) Joinder in Meeting by Approval of Minutes. The joinder of a director in the action of the Board at a meeting by signing or otherwise concurring in the minutes of that meeting shall constitute the presence of such director at such meeting; however, it shall not constitute the presence of such director for the purpose of determining a quorum.

(b) Presumption of Consent. A director of the Association who is present at a meeting of the Board at which action on any Association matter is taken shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. Directors may not vote by proxy or by secret ballot at Board meetings. A vote or abstention for each member present shall be recorded in the minutes.

27. Presiding Officer. The presiding officer of directors' meetings shall be the chairman of the Board if such an officer has been elected; but if not, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

28. Order of Business. The order of business at a directors' meeting shall be:

- a. Calling of roll.
- b. Proof of due notice of meeting.
- c. Reading and disposal of any unapproved minutes.

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- d. Report of officers and committees.
- e. Unfinished business.
- f. New business.
- g. Adjournment.

29. Directors Compensation. Directors' fees or other compensation, if any, shall be determined by a majority of the voting interests of the Association.

30. Powers and Duties of the Board of Directors. All of the powers and duties of the Association existing under the Condominium Act, the Declaration of Condominium, the Articles of Incorporation of the Association and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to the approval by the voting interests of the Association on matters for which such approval is specifically required.

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

32. President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of President of an Association, including but not limited to, the power to appoint committees from among the members from time to time, as he, in his discretion, may determine appropriate, to assist in the conduct of the affairs of the Association.

33. 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 directors.

34. Secretary. The Secretary shall keep the minutes of all proceedings of the directors and the members in a businesslike manner and available for inspection by apartment owners and directors at all reasonable times. 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, and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

35. Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; he shall submit treasurer's reports to the Board of Directors at reasonable intervals; he shall make the treasurer's records available for inspection by directors or members at reasonable times; and he shall perform all other duties incident to the office of Treasurer.

36. Officer Compensation. The compensation of all officers and employees of the Association shall be fixed by the Board of Directors. The provision that directors' fees shall be determined by the majority of voting interests of the Association shall not preclude the Board of Directors from employing a director as an employee of the Association, nor preclude the contracting with a director for the management of the Condominium, the Association or any portions of the Condominium property.

37. Fiscal Management. Provisions for the fiscal management of the Association as set forth in the Declaration of Condominium, the Articles of Incorporation and the Condominium Act shall be supplemented by the following provisions:

a. Budget. The Board of Directors shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the common expenses and to provide and maintain funds according to good accounting practices by account and expense classifications including, if applicable, but not limited to the following:

- (1) Administration of the Association;
- (2) Management fee;
- (3) Maintenance;
- (4) Rent for recreational and other commonly used facilities;
- (5) Taxes upon Association Property;
- (6) Taxes upon leased area;

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- (7) Insurance;
- (8) Security provisions;
- (9) Other expenses;
- (10) Operating capital;
- (11) Reserves (In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which deferred maintenance expense or replacement cost exceeds \$10,000.00. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any extension of the useful life of a reserve item caused by deferred maintenance. This subsection shall not apply to budgets in which the voting interests of the Association have, by a vote of the majority of the non-developer members present at a duly-called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection.);
- (12) Fees payable to Division;
- (13) Betterments (Betterments shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be a part of the common elements of the Condominium or the property of the Association.);
- (14) Operations (Operations shall include the gross revenues, if any, from the use of the common elements or other property owned by the Association, and only the additional direct expense required by the revenue-producing operation. Any surplus from such operations shall be used to reduce the assessments in the year following the year in which the surplus is realized. Any losses from such operation shall be met by assessments in

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the year following the year in which the loss is realized, unless funds cannot be adequately and timely raised in such fashion, in which event the required funds shall be provided by special assessment.)

b. Adoption of Budget. A copy of the proposed annual budget of common expenses shall be mailed to the owners not less than fourteen (14) days prior to the meeting at which the budget will be considered, together with a notice of that meeting. The owners shall be given written notice of the time and place at which such meeting of the Board of Directors to consider the budget shall be held, and such meeting shall be open to the owners. If any adopted budget requires assessment against the apartment owners in any fiscal or calendar year exceeding one-hundred fifteen per cent (115%) of the assessments for the preceding year, the Board, upon written application to the Board of ten per cent (10%) of the voting interests of the Association, shall call a special meeting of the owners within thirty (30) days, upon not less than ten (10) days written notice to each owner. At the special meeting, owners shall consider and enact a budget upon the vote of two-thirds (2/3) of the voting interests.

