

EXHIBIT "G"

BY-LAWS

OF

SABINE YACHT AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC.
A FLORIDA CORPORATION NOT FOR PROFIT

1. Identity. These are the By-Laws of SABINE YACHT AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC., herein called the "Association", a non-profit Florida corporation, provided for in Chapter 711, Florida Statutes, for the purpose of administering Sabine Yacht and Racquet Club, a Condominium, located on the following property in Escambia County, Florida:

COMMENCE at the Southeast corner of Block "C", 1st Addition to Villa 7 (the Subdivision as recorded in Plat Book 5 at Page 75 of the Public Records of Escambia County, Florida;

THENCE go South 89 degrees 50 minutes 20 seconds West along the Northerly Right-of-Way line of Ft. Pickens Road (State Road #399; 120 feet Right-of-Way) a distance of 324.00 feet to the Southwest corner of Lot 15, Block "A", Spanish Landing Subdivision as recorded in Plat Book 8 at Page 24 of the Public Records of Escambia County, Florida, and the Point of Beginning;

THENCE continue South 89 degrees 50 minutes 20 seconds West along said Northerly Right-of-Way a distance of 376.00 feet;

THENCE go North 00 degrees 00 minutes 00 seconds East parallel to the Easterly line of Block "C" a distance of 269 feet more-or-less to the Mean-High-Water line of Little Sabine Bay;

THENCE meander Northeasterly along the aforesaid Mean-High-Water line to a point where it intersects a line passed through the Point of Beginning having a bearing of North 00 degrees 09 minutes 40 seconds West, said line being the Westerly line of aforesaid Lot 15, Block "A", Spanish Landing Subdivision;

THENCE go South 00 degrees 09 minutes 40 seconds East a distance of 290 feet more-or-less to the Point of Beginning.

1.1 Office. The office of the Association shall be at the site of the condominium or such other place as may be designated by the Board of Directors.

1.2 Fiscal Year. The fiscal year of the Association shall begin on August 1 of each year and end on the last day of July of each year.

1.3 Seal. The seal of the corporation shall bear the name of the corporation, the word "Florida", the words "Corporation not for profit" and the year of incorporation.

2.1 Qualification. The members of the Association shall consist of all of the record owners of apartment units.

2.2 Change of Membership. Change of membership in the Association shall be established by recording in the Public Records of Escambia County, Florida, a Partial Assignment of Sub-Lease or other instrument establishing a record title to an apartment unit in the condominium and the delivery to the Association of a copy of such instrument, the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior owner shall be thereby terminated.

2.3 Voting Rights. The owner of each unit shall be entitled to one vote for each apartment unit owned, notwithstanding the percentage share of common elements appurtenant to his apartment unit or units, as a member of the Association, and the manner of exercising such voting rights shall be determined by these By-Laws. The term "majority" as used in these By-Laws and other condominium instruments in reference to voting by apartment owners, Association members, and the Board of Directors, means more than fifty (50%) percent.

2.4 Designation of Voting Representative. 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, 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 of appointment 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 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 thereof.

2.5 Approval or Disapproval of Matters. Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if at an Association meeting, unless the joinder of record owners is specifically required by the Declaration or those By-Laws.

2.6 Restraint Upon Assignment of Shares in Assets.
The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his unit.

1. Members' Meeting.

3. Members' Meeting.

3.1 Annual Members' Meeting. The annual members' meeting shall be held at the office of the Association at 7 P.M., on the fourth Thursday of July of each year, or at such other time during the month of July as shall be designated by the Board of Directors for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day. The annual meeting may be waived by a unanimous agreement of the members in writing.

3.2 Special Members' Meeting. Special members' meeting may be called at the discretion of the Board of Directors at any time for the purpose of transacting any business which may require the attention of the members.

legal counsel. The annual meeting shall be held on the next day. The annual agreement of the members in writing.

3.7 Special Members' Meeting. Special members' meetings shall be called by a majority of the Board of Directors and must be called by such Director upon receipt of a written request from members entitled to cast

thirty-three (33%) percent of the votes of the entire membership. Such request shall state the purpose or purposes of the proposed meeting. Business transacted at such special meetings shall be confined to the objects stated in the notice thereof.

