

BY-LAWS
OF
THE BERNATH HOMEOWNERS ASSOCIATION, INC.
A corporation not for profit

ARTICLE ONE
NAME AND LOCATION

The name of the corporation is THE BERNATH HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located 3188 Bernath Drive, Milton, FL 32583, but meetings of members and directors may be held at such place within the State of Florida, as may be designated by the Board of Directors.

ARTICLE TWO
DEFINITIONS

Section 1. "Association" shall mean and refer to THE BERNATH HOMEOWNERS ASSOCIATION, INC., Its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, as Amended, (herein called the "Declaration") and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" or "Unit" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Unit which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Member" shall mean and refer to those persons entitled to membership as provided in the Articles of Incorporation.

ARTICLE THREE
MEETING OF MEMBERS

Section 1. Annual Meetings. The First annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year, thereafter, at the hour of 7:00 P.M. If the day of the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote, consisting of one-third (1/3) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least thirty (30) days but not more than sixty (60) days before such meeting to each

member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notices shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast one-third (1/3) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE FOUR
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than three (3) directors, who need not be members of the Association.

Section 2. Term of Office. The terms of the directors shall initially be as follows:

One year: One-third of the directors to be regular elected.

Two years: One-third of the directors to be regularly elected.

Three years: One-third of the directors regular to be elected.

Thereafter, terms for all directors shall be three years.

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

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association, however, any director may be reimbursed for actual expenses incurred in the performance of duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting, by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE FIVE
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall

be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members. Nominations for election to the Board of Directors may be made by the Lot or Unit Owners from the floor at the annual meeting of the Unit Owners.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE SIX MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meeting of the Board of Directors may be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should the meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. There shall be at least one annual meeting of the Board of Directors.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall constitute the action of the Board, except when approval by a greater number is required by the Declaration, the Articles of Incorporation or the By-Laws.

Section 4. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice.

Section 5. Action Without Formal Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or any Committee appointed by the Board of Directors may be taken without a meeting if, prior to such action, written consent thereto is signed by all members of the Board of Directors or of such Committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board or Committee.

Section 6. Adjourned meetings. If at any meeting of the board of directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 7. Special Committees. The Board of Directors or the Executive

Committee, if one shall have been established, shall have the power and authority to create special committees, consisting of two (2) or more Unit Owners, including but not necessarily limited to, an Architectural Review Committee, a Recreation Committee, a Maintenance Committee, and an Audit Committee, which shall advise the Board of Directors or Executive Committee on matters pertaining to the purpose for which any such special committee shall have been created. The members, including the chairman, of any special committee shall be appointed by and shall serve at the pleasure of the Board of Directors, or Executive Committee, as the case may be.

ARTICLE SEVEN
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, or the Articles of Incorporation.
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-third (1/3) of the Class A members who are entitled to vote;
- (b) supervise all officers, agent and employees of this Association, and to see that their duties are properly performed;
- (c) as provided in these By-Laws, to:
 - (1) fix the amount of the annual assessment against each Lot or Unit at least thirty (30) days in advance of each annual assessment period;
 - (2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained.

ARTICLE EIGHT

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors, following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officers may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President. The President shall be a Director and shall be Chairman of the Board of Directors. The President shall be the chief executive officer of the Association and, subject to the control of the Board of Directors, shall in general manage, supervise, and control all of the business and affairs of the Association. He shall, when present, preside at all membership meetings. He may sign, with the Secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, any contracts, deeds, mortgage, bonds, policies of insurance, or other instruments which the Board of Directors has authorized to be executed, except in cases where signing or the execution thereof shall be expressly delegated by the Board of Directors or By-Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and, in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Vice-President. In the absence of the President, or in the event of his death or inability or refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-Presidents in the order designated at the time of their election, or in the absence of any designation, in the order of election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President may perform such duties as shall from time to time be assigned to him by the President or by the Board of Directors.