In any event, the Board of Directors may propose a budget to the owners at a meeting of the members or in writing; and if the budget or proposed budget is approved by the voting interests attending the meeting or by a majority of all voting interests in writing, the budget shall be adopted. If a meeting of the unit owners has been called and a quorum is not attained or a substitute budget is not adopted by the unit owners, the budget adopted by the Board of Directors shall go into effect as scheduled.

In determining whether assessments exceed one hundred fifteen per cent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the Condominium property, anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the Condominium property shall be excluded from the computation.

c. Assessments. The Board of Directors shall make assessments against each unit for its share of the items of the budget in an amount not less than required to provide funds in advance for payment of all the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. The assessments shall be made for the fiscal year annually in advance and shall be due in equal, quarterly installments on the first day of each month of each quarter of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have

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been made in the amount of the last prior assessment, and quarterly installments of such assessments shall be due on the first day of each month of each quarter of the year until changed by an amended assessment. In the event the annual assessment shall be insufficient in the judgment of the Board of Directors, the Board of Directors shall amend the budget and shall make amended assessments for the balance of the year in sufficient amounts to meet the expenses for the year; provided, however, that any account of the amended budget that exceeds the limit upon increases for the year shall be subject to approval of the membership of the Association as previously required in these By-Laws.

d. Reserves. If a meeting of the unit owners has been called to determine whether to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect.

38. Acceleration of Assessment Installments Upon Default. If an apartment owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessments upon notice to the apartment owner, and then the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after the delivery of the notice to the apartment owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall occur first.

39. Special Assessments. Assessments for expenses caused by emergencies that cannot be paid from the annual assessment for common expenses shall be made only after notice of the need for such is given to the members of the Association. After such notice and upon the vote of the Board of Directors, the assessment shall be effective, and shall be paid in such manner as the Board may require in the notice of assessment.

40. Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Directors. The monies from such accounts shall be withdrawn only by checks signed by such persons as are authorized by the directors.

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

42. Official Records.

(a) The Association shall maintain a copy of each of the following, where applicable, which shall constitute the official records of the Association:

(1) The plans, permits, warranties, and other items provided by the Developer pursuant to §718.301(4), Florida Statutes;

(2) A photocopy of the recorded Declaration of each Condominium operated by the Association and all amendments thereto;

(3) A photocopy of the recorded By-Laws of the Association and all amendments thereto;

(4) A certified copy of the Articles of Incorporation of the Association or other documents creating the Association and all amendments thereto;

(5) A copy of the current rules of the Association;

(6) A book or books containing the minutes of all meetings of the Association, of the Board of Directors, and of unit owners, which minutes shall be retained for a period of not less than seven (7) years;

(7) A current roster of all unit owners, their mailing addresses, unit identifications, voting certifications and if known, telephone numbers;

(8) All current insurance policies of the Association;

(9) 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 unit owners have an obligation or responsibility;

(10) Bills of sale or transfer for all property owned by the Association;

(11) Accounting records for the Association according to good accounting practices. 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:

(i) Accurate, itemized, and detailed records of all receipts and expenditures.

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(ii) A current account and a monthly, bimonthly, or quarterly statement of the account for each unit, designating the name of the unit owned, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

(iii) All audits, reviews, accounting statements, and financial reports of the Association.

(iv) 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.

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

(13) All rental records when the Association is acting as agent for the rental of Condominium units.

(14) A copy of the current Questions and Answer Sheet as described in §718.504, Florida Statutes.