3.3 Notice of All Members' Meetings. Notice of all members' meetings stating the time and place and the objects for which the meeting is called shall be given unless waived in writing. Such notice shall be in writing and furnished by the Secretary to each member not less than fourteen (14) days nor more than sixty (60) days in advance of the date of the meeting and by posting at a conspicuous place on the condominium property a notice of the meeting at least fourteen (14) days but not more than sixty (60) days in advance of the date of the meeting. The notice to each member shall be furnished by personal delivery or by mailing the same by either regular or certified mail to each member at his address as it appears on the books of the Association. Proof of such mailing shall be given by affidavit of the person giving the notice. Notice of meetings may be waived either before or after the meeting.

3.4 Special Boat Dock Meeting. For the purposes of any special meeting that may be required pursuant to Section 4.8(b) of the Declaration, in order to determine whether to construct the Boat Dock, all requirements as to voting shall be modified for the purpose of this Section 3.4 so as to consider only unit owners other than the Sponsor and members. However, a minimum of 40 unit owners other than the Sponsor must approve the decision to undertake construction.

3.5 Quorum. A quorum at members' meetings shall consist of persons entitled to cast thirty-three (33%) percent of the votes of the Association. The acts approved by a majority of those 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 or these By-Laws. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum.

3.6 Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting or any adjournment thereof. When a Unit is jointly owned by husband and wife, and if they have not designated one of them as a voting member, a proxy must be signed by both parties.

3.7 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.

3.8 Waiver and Consent. Whenever the vote of members at a meeting is required or permitted to be taken by any provision of these By-Laws in connection with any action of the Association, the meeting and vote may be dispensed with if a majority of the members who would have been entitled to vote upon the action shall consent in writing to such action being taken. However, notice of such action shall be given to all members unless there is unanimous approval of the action.

3.9 Order of Business. The order of business at annual members' meetings, and as far as practical at all other members' meetings, shall be:

- (a) Calling of the roll and certifying of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Reports of officers.
- (e) Reports of Committees.
- (f) Election of Directors.
- (g) Unfinished Business.
- (h) New Business.
- (i) Adjournment.

4. Board of Directors.

4.1 Membership. The affairs of the Association shall be managed by a Board of Directors as set forth in the Articles of Incorporation. Each Director shall be a person entitled to cast a vote in the Association, except as provided in Section 4.2(h) of these By-Laws, and of Section V.A of the Articles.

4.2 Election of Directors.

(a) Members of the Board of Directors shall be elected by a majority vote of the owners present at the annual meeting of the members of the Association, and entitled to vote.

(b) Except as to vacancies provided by removal of Directors by members, vacancies on the Board of Directors occurring between annual meetings of members shall be filled by a majority vote of the remaining Directors.

(c) A nominating Committee of five (5) members may be appointed by the Board of Directors not less than thirty (30) days prior to the annual members' meeting. The committee shall nominate two people for each position open for election and other nominations for such positions may be made from the floor. Nominations for additional Directorships created at the meeting shall be made from the floor.

(d) The election shall be by ballot (unless dispensed with by unanimous consent) and by plurality of the votes cast. Each person voting shall be entitled to cast his vote for as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

(e) Any Director may resign at any time by sending written notice of such resignation to the office of the Association, to be delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary.

(f) Four or more consecutive absences from regular meetings of the Board of Directors by any Director not appointed by the Sponsor, unless excused by Resolution of the

Board, shall be grounds for disqualification for cause by a majority vote of the Board. In addition, if a director is more than thirty (30) days delinquent in the payment of an assessment, he shall likewise be disqualified from membership on the Board of Directors.

(g) Any Director not appointed by the Sponsor may be removed by concurrence of two-thirds (2/3) of the members of the Association at a special meeting of the members called for that purpose. The vacancy on the Board of Directors so created shall be filled by the members of the Association at the same meeting.

