

**THE TERRACE AT PELICAN BEACH,
A CONDOMINIUM**

EXHIBIT E TO DECLARATION

BYLAWS

OF

THE TERRACE AT PELICAN BEACH OWNERS' ASSOCIATION, INC.

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

- A. The office of the Association shall be Post Office Box 216, Destin, Florida 32540.
- B. The fiscal year of the Association shall be the calendar year.
- C. The seal of the Association shall bear its name the word, "Florida", the words, "corporation not for profit", and the year of the incorporation.

2. Members' Meetings.

A. The annual members' meeting shall be held at the office of the corporation on the 1st Saturday in November of each year for the purpose of electing directors and transacting any other business authorized to be transacted by the members; provided, however, that if the day is a legal holiday, the meeting shall be held on the next day that is not a holiday.

B. Special members' meetings shall be held whenever called by the president and vice-president or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast one-third of the votes of the entire membership. Special meetings for approval of assessments which exceed 115% of assessments for a prior year and for recall of a Board member may be called as set forth in Sections 718.112(2)(e) and (k), Florida Statutes, respectively.

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

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

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

E. Voting.

(1) In any meeting of members, owners of units shall be entitled to one vote for each unit owned in The Terrace at Pelican Beach.

(2) If a unit is owned by one person, his right to vote shall be established by the record title to his unit. If a unit is owned by more than one person, or is under lease, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of the unit and filed with the secretary of the Association. If a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated by a certificate signed by the president or vice-president and attested by the secretary of the corporation and filed with the secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned. A certificate designating the person entitled to cast the vote of a unit may be revoked by any owner of a unit. If such a certificate is not of file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose.

F. Proxies. The use of limited and general proxies shall be permitted as set forth by Florida law. Votes may be cast in person or by proxy. Any proxy given shall be effective only for the specific meeting for which originally given and any lawful adjourned meeting thereof. In no event shall a proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the unit owner executing it. A proxy must be filed with the secretary before the appointed time of the meeting or any adjournment of the meeting for that proxy to be valid.

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

H. The order of business at annual meetings and as far as practical at other members' meetings, shall be:

- (1) Election of chairman of the meeting.
- (2) Calling of the roll and certifying of proxies.
- (3) Proof of notice of meeting or waiver of notice.
- (4) Reading and disposal of any unapproved minutes.
- (5) Reports of officers.
- (6) Reports of committees.
- (7) Election of directors.
- (8) Unfinished business.
- (9) New business.
- (10) Adjournment.

3. Directors.

A. Membership. The affairs of the Association shall be managed by a Board of Directors of not less than three directors, the exact number to be determined by the Board of Directors from time to time. The Board of Directors shall be divided into three classes (Class A, Class B, and Class C), as nearly equal in number as permitted by the then total number of directors constituting the whole Board, with the term of office of one class expiring each year. Within the requirements of law, the terms and number of directors in each class shall be fixed, from time to time, by the Board of Directors. The term of office, until otherwise fixed, for all directors elected at each annual meeting shall be three years from the date of their election. At each annual meeting, elections shall be held to elect directors to replace those whose terms have expired. All directors shall continue in office after the expiration of their terms until their successors are elected or appointed and have qualified, except in the event of earlier resignation, removal, or disqualification.

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

(1) Election of directors shall be held at the annual members' meeting; provided, however, that the first election of directors shall not be held until the Developer elects to

terminate its control of the Association, or until required by Florida law, whichever occurs first. The directors named in the Articles of Incorporation shall serve until the first election of directors, and vacancies shall be filled by the remaining director(s), and if there are no remaining directors, vacancies shall be filled by the Developer.

(2) The election shall be by written ballot or voting machine. Proxies shall in no event be used in electing the Board, either in general elections or elections to fill vacancies caused by recall. Not less than 60 days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner desiring to be a candidate for the Board shall give written notice to the secretary of the Association not less than 40 days before a scheduled election. Together with the written notice and agenda for the annual meeting, the Association shall then mail or deliver a second notice of the meeting to all unit owners entitled to vote therein, together with a ballot which shall list all candidates.

(3) Upon request of a candidate, the Association shall include an information sheet, no larger than 8.5 inches by 11 inches furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board.