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

(b) The official records of the Association shall be maintained within the state. The records of the Association shall be made available to a unit owner within five (5) working days after receipt of written request 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.

(c) The official records of the Association are open to inspection by any Association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies at the reasonable expense, if any, of the Association member. The Association may adopt reasonable rules regarding the frequency, time, location, notice and manner of record inspection and copying. The Association shall maintain an adequate number of copies of the Declaration, the Articles of Incorporation, these By-Laws, all rules, and all amendments to each of the foregoing, as well as the Question and Answer Sheet provided for in §718.504, Florida Statutes, on the Condominium property to ensure their availability to unit owners and prospective purchasers, and may change the actual costs for preparing and furnishing these documents to those

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requesting them.

(d) Notwithstanding the provisions of this paragraph, the following records shall not be accessible to unit owners:

(1) A record which was prepared by an Association attorney or prepared at the attorney's express direction, which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the Association, and which was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings, or which was prepared in anticipation of imminent civil or criminal litigation, or imminent adversarial administrative proceedings, until the conclusion of the litigation or adversarial administrative proceedings.

(2) Information obtained by an Association in connection with the approval of the lease, sale, or other transfer of a unit.

(3) Medical records of unit owners.

(e) The Association shall prepare a Question and Answer Sheet as described in §718.504, Florida Statutes, and shall update it annually.

43. Annual Financial Report. Within sixty (60) days following the end of the fiscal year of the Association, the Board of Directors shall mail or furnish by personal delivery to each apartment owner and to the Division of Florida Land Sales, Condominiums and Mobile Homes of the Department of Business Regulation a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amounts of receipts by accounts and - receipt classifications and shall show the amounts of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following:

- (a) Cost for security;
- (b) Professional and management fees and expenses;
- (c) Taxes;
- (d) Costs for recreational facilities;
- (e) Expenses for refuse collection and utility services;
- (f) Expenses for lawn care;
- (g) Costs for building maintenance and repair;
- (h) Insurance costs;
- (i) Administrative and salary expenses; and
- (j) General reserves, maintenance reserves, and

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depreciation reserves.

44. Fidelity Bonding and Life Safety Code Compliance.

(a) The Association shall obtain and maintain Fidelity bonding of all persons who control or disburse funds of the Association. As used in this section, the term "persons who control or disburse funds of the Association" means those individuals authorized to sign checks, and the President, Secretary and Treasurer of the Association. If the Association's annual gross receipts do not exceed \$100,000.00, the bond shall be in the principal sum of not less than \$10,000.00 for each such person. If the Association's annual gross receipts exceed \$100,000.00, but do not exceed \$300,000.00, the bond shall be in the principal sum of \$30,000.00 for each such person. If the Association's annual gross receipts exceed \$300,000.00, the bond shall be in the principal sum of not less than \$50,000.00 for each such person. The Association shall bear the cost of bonding.

(b) A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Board of Directors as evidence of compliance of the Condominium units to the applicable Condominium fire and life safety code.

45. Fines. In addition to all remedies provided in the Declaration of Condominium, the Articles of Incorporation or these By-Laws, the Board of Directors may, upon reasonable notice of not less than fourteen (14) days and an opportunity for hearing before a committee of other unit owners established by the Board of Directors, fine and charge any offending member a sum not to exceed One-Hundred Dollars (\$100.00) for each infraction of the provisions of said Declaration, Articles, By-Laws or Rules and Regulations of the Association. 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 (\$1,000.00).

The Notice shall include the following:

- (a) A statement of date, time and place of hearing;
- (b) A statement of provisions allegedly violated (Declaration, By-Laws, Rules); and
- (c) A short and plain statement of the matters asserted by the Association.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence and to provide written or oral argument on all issues involved, and shall have an

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opportunity at the hearing to review, challenge and respond to any material considered by the Association. The fine may only be levied if approved by the committee. No fines shall become a lien against the unit. The provisions of this paragraph shall not apply to unoccupied units.