(h) The Sponsor shall be vested with the power to designate the initial Board of Directors and such other Directors as set forth in Section 4.2(h) (1), below. All members of the Board of Directors must be owners of units in the condominium unless designated by the Sponsor, either as members of the initial Board of Directors or otherwise. Unless the Sponsor has elected to transfer control of the Association to the owners at an earlier date, the Sponsor shall transfer control of the Association to the owners' board as provided in the following formula:

(1) When unit owners other than the Sponsor own fifteen percent (15%) or more of the units that will be operated ultimately by the Association, the unit owners other than the Sponsor 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 Sponsor shall be entitled to elect a majority of the members of the Board of Directors of the Association three (3) years after sales by the Sponsor have been closed of fifty percent (50%) of the units that will be operated ultimately by the Association, or three (3) months after sales have been closed by the Sponsor of ninety percent (90%) of the units that will be operated ultimately by the Association, or when all of the units that will be operated ultimately by the Association have been completed and some of them have been sold and none of the others are being offered for sale by the Sponsor in the ordinary course of business, whichever shall first occur. When unit owners other than the Sponsor are entitled to elect a majority of the members of the Board, the Sponsor shall be entitled to designate the same number of Directors elected by unit owners other than the Sponsor, less one Director. For example, if unit owners other than the Sponsor elect five (5) Directors, the Sponsor shall be entitled to designate four (4) Directors of the Board of Directors of the Association (as long as the Sponsor holds for sale in the ordinary course of business any units in a condominium operated by the Association). The Sponsor may if it chooses waive its right to designate one or more members of the Board of Directors, in which event unit owners other than the Sponsor shall be entitled to elect such directors. So long as the Sponsor holds for sale in the ordinary course of business any units in a condominium operated by the Association, such waiver shall only be effective for the specific election of Directors involved, and shall not operate as a waiver of the Sponsor's right to designate Directors in any future election. Within sixty (60) days after unit owners other than the Sponsor are entitled to elect a member or members of the board, the Association shall call and give notice of not less than thirty (30) days nor more than forty (40) days of a meeting of the unit owners for this purpose. Such meeting may be called and the notice given by any unit owner if the Association fails to do so.

(2) Prior to or within sixty (60) days after unit owners other than the Sponsor elect a majority of the members of the Board of Directors of the Association, the

Sponsor shall relinquish control of the Association and shall deliver to the Association all property of the unit owners and of the Association held by or controlled by the Sponsor including but not limited to the following items, if applicable:

(a) The original, a certified copy or a photocopy of the recorded Declaration of Condominium; if a photocopy is provided, the same shall reflect the recording information and shall be certified by affidavit by the Sponsor or officer or agent of the Sponsor as being a true and complete copy of the actual recorded Declaration; the Association's Articles of Incorporation; By-Laws; minute books and other corporate books and records of the Association, if any; the condominium documents; and any house rules and regulations which may have been promulgated.

(b) Resignations of officers and members of the Board of Directors who may be required to resign for reason of the requirement that the Sponsor relinquish control of the Association.

(c) An accounting or accountings for Association funds. The Sponsor shall be liable to the Association for all of the funds of the Association that are not properly expended and which were collected during the period of time that the Sponsor controlled the Board of Directors of the Association.

(d) Association funds or control thereof.

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

(f) A copy of the plans and specifications utilized in the construction of improvements and the supplying of equipment to the condominium and for the construction and installation of all mechanical components serving the improvements and the site, with a certificate in affidavit form of the Sponsor or of his agent or of an architect or engineer authorized to practice in this state that such plans and specifications represent to the best of their knowledge and belief the actual plans and specifications utilized in and about the construction and improvement of the condominium property and for the construction and installation of the mechanical components serving the improvements.

(g) Insurance policies.

(h) Copies of any certificates of occupancy which may have been issued within one (1) year of the date of creation of the condominium.

(i) Any other permits issued by governmental bodies applicable to the condominium property and which are currently in force or were issued within one (1) year prior to the date upon which the unit owners other than the Sponsor took control of the Association.

(j) Such written warranties of the contractor, subcontractors, suppliers and manufacturers as are still effective.

(k) A roster of unit owners and their addresses and telephone numbers, if known, as shown on the Sponsor's records.

(l) Employment contracts in which the Association is one of the contracting parties.

(m) Employment contracts or service contracts in which the Association is one of the contracting parties or service contracts in which the Association or the unit owners have directly or indirectly an obligation or responsibility to pay some or all of the fee or charge to the person or persons performing the services.

(n) Other contracts in which the Association is one of the contracting parties.

4.3 Term. So long as the Sponsor has designated one or more members of the Board, the term of each Director's service shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided. Subsequent to the resignation of all of the Directors designated by the Sponsor, the term of each Director's service on the Board shall extend for a period of two years. Elections shall then be held at the annual members meeting, with 3 Directors to be elected in even numbered years and 2 Directors to be elected in odd numbered years.

4.4 Organization 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 fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

4.5 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 or telegraph at least five (5) days prior to the day named for such meeting.

4.6 Special Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of two-thirds (2/3) of the Directors. Not less than five (5) 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.

4.7 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.

4.8 Quorum. A quorum at Directors' meetings 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 act of the Board of Directors, except where approval by a greater number of Directors is required by the Declaration of Condominium or these By-Laws.

4.9 Adjourned Meetings. If at any meetings 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 which might have been transacted at the meeting may be transacted without further notice.

4.10 Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

4.11 Directors' Meetings. Meetings of the Board of Directors shall be open to all unit owners, and notices of such meetings shall be posted conspicuously forty-eight (48) hours in advance of such meetings for the attention of unit owners, except in an emergency.

4.12 Presiding Officer. The presiding officer of Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.

4.13 Directors' Fees. Directors' fees, if any, shall be determined by the members of the Association; provided, Directors designated by the Sponsor shall never under any circumstances be entitled to Directors' fees.

4.14 Order of Business. The Order of Business at the Director's Meetings shall be:

- a. Calling of roll
- b. Proof of due Notice of Meeting
- c. Reading of any unapproved Minutes
- d. Reports of Officers and Committees
- e. Election of Officers
- f. Unfinished business
- g. New business
- h. Adjournment.

5. Powers and Duties of Board of Directors. All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by unit owners when such is specifically required. Such powers and duties of the Directors shall include but not be limited to the following, subject, however, to the provisions of the Declaration of Condominium and these By-Laws.

5.1 Assess. To make and collect assessments against members to defray the costs and expenses of the condominium.

5.2 Disburse. To use the proceeds from assessments in the exercise of its powers and duties.

5.3 Maintain. To maintain, repair, replace and operate the condominium property, including furniture and other personal property owned by the Association.

5.4 Insure. To purchase insurance upon the condominium property and insurance for the protection of the Association and its members.

5.5 Reconstruct. To reconstruct or improve the condominium property after casualty and further improve the condominium property.

5.6 Regulate. To make and amend reasonable rules and regulations respecting the use of the property in the condominium as provided in Paragraph 12.4 of the Declaration.

5.7 Management Contract. To contract for the maintenance, management or operation of condominium property and to delegate to the manager all powers and duties of the Association except such as are specifically required by the Declaration of Condominium or these By-Laws to have approval of the Board of Directors or the membership of the Association. No such management contracts shall be construed to be invalid by reason of the Association's delegation or assignment of its rights, duties, privileges or responsibilities as set forth in the Condominium Act or Declaration. Such contract for the maintenance, management, or operation of condominium property shall be subject to cancellation at the time and on the conditions as follow:

If the unit owners other than the Sponsor have assumed control of the Association, or if unit owners other than the Sponsor own not less than 75% of the units in the condominium, the cancellation shall be by concurrence of the owners of not less than a majority of the units other than the units owned by the Sponsor. If any such contract is cancelled under this provision and the unit owners other than the Sponsor have not assumed control of the Association, the Association shall make a new contract or otherwise provide for maintenance, management or operation in lieu of the cancelled obligation at the direction of the owners of not less than a majority of the units in the condominium other than the units owned by the Sponsor.

5.8 Designate Committees. To designate one or more committees which shall have the powers of the Board of Directors for the management of the affairs and business of the Association, to the extent provided in the Resolution designating such a committee. Such committee shall consist of at least three (3) members of the Association, one of whom shall be a Director. The Committee or Committees shall have such name or names as may be determined from time to time by the Board of Directors, and said Committee shall keep regular minutes of their proceedings and report the same to the Board of Directors as required. The foregoing powers shall be exercised by the Board of Directors or its contractor, manager, or employees, subject only to approval by unit owners when such is specifically required.

5.9 Payment of Liens. To pay taxes, assessments, and fines which are liens against any part of the condominium other than individual units unless the individual unit is owned by the Association and the appurtenances thereto, and to assess the same against the units subject to such liens.

5.10 Enforcement. To enforce by legal means provisions of the Condominium Act, the Declaration of Condominium, the Articles of Incorporation, the By-Laws and the regulations for the use of the property in the condominium. In the event that the Board of Directors determines that any Unit Owner is in violation of any provisions of the Condominium Act, the Declaration, Articles, By-Laws or Rules and Regulations, the Board, or an agent of the Board designated for that purpose, shall notify the Unit Owner of the nature of the violation. If said violation is not cured within five (5) days, or if said violation consists of acts or conduct by the Unit Owner, and such acts or conduct are repeated, the Board may levy a fine of up to \$25.00 per offense against the Unit Owner. Such fine during which the violation continues shall be deemed a separate offense. Such fines shall be assessed as a special

assessment against the Unit Owner, shall constitute a lien upon the Unit, and may be foreclosed by the Association in the same manner as any other lien, provided that before imposition of any fine, the defaulting Unit Owner shall be entitled to a hearing before the Board, upon reasonable written notice specifying the violations charged, and may be represented by counsel; and provided further that no fine may be levied in any event against the Sponsor.

5.11 Utilities. To pay the cost of all power, water, sewer and other utility services rendered to the condominium and not separately billed to owners of individual apartment units.

5.12 Employment. To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association, including the right and power to employ attorneys, accountants, contractors, and other professionals as the need arises.

5.13 Record of Mortgagees of Units. To maintain a book or other written record of all holders of mortgages upon each Unit. The holder of each mortgage shall be designated as either an "Institutional Mortgagee" or not, as the case may be. Each Unit Owner must notify the Association of any mortgage on his Unit, and the name and address of the mortgagee, within 5 days after entering into a mortgage on his Unit. This record shall be open to inspection or for copying by all Institutional Mortgagees during normal business hours, but not by unit owners or others without a valid court order (in order to protect the privacy of unit owners).

6. Officers.

6.1 Officers and Election. The executive officers of the Association shall be a President, a Vice-President, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be preemptorily removed by vote of the Directors at any meeting. So long as the Sponsor retains control of the majority of the Board of Directors, no Officer need be a member of the Board. However, after the Sponsor relinquishes control of the Board, the President and Secretary shall at all times be Board members. Any person may hold two or more offices except that the President shall not also be the Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find necessary to properly manage the affairs of the Association.

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

6.3 Vice-President. The Vice-President shall in the absence or disability of the President exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

6.4 Secretary. The Secretary shall keep minutes of the proceedings of the Directors and the 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 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 duties of the Secretary may be fulfilled by an Assistant Secretary when the Secretary is absent.

6.5 Treasurer. 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 provide for collection of assessments; and he shall perform all other duties incident to the office of Treasurer. The duties of the Treasurer may be fulfilled by a manager employed by the Association.

6.6 Compensation. The compensation, if any, of all officers shall be fixed by the members at their annual meeting. No officer who is a designee of the Sponsor shall receive any compensation for his services as such.

6.7 Removal of Officers. Any Officer may be removed, with or without cause, by a majority vote of the Board of Directors. Any Officer designated by the Sponsor may be removed summarily by the Sponsor.

6.8 Indemnification and Insurance of Directors and Officers. Every Director and every officer of the Association shall be indemnified by the Association against all expense and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a Director or Officer of the Association, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of these duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled. The Board of Directors may, and shall if reasonably available, purchase liability insurance to insure all directors, officers or agents, past and present against all expenses and liabilities as set forth above. The premiums for such insurance shall be paid by the Unit Owners as a part of the Common Expenses.

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

7.1 Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate:

(a) **Current Expenses.** Current expenses shall include all receipts and expenditures to be made within the year for which the receipts are budgeted and may include a reasonable allowance for contingencies and working funds. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year or to fund reserves.

(b) **Reserves.** The following reserves may be established in the discretion of the Board of Directors. Any or no amount may be budgeted for said reserve, in the sole discretion of the Board of Directors.

(1) **Reserve for Deferred Maintenance.** Reserve for deferred maintenance shall include funds for maintenance items which occur less frequently than annually.

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

(3) Betterments. Reserve to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.

(c) Individual Accounts. The Association shall keep a separate account for each individual unit which shall designate the name and address of the unit owner, the amount of each assessment, the dates and amount on which the assessment comes due and the amounts paid upon the unit owner's account and the balance due.

7.2 Budget. The Board of Directors shall adopt a budget for each calendar year which shall include the estimated funds required to defray the current expenses and may provide funds for the foregoing reserves.

(a) A copy of a proposed annual budget of common expenses shall be mailed to the unit owners not less than thirty (30) days prior to the meeting at which the budget will be considered, together with a notice of that meeting. The unit 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 unit owners. If a budget is adopted by the Board of Directors which requires assessment against the unit owners in any fiscal year exceeding 115% of such assessments for the preceding year, upon written application of ten (10%) percent of the unit owners, a special meeting of the unit owners shall be held upon not less than ten (10) days written notice to each unit owner, but within thirty (30) days of the delivery of such application to the Board of Directors or any member thereof, at which special meeting unit owners may consider and enact a revision of the budget, or recall any and all members of the Board of Directors and elect their successors. In either case, the revision of the budget or the recall of any and all members of the Board of Directors shall require a vote of not less than a majority of the whole number of votes of all unit owners. The Board of Directors may in any event propose a budget to the unit owners at a meeting of members or by writing and if such budget or proposed budget be approved by the unit owners at the meeting, or by a majority of their whole number by a writing, such budget shall not thereafter be reexamined by the unit owners in the manner hereinabove set forth nor shall the Board of Directors be recalled under the terms of this section. In determining whether assessments exceed 115% of similar assessments in prior years, there shall be excluded in the computation any provision for reasonable reserves made by the Board of Directors in respect of repair or replacement of the condominium property or in respect of anticipated expenses by the condominium association which are not anticipated to be incurred on a regular or annual basis. There shall be excluded from such computation, assessment for betterments to the condominium property or assessments for betterments to be imposed by the Board of Directors. Provided, however, that so long as the Sponsor is in control of the Board of Directors the Board shall not impose an assessment for a year greater than 115% of the prior fiscal or calendar year's assessment without approval of a majority of the unit owners.

7.3 Excess Assessments in Fiscal Year. Recognizing that it is extremely difficult to adopt a budget for each calendar year that exactly coincides with the actual expenses during that year, the Board of Directors shall report to the unit owners at the annual meeting of unit owners the amount,

if any, by which assessments for the preceding fiscal year to date have exceeded the expenditures of the Association. Such excess shall be applied automatically against the following year's assessments.

7.4 Assessments. Assessments against the unit owners for their shares of the items of the budget shall be made in advance on or before July 20 preceding the fiscal year for which the assessments are made. Such assessments shall be due in twelve (12) equal monthly payments, one of which shall come due on the first day of each month 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 been made in the amount of the last prior assessment and monthly payments thereon shall be due upon the first day of each month until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due on the first day of the month next succeeding the month in which such amended assessment is made or as otherwise provided by the Board of Directors. The first assessment shall be determined by the Board of Directors of the Association.

7.5 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 notice to the unit owner, and then the unpaid balance of the assessment shall become due upon the date stated in the notice, but not less than ten (10) days after delivery of the notice to the unit owner, or if such notice be by registered or certified mail, not less than twenty (20) days after the mailing, whichever shall first occur.

7.6 Depository. The depository of the Association will be such bank or banks in Escambia County, Florida, as shall be designated from time to time by the Directors and in which the withdrawal of monies from such accounts shall be only by checks signed by such persons as authorized by the Directors. Provided, however, that the provisions of a management agreement between the Association and a manager relative to the subject matter of this section shall supersede the provisions hereof.

7.7 Audit. An audit of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the audit report shall be furnished to each member not later than November 1 of the fiscal year following the year for which the audit is made.

7.8 Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors. The premiums on such bonds shall be paid by the Association.

8. Parking. At the time of the purchase of the member's unit, each member was specifically assigned one parking space. The Sponsor's right to assign parking spaces shall continue until Sponsor sells the last condominium unit. Thereafter the Association shall have the right to assign and control all unassigned parking so long as the Association does not interfere with, alter or change the previously made Sponsor's assignments. Parking spaces may be transferred and swapped only among the unit owners. Each unit owner must at all times have one parking space the right to which is assigned to it.

exclusively and the right to which is transferable at the time of the sale or transfer of the unit. Maintenance of the parking area is declared to be a common expense. PARKING SPACES ARE FOR PASSENGER AUTOMOBILES ONLY AND NO BOATS, TRUCKS, TRAILERS, MOTORHOMES, CAMPERS OR OTHER VEHICLES OR OBJECTS SHALL BE PLACED IN OR AROUND THE PARKING SPACE ASSIGNED.

8.1 Assignment of Parking Spaces. The assignment of a parking space shall be made by describing the particular parking space by reference thereto in a document entitled "Assignment of Use of Parking Space" delivered at the same time as or subsequent to delivery of the Deed of Conveyance to the unit. The Association shall maintain a book for the purpose of listing each assignee of each parking space and the transfers thereof (the "Book"). Upon assignment of such parking space, the Sponsor shall cause the Association to record its transfer in the Book. Upon conveyance of, or passing of title to the unit to which the said assignment of parking space has been made, the owner of the unit making the conveyance of title shall execute notice of transfer to the Association who shall thereupon cause to be executed in the name of the Association a new document entitled "Assignment of Use of Parking Space" and record the transfer in the Book. The same procedure shall be followed in the event of a trade of spaces.

9. Rental of Units. Units may be rented according to the following provisions:

9.1 Tenants' Responsibility to Association. Copies of all leases shall be deposited with the Association and all tenants shall check in with the Association before commencing their tenancy. Tenants shall abide by the Association's Rules and Regulations and failure to do so shall result in the immediate eviction of the offending tenant or tenants.

9.2 Security Deposit. A minimum Security Deposit may be required from all tenants by the Association, as determined by the Board of Directors, but not to exceed \$75.00. Failure to make such a deposit shall result in the termination of the tenant's right to use any or all of the Common Elements.

10. Pets. Pets shall be kept or maintained in and about the condominium property only if a unit owner is granted a conditional license to maintain one pet by the Association. Such a license will be granted subject to the following conditions and reservations:

10.1 Acceptable Pets. The only pets to be maintained on condominium property shall be dogs under 20 pounds when fully grown, cats and small birds.

10.2 Damage to Condominium Property. A unit owner shall be fully responsible for paying any and all costs involved in restoring to original new condition any damage caused to the condominium property by the owner's maintenance of a pet.

10.3 Personal Injury or Damage. A unit owner shall be financially responsible for any personal injury or personal property damage caused to any owner, tenant, guest, employee of the Association, or to any member of the public as a result of the owner's maintenance of a pet.

10.4 Pets Carried In and Out of Buildings. Pets must be carried in the approved manner in and out of the building.

10.5 Restrictions. Pets shall not be permitted in the public rooms or in the swimming pool or tennis area under any circumstances. Pets must not be cubed near the buildings, walkways, shrubbery, gardens or other public spaces and pets must be walked off of the condominium property.

10.6 Guests, Tenants and Visitors. Guests, tenants and visitors of a unit owner shall not be permitted to bring any pet on the condominium property.

10.7 Revocation. The Board of Directors may, upon their sole determination, revoke or terminate the above conditioned license if a pet is either vicious or is annoying other owners or is otherwise a nuisance.

11. Boat Dock. If constructed, space at the Boat Dock, (hereinafter referred to as a "Slip") shall be assigned or rented by the Association to members of the Association or to non-members. When the Association assigns or rents a Slip, it shall endeavor to charge a reasonable rate which should not exceed similar rates available in the area. However, the Association shall use its best efforts to obtain rates and occupancy at least adequate to offset the costs of maintaining, operating, insuring, repairing and replacing the Boat Dock, based upon full occupancy. Members shall have priority for such assignment or rental, and any assignment to or rental agreement with a non-member shall be on a month-to-month basis or less only, and shall provide for termination of such assignment or rental agreement upon no more than thirty days notice upon the demand of a member for a Slip. Members assigned or renting a Slip shall not sublet or assign their Slip without the consent of the Association. The Association shall maintain a posted waiting list for Slip rentals or assignments. (The assignee or tenant of a Slip is hereinafter referred to as "Boat Owner".)

11.1 Use Restriction. Under no circumstances shall any boat harbored in the Boat Dock be used as or considered a residential unit. Any such residential use by the Boat Owner or any guests, tenants, visitors or any other person or persons shall be considered a violation of these By-Laws and shall constitute sufficient cause for revocation of the Boat Owner's right to use of the Slip.

11.2 Pollution Control. The use of the Boat Dock by Boat Owners shall be in compliance with all governmental controls and regulations relating to the pollution of navigable waters. Failure of any Boat Owner to comply with such controls and regulations shall be considered a violation of these By-Laws and shall be cause for the suspension of the right of the Boat Owner to use of the Boat Dock. If a Boat Owner shall also be held liable for any financial loss or injury by any governmental agency as a result of any action by the Boat Owner contrary to such pollution controls.

11.3 Liability. A Boat Owner shall be liable for any damage to the Boat Dock, whether permanent or not, caused by the Boat Owner's use of the Slip. The Board of Directors of the Association shall have the right without limitation to bring suit against any Boat Owner who fails to make restitution to the Association for such damage and to revoke such Boat Owner's right to use of the dock.

11.4 Removal of Boats. The Board of Directors shall have the right without limitation to remove any boat harbored at the Dock which becomes a hazard to the safe use of the Dock by other Boat Owners. Such removal shall not be limited to fire and health. The Board shall also have the right without limitation to remove any and all boats from the

Boat Dock in the event of the issuance of a hurricane or severe storm warning. The Association shall be held harmless by the Boat Owner, upon his taking possession of a Slip, for the removal of his vessel from the Slip in an emergency, as determined at the sole discretion of the Association, or its agent in charge of the Dock, or for the removal of the vessel upon hurricane or gale warnings if the Boat Owner fails to respond to oral notice to remove his vessel.

11.5 Procedure for Revocation. Any member Boat Owner who is found to be in violation of any or all of the above noted conditions and restrictions shall be given five (5) days written notice of a hearing to be held by the Board of Directors for the purpose of considering revocation of the Boat Owner's right to use of the the Boat Dock. Such notice shall contain the date and time of the hearing, the issues involved in the proposed action, and the name of the person or persons who have brought the complaint against the Boat Owner. The Boat Owner shall have the right to have legal counsel present at the hearing. The decision of the Board made at such a hearing shall be final and the Board may, without limitation, enforce its right to take such action by bringing suit in the Circuit Court of Escambia County against a Boat Owner found to be in violation of these By-Laws.

11.6 Boat Dock Utilities. The Association may install individual electrical and water meters for Boat Slips if it so determines.

11.7 Limitation on Liability of Association. Neither the Association nor the Sponsor shall be liable for any injury or damage occurring to vessels or individuals on or at the Boat Dock caused, without limitation, by any latent condition of the Boat Dock itself or any condition existing on a vessel harbored in the Boat Dock.

11.8 Rules and Regulations. The Board of Directors shall have the right, as it deems necessary, to make and amend reasonable rules and regulations concerning the use of the Boat Dock. Copies of such Rules and Regulations and amendments thereto shall be furnished by the Board to all Boat Owners.

12. By-Laws. The Robert's Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration of Condominium or these By-Laws.

13. Amendments. The By-Laws may be amended in the manner set forth in Article IV.

The foregoing were adopted as The By-Laws of MARINE YACHT AND BOATSLIP CLUB CONDOMINIUM ASSOCIATION, INC., a condominium corporation and a non-profit corporation under the laws of the State of Florida, at the first meeting of the Board of Directors on _____, 19__.

_____, Secretary

APPROVED:

_____, President

(SEAL)