

Bylaws

Last amended, March 2003.

ARTICLE I NAME AND LOCATION

The name of the corporation is WATERMILL HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association shall initially be located at 4457 Watermill Avenue, Orlando, Florida 32817, but meetings of members and Directors may be held at such places within Orange County, Florida, as may be designated by the Board of Directors. The Board of Directors may, from time to time, move the principal office to any other address in Orange County, Florida.

ARTICLE II PURPOSE

The purpose of this Association shall be to promote sound growth, progressive civic improvement, beautification and healthy residential and recreational development of the area included in, surrounding, and contiguous to the Watermill Subdivision.

ARTICLE III DEFINITIONS

Section 1. "Association" shall mean and refer to WATERMILL HOMEOWNERS' ASSOCIATION, INC., its successors and assigns.

Section 2. "Lot" shall mean and refer to any lot located in the Watermill Subdivision, according to the plats of the various Sections thereof which have been recorded in Plat Book 11, Pages 8-9, of the Public Records of Orange County, Florida (as to Watermill Section One), in Plat Book 12, Pages 57-58, of the Public Records of Orange County, Florida (as to Watermill Section Two), in Plat Book 13, Page 122, of the Public Records of Orange County, Florida (as to Watermill Section Three), and in Plat Book 13, Page 134, of the Public Records of Orange County, Florida (as to Watermill West), or which shall hereafter be recorded in the Public Records of Orange County, Florida, for any other Section of the Watermill Subdivision.

Section 3. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot.

Section 4. "Developer" shall mean and refer to The Greater Construction Corp., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Developer for the purpose of development.

Section 5. "Common Property" shall mean and refer to those areas of land shown on any plat of the Watermill Subdivision and intended to be devoted to the common use and enjoyment of the Owners.

ARTICLE IV ADMISSION TO MEMBERSHIP

Applications for membership shall be submitted to the Board of Directors on an application form approved by the Board. Dues, as set forth in Article V hereof, shall accompany the membership application. Resignations and withdrawals from the Association shall be submitted in writing to the Secretary. A Member in good standing is one whose dues and assessments have been paid to the Association in a timely fashion. Members in good standing at the time of resignation may be reinstated upon application to the Board of Directors. Membership in the Association passes with ownership of a parcel. When a parcel is sold, the membership in the Homeowners' Association is also transferred to the new Owner.

ARTICLE V DUES

There shall be annual dues of FORTY AND NO/100 DOLLARS (\$40.00) for each Member, or as determined by the Board of Directors. Annual dues for the Association may be increased no more than 15% per year. The initial dues of new Members shall be paid when the application for membership is submitted. The fiscal year of the Association shall begin on the first day of January and end on the last day of December of each calendar year. Dues remaining uncollected on the 31st day of March of each year will be sufficient grounds for cancellation of the membership. The membership rights of any Member may be suspended by action of the Board of Directors during the period when the dues remain unpaid; but upon payment of such dues, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the Common Property and facilities, and the personal conduct of any person thereon violates any such rules and regulations, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE VI RIGHTS OF MEMBERS TO USE COMMON PROPERTY

Section 1. Each Member shall be entitled to the use and enjoyment of the Common Property and facilities located thereon.

Section 2. Any Member may delegate his rights and enjoyment in the Common Property to the members of his family who reside upon any Lot or to any of his tenants. Such member shall notify the Secretary in writing of the name of any such person and of the relationship of the Member to such person. The rights and privileges of such person are subject to suspension under Article V to the same extent as those of a Member.

ARTICLE VII MEETING OF MEMBERS

Section 1. Annual Meetings. Beginning in 1985, the annual meeting of the Members shall be held the second Thursday of September, 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 7:30 P.M. If the day for 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 one-fifth (1/5) of all of the votes.

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 ten (10) days before such meeting to each Member entitled to vote thereat, addressed to the Members' address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice 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-fifth (1/5) of the votes of the entire Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the majority of 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. No proxy shall extend beyond a period of eleven (11) months.

Section 6. Voting. If a quorum is present, the affirmative vote of the majority of the votes entitled to be cast at the meeting shall be the act of the Members unless otherwise provided by law.

ARTICLE VIII BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors who shall number not less than five (5), which Directors must be Members of the Association. The business and property of the Corporation shall be managed by the Board of Directors. The Board of Directors shall have full control over the affairs of the Corporation and shall be authorized to exercise all of the Corporate powers.