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

47. Transfer Fee. No fees shall be charged by the Association in connection with a transfer, lease, sale or sublease of an apartment, in excess of those charges reasonably required for administrative expenses of the Association due to the transfer or sale, and this expense shall not exceed Fifty-Dollars (\$50.00). No charge shall be made in connection with an extension or renewal of a lease.

48. Amendments. In addition to any other method provided under the Declaration or the Articles of Incorporation, these By-Laws may be amended in the following manner:

a. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

b. A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by two-thirds (2/3) of the voting interests of the Association. Directors and voting interests not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting.

c. The affirmative vote of the owners of sixty (60) units is required for passage.

d. No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text and underlined, and any words to be deleted shall be lined through with hyphens. However, if the

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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 By-Law. See By-Law #\_\_\_\_\_ for present text."

Non-material errors or omissions in the Amendment process shall not invalidate an otherwise promulgated amendment.

49. Alternate Dispute Resolution; Voluntary Mediation; Mandatory Non-Binding Arbitration, Voluntary Arbitration.

a. DEFINITIONS: As used in this section, the term "dispute" means any disagreement between two or more parties that involves:

(1) The authority of the Board of Directors under any law or Association document to:

- (a) Require any owner to take any action, or not to take any action, involving that owner's unit.
- (b) Alter or add to a common area or element.

(2) The failure of the Board of Directors, when required by law or an Association document to:

- (a) Properly conduct elections.
- (b) Give adequate notice of meetings or other actions.
- (c) Properly conduct meetings.
- (d) Allow inspection of books and records.

"Dispute" does not include any disagreement that primarily involves title to any unit or common element, the interpretation or enforcement of any warranty, or the levy of a fee or assessment, or the collection of any assessment levied against a unit.

b. DISPUTE PROCEDURE: Internal disputes between owners, or the Association and an owner, shall be submitted to the Florida Division of Land Sales, Condominiums, and Mobile Homes, Department of Business Regulation, for non-binding arbitration according to §718.1255, Florida Statutes, and the rules promulgated

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by the Division and in effect at the time of the dispute.

50. Execution and Recording. A copy of each amendment shall be attached to or incorporated in a certificate certifying that the amendment was duly adopted as an amendment of the Declaration or By-Laws, which certificate shall be executed by an officer of the Association with the formalities of a deed. The amendment shall be valid and effective when such certificate, with a copy of the amendment attached thereto or incorporated therein, is recorded in the Public Records of Bay County, Florida.

The forgoing was adopted as the By-Laws of BAY POINT STUDIO VILLAS II ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the annual meeting of the members on the \_\_\_\_\_ day of \_\_\_\_\_, 1992.

\_\_\_\_\_  
President

Approved:

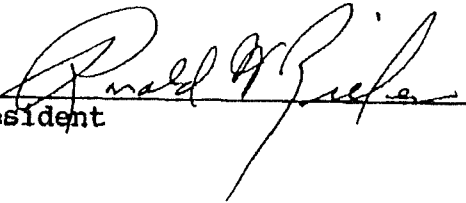
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Secretary

"SUBSTANTIAL REWORDING OF BY-LAWS, SEE BY-LAWS, ARTICLES I THROUGH VIII FOR PRESENT TEXT".

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50. Execution and Recording. A copy of each amendment shall be attached to or incorporated to a certificate certifying that the amendment was duly adopted as an amendment to the Declaration or By-Laws, which certificate shall be executed by an officer of the Association with the formalities of a deed. The amendment shall be valid and effective when such certificate, with a copy of the amendment attached thereto or incorporated therein, is recorded in the Public Records of Bay County, Florida.

The foregoing was adopted as the By-Laws of BAY POINT STUDIO VILLAS II ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the annual meeting of the members on the 9th day of April, 1993.

  
\_\_\_\_\_  
President

Approved:

  
\_\_\_\_\_  
Secretary  
Graham Clarke

RCD: SEP 1 1993 @ 10:10 AM  
HAROLD BAZZEL, CLERK