

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

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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.

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- 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.

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(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.

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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:

Secretary

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

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