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

(5) Any director may be removed by concurrence of a majority of the votes of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meetings.

(6) Provided, however, when unit owners other than the Developer own fifteen percent (15%) or more of the units within the condominium, 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 the Association three (3) years after sales by the Developer have been closed on fifty percent (50%) of the units within this condominium, within three (3) months after sales have been closed by the Developer on ninety percent (90%) of the units within the condominium, when all of the units within the condominium have been completed, 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, when some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, or seven years after recordation of the declaration of condominium, whichever of the foregoing events shall first occur. The Developer shall be entitled to elect at least one member of the Board of Directors of the Association as long as the Developer holds for sale in the ordinary course of business at least five per cent (5%) of the units within the condominium. Within seventy-five (75) days after the owners other than the Developer are entitled to elect a member or members of the Board of Directors of the Association, the Association shall call and give not less than sixty (60) days' notice of an election for this purpose. The notice may be given by any owner if the Association fails to do so.

C. 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 elsewhere provided.

D. The organizational meeting of the newly elected Board of Directors shall be held immediately following, and in the same location as, the meeting at which they were elected.

E. 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 or telegraph, at least seven (7) days prior to the day named for the meeting.

F. Regular meetings of the directors may be called by the president and must be called by the secretary at the written request of one-third (1/3) of the directors. Not less than three (3) days notice of the meeting shall be given personally, or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

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

H. 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.

I. A quorum at a directors' meeting shall consist of a majority of the entire 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 of Directors, except when approval by a greater number of directors is required by the Declaration of Condominium, the Articles of Incorporation or these Bylaws.

J. 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.

K. Joinder in a Meeting By Approval of Minutes. The joinder of a director in the action of a meeting by signing and concurring in the minutes of that meeting shall not constitute the presence of such director for the purpose of determining a quorum.

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

M. The order of business at directors' meetings shall be:

- (1) Calling of the roll.
- (2) Proof of due notice of meeting.
- (3) Reading and disposal of any unapproved minutes.
- (4) Reports of officers and committees.
- (5) Election of officers.
- (6) Unfinished business.
- (7) New business.
- (8) Adjournment.

N. Directors' fees, if any, shall be determined by the members.

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

5. Officers.

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

designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

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

C. 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.

D. The secretary shall keep the minutes of all proceedings of directors and members. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the treasurer, and shall perform all other duties incident to the office of secretary of an Association, and as may be required by the director or the president.

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

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

A. The receipt and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

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

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

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

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

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

C. Budget. The Board of Directors shall adopt a budget for each calendar year that shall include the estimated funds required to defray the common expense and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices. Copies of the budget and proposed assessments shall be transmitted to each member on or before December 2

preceding the year for which the budget is made. If the budget is amended substantially, a copy of the amended budget shall be furnished to each member.

D. Assessments. Assessments against the unit owners for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments shall be due in quarterly or monthly installments, as may be determined by the Board of Directors of the Association. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors.

E. Acceleration of Assessment Installments Upon Default. If a unit owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon the filing of a lien.

F. Assessments for Emergencies. Assessment for common expenses of emergencies that cannot be paid from the annual assessments for common expenses shall be made only after notice of the need for such is given to the unit owners concerned. After such notice and upon approval in writing by persons entitled to cast more than one-half (1/2) of the votes of the Association the assessment shall become effective, and it shall be due after thirty (30) days notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

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

7. Parliamentary Rules. "Roberts' Rules of Order" (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation and these Bylaws.

8. Amendments. These Bylaws 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 of the Association or by the members of the Association. Directors and members 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. Except as elsewhere provided, such approvals must be either by:

- (1) Not less than 66-2/3% of the entire membership of the Board of Directors and by not less than 66-2/3% of the votes of the entire membership of the Association; or
- (2) By not less than 66-2/3% of the votes of the entire membership of the Association; or
- (3) Until the first election of directors, by all of the directors.

9. 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 units with the Condominium Fire and Life Safety Code.

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

The foregoing were adopted as the Bylaws of The Terrace at Pelican Beach Owners' Association, Inc., a corporation not for profit under the laws of the State of Florida at the first meeting of the Board of Directors on this _____ day of _____, 1999.

Secretary (SEAL)

Approved: _____ (SEAL)
President