Secretary. The Secretary shall:

- (a) attend and keep the minutes of the membership meetings and of the Board of Directors meetings in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with the Charter, the provisions of these By-Laws, or as required by law;
- (c) be custodian of the Association records;
- (d) keep a register of the post office address of each Unit owner and the post office address of the holder of any mortgage on such owner's Unit, which shall be furnished the Secretary by such owner; and
- (e) in general perform all duties incident to the office of

Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

Treasurer. The Treasurer shall:

(a) have charge and custody of and be responsible for all funds, securities and financial records of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected by the Board of Directors; by the Association; and

(b) authorize vouchers and sign checks for monies due and payable to the Association and such other duties as from time to time may be assigned by the Board of Directors.

Assistant Secretaries and Assistant Treasurers. The assistant Secretaries and Treasurers, in general, shall perform such duties as shall be assigned by the Secretary or Treasurer, respectively, or by the Board of Directors.

ARTICLE NINE COMMITTEES

The Association shall appoint an Architectural Review Committee, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE TEN BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE ELEVEN ASSESSMENTS

Section 1. Assessments. As provided in these By-Laws and schedules furnished unit owners, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot or Unit. In any year in which there is an excess of assessments over expenditures, the Board of Directors, by resolution and without the necessity of a vote of the Unit Owners, shall determine either to apply such excess or any portion thereof against and reduce the subsequent year's assessments, or to allocate the same to one or more reserve accounts.

Section 2. Fidelity Bonds. The Board of Directors may require that any manager, contractor or employee of the Association handling or responsible for Association funds shall furnish an adequate fidelity bond. The premium for any such bond shall be paid by the Association from the common expense fund.

ARTICLE TWELVE
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: THE BERNATH HOMEOWNERS, ASSOCIATION, INC.

ARTICLE THIRTEEN
AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control.

ARTICLE FOURTEEN
OBLIGATIONS OF UNIT OR LOT OWNERS

Section 1. Complaint Procedure. Prior to taking any other action with respect thereto, Unit or Lot Owners shall be obligated to adhere and abide by the following procedure in the case of any complaint a Unit or Lot Owner may have against the Association: Any complaint by a Unit or Lot Owner concerning the maintenance, operation, repair and replacement of assets of the Association, shall be presented in writing to the Board of Directors of the Association. Within thirty (30) days after such complaint is presented to the Board, a representative of the Board (who shall be the manager of the Association, if one has been appointed) shall meet with the Unit or Lot Owner for the purpose of resolving such complaint.

If the complaint is not resolved at such meeting, then, the Board's representative, or the Unit or Lot Owner may elect to have a second meeting. In such event, the parties shall arrange for a second meeting to be held within fifteen (15) days after the first meeting. Unless otherwise mutually agreed, such meeting shall be held at a place selected by the Board. If the complaint is not resolved at the first meeting and neither of the parties elects to have a second meeting, or if a second meeting is held and the complaint is not resolved at such meeting, then, in either such events the complaining Unit or Lot Owner shall be deemed to have complied with the provisions of this Section.

Section 2. Right of Entry. A Unit or Lot Owner shall grant right of entry to the management agent or other person authorized by the Board of Directors and in the case of an emergency originating in or threatening his or any other unit, whether the Unit or Lot Owner is present at the time or not.

Section 3. Conduct. All Unit or Lot Owners, their guest, visitors, or occupants of the Unit shall at all times observe the rules of conduct which may from time to time be established by the Association or its Board of Directors. The rules shall be kept in the office of the Association as a matter of record, and copies furnished to any Unit or Lot Owner on request.

Section 4. Notices to Association. A Unit or Lot Owner who mortgages his Unit or Lot, or executes and delivers, or assumes or purchases his Unit or Lot, subject to any mortgage which shall be or become a lien on his Unit or Lot, shall notify the Secretary of the Association of the name and address of the holder of any such mortgage, and thereby authorize the Association to furnish such information as such mortgagee may request respecting unpaid assessments taxes, or other information concerning such Unit or as may be provided by the By-Laws.

Section 5. Notices by Association. Whenever any notice by the Association to a Unit or Lot owner is required or permitted under these By-Laws, such notice shall be in writing and delivered personally or sent by United State mail, postage prepaid, to the Unit or Lot Owner at such address or addresses as such

Unit or Lot Owner may have designated with the Secretary of the Association, or if no other address has been so designated, at the address of such Owner's Unit or Lot. Notice shall be considered given when delivered personally or on the second day following the date upon which such notice is so deposited in the United States mail.

ARTICLE FIFTEEN
MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 2. Parliamentary Rules. Unless waived by majority vote of the Unit or Lot Owners in attendance in person or by proxy at any duly called membership meeting, or unless waived by a majority of the Directors present at any duly called meeting of the Board of Directors, Roberts' Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with Florida Law, the Articles of Incorporation, or these By-Laws.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Florida law or the Articles of Incorporation and these By-Laws, the provisions of Florida law and the Articles of Incorporation (in that order) shall prevail.

Section 4. Definitions. Unless the context shall otherwise require, words or phrases used herein which are defined in the Florida Homeowners Association Act or the Articles of Incorporation, shall have the same meaning as therein set forth.

IN WITNESS WHEREOF, we, being all of the Directors of the
THE BERNATH HOMEOWNERS, ASSOCIATION, INC., have hereunto set our hands this
3rd day of November, 1995.

WITNESSES:

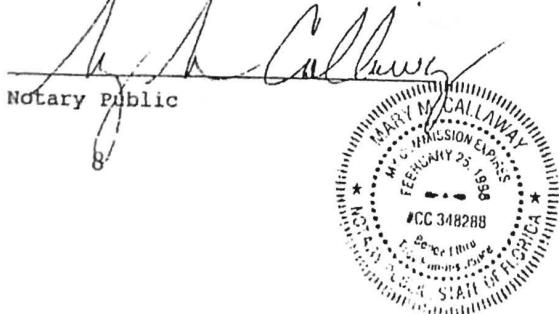
Susanna Agnew
Gloria Sutter

Kenneth D. Ragan
KENNETH D. RAGAN
Gary W. Bryan
GARY W. BRYAN
Monica L. Rivers
MONICA L. RIVERS
Donald R. Esco
DONALD R. ESCO

STATE OF FLORIDA
COUNTY OF ESCAMBIA

BEFORE ME, a notary public in and for the state of Florida personally appeared KENNETH D. RAGAN and GARY W. BRYAN, known to me and known by me to be the persons who executed the foregoing By-Laws of THE BERNATH HOMEOWNERS, ASSOCIATION, INC and they acknowledged before me that they executed those By-Laws.

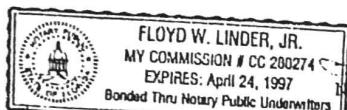
IN WITNESS WHEREOF I have hereunto set my hand and official seal this 3rd day of November, 1995.



STATE OF FLORIDA
COUNTY OF SANTA ROSA

BEFORE ME, a notary public in and for the state of Florida personally appeared MONICA L. RIVERS, known to me and known by me to be the person who executed the foregoing By-Laws of THE BERNATH HOMEOWNERS, ASSOCIATION, INC and she acknowledged before me that she executed those By-Laws.

IN WITNESS WHEREOF I have hereunto set my hand and official seal this day of November, 1995.



Floyd W. Linder, Jr.

Monica L. Rivers: personally known to me

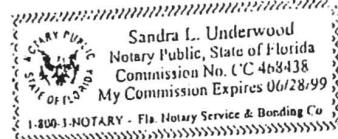
STATE OF FLORIDA
COUNTY OF SANTA ROSA

BEFORE ME, a notary public in and for the state of Florida personally appeared DONALD R. ESCO, known to me and known by me to be the person who executed the foregoing By-Laws of THE BERNATH HOMEOWNERS, ASSOCIATION, INC and he acknowledged before me that he executed those By-Laws.

IN WITNESS WHEREOF I have hereunto set my hand and official seal this 6 day of November, 1995.

Sandra L. Underwood

Notary Public



CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of THE BERNATH HOMEOWNERS, ASSOCIATION, INC., a Florida corporation, and THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 4 day of November, 1995.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 7 day November, 1995.

Monica L. Rivers

Secretary

Monica L. Rivers: personally known to me

Floyd W. Linder, Jr.