Section 2. Term of Office. The initial Board of Directors named in the Articles of Incorporation shall serve until the first annual meeting of the Members. At the first annual meeting of the Members there shall be a general election at which five (5) directors are elected, of which three (3) directors will be elected to two-year terms and two (2) directors will be elected to one-year terms. After the initial one-year terms have expired, the term of office for all directors shall be for two (2) years each, and at each annual meeting of the Members the Members shall elect directors to fill the Board seats of those directors whose terms are expiring. No Director may serve more than two (2) successive terms as a Director.

Section 3. Ex-Officio Member. In addition to the Directors of this Association, as hereinbefore described, the immediate past President of WATERMILL HOMEOWNERS' ASSOCIATION, INC. shall become an ex-officio member of the Board of Directors, for the year immediately following his term of office as President, but shall not be entitled to vote, unless the immediate past President remains on the Board of Directors by virtue of his election to the Board of Directors, as hereinbefore described.

Section 4. 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 the death, resignation or removal of a Director, his successor shall be selected by the remaining Directors in accordance with Section 6 below.

Section 5. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 6. Vacancies. Any vacancies occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy elected for the unexpired term of his predecessor in office.

ARTICLE IX NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee, which Nominating Committee shall be appointed by the Board of Directors at least thirty (30) days prior to the annual meeting. 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 four (4) 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 must be made from among Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such elections the Members or their proxies may cast, in respect to each vacancy, one vote per Lot. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Ballots. Each member shall receive as many ballots as he has votes. Notwithstanding that a member may be entitled to several votes, he shall exercise on anyone ballot only one vote for each vacancy shown thereon. The completed ballot shall be returned as follows: Each mailed ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot, and the Members shall be advised that because of the verification procedures of Section 7, the inclusion of more than one ballot in anyone "Ballot" shall disqualify the return. Such "Ballot" envelope, or envelopes (if a Member or his proxy is exercising more than one vote), shall be placed in another sealed envelope which shall bear on its face the name and signature of the Member or his proxy, the number of ballots being returned, and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary at the following address: Watermill Homeowners Association, c/o Secretary, P.O. Box 1086, Goldenrod, FL 32733-1086. Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set for the annual or other special meeting in which the elections are to be had. On that day the external envelopes containing the "Ballot" envelopes shall be delivered, unopened, to an Election Committee which shall consist of three (3) Members appointed by the Board of Directors. The Election Committee shall then adopt a procedure which shall: (a) establish that the number of votes allowed to the Member or his proxy is as identified on the outside envelope containing them; (b) ensure that the signature of the Member or his proxy on the outside envelope is genuine; and (c) ensure that if the vote is by proxy that a proxy has been filed with the Secretary as provided in Article VII, Section 5, and that such proxy is valid. Such procedure shall be followed as to ensure that the vote of any Member or his proxy shall not be disclosed to anyone, including members of the Election Committee. The outside envelopes shall thereupon be placed in a safe or other locked place and the Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one "Ballot" all ballots in such envelope shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is demanded by the Members present, the ballots and the outside envelopes shall be destroyed.

ARTICLE X MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly in the months of March, June, September, and December without notice on the 2nd Thursday of each month at 7:30 P.M. Should said 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. The place for such meetings shall be established by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be called 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 at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE XI POWER AND DUTIES OF THE BOARD OF DIRECTORS

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

- A. Suspend a Member's voting rights and right to use of the Common Property and the Association's recreational facilities during any period in which such Member shall be in default in the payment of any assessments levied by the Association
- B. 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 Bylaws or the Articles of Incorporation.
- C. Declare the office of a member of the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors.
- D. Such other powers ordinary, reasonable, and necessary to the functioning of the Association.

Section 2. Duties. The Board of Directors shall have the following duties:

- A. To 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-fourth (1/4) of the Members who are entitled to vote.
- B. To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- C. To fix the amount of the annual dues and to send written notice of changes in the amount of dues to each Member of the Association; provided, however, that the Board of Directors shall not raise the annual dues by more than fifteen percent (15%) of the amount of the dues for the previous year without the approval of the majority of the Members present at the annual or special meeting.
- D. To procure and maintain adequate liability and hazard insurance on any property owned by the Association.
- E. To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- F. To adopt and publish rules and regulations governing the use of the Common Property and facilities and the personal conduct of the Members and their guests thereon.
- G. After dwellings have been erected on all of the Lots the Board of Directors shall appoint the members of the Architectural Control Committee. The Architectural Control Committee, as appointed by the Board of Directors, shall consist of the chairperson and two or more members at the discretion of the chairperson.. The Architectural Control Committee shall review all construction plans and specifications submitted to it for the erection, placement or alteration of a building or structure on any Lot and shall give written approval or disapproval of such plans and specifications within thirty (30) days after the plans and specifications have been submitted to it. The Committee shall consider in its review and discussion the following criteria:

- (1) Consistency of the plans and specifications with applicable covenants and restrictions of public record;
- (2) Quality of workmanship and materials;
- (3) Harmony of exterior design with existing structures;
- (4) The location of the proposed structure with respect to topography and finished grade elevation.

The Committee's approval or disapproval as required in these Bylaws shall be in writing. In the event the Committee fails to approve or disapprove within thirty (30) days after the plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced by the Committee prior to the completion thereof, approval will not be required.

ARTICLE XII OFFICERS

Section 1. Number. The officers of the Association shall be a president, a vice-president, a secretary, and a treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person. All officers shall be members of the Association.

Section 2. Election and Term of Office. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the Members. If the election of officers shall not be held at such meeting, such election shall may be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent may be removed by the Board or Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The president shall be the principal executive office association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the Members. He may sign, with the secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws 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.

Section 6. The Vice-President. In the absence of the president or in the event of his death, inability or refusal to act, the vice-president 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. The vice president shall perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

Section 7. The Secretary. The secretary shall: (a) keep the minutes of the proceedings of the Members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the Association records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (d) keep a register of the post office address of each Member which shall be furnished to the secretary by such Member; (e) maintain in his/her possession a revolving fund of the Association's monies in an amount not to exceed TWENTY-FIVE AND NO/100 DOLLARS {\$25.00) for the purposes of purchasing postage stamps, stationery and other necessary supplies for the use of the Association; and (f) in general perform all of the duties as from time to time may be assigned to him by the president or by the Board of Directors.

Section 8. The Treasurer. The treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for dues paid by Members and for any other 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; (c) disburse all funds as directed by resolution of the Board of Directors, provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements up to TWENTY-FIVE AND NO/100 DOLLARS {\$25.00) for any single transaction; and (d) in general perform all of the duties as from time to time may be assigned to him by the president or by the Board of Directors. If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The treasurer shall keep proper books of account and cause an annual audit of the Association books to be made at the completion of each fiscal year. He/she shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

Section 9. Salaries. No officer shall receive compensation for any service he may render to the Association. However, any officer may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE XIII COMMITTEES

Section 1. The Standing Committees of the Association shall be:

Membership and Hospitality
Lake Development/Maintenance
Area Development/Maintenance
Recreation and Social Activities.

Unless otherwise provided herein, each committee shall consist of a chairperson and two (2) or more Members and shall include a Member of the Board of Directors. The Board of Directors may appoint such other committees as it deems desirable, or disband any standing or special committee deemed not necessary.

Section 2. Committee Chairpersons. All Committee Chairpersons shall be appointed by a majority vote of the Board of Directors. Such Chairpersons shall serve at the discretion of the Board of Directors and may be removed from office by a majority of the Board of Directors.

Section 3. It shall be the duty of each committee to receive complaints from members about any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deem appropriate or refer then to such other committee, director or officer of the Association as is further concerned with the matter presented.

Section 4. The general responsibilities of the Standing Committee shall be:

- A. Hospitality and Membership Committee: Shall welcome new residents to Watermill, seek to increase Association membership and make appropriate contacts involving sickness, bereavement or hospitalization. This Committee shall also be responsible for keeping the membership informed of Association business and for maintaining liaison with the news media, other civic associations, and appropriate public officials. The Committee shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association.
- B. Area Improvement and Maintenance Committee: Shall be responsible for developing and executing appropriate programs to enhance the beauty of the Association's area of interest and shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Property of the Association, and shall perform such other functions

as the Board, in its discretion, determines.

- C. Lake Development and Maintenance Committee: Shall be responsible for developing and executing appropriate programs to enhance the beauty of the lakes and to address any problems or concerns expressed by the residents with regard to the lakes or the immediate area surrounding the lakes.
- D. Social and Recreation Committee: Responsible for developing and executing appropriate programs relating to the social activities and recreational enjoyment of the Members of the Association.

ARTICLE XIV CORPORATE SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the following:

WATERMILL
HOMEOWNERS' ASSOCIATION, INC.
CORPORATION NOT FOR PROFIT FLORIDA
1984

ARTICLE XV BOOKS AND PAPERS

The books, records and papers of the Association shall at all times, during reasonable business hours, be open and subject to the inspection of any member.

ARTICLE XVI PARLIAMENTARY AUTHORITY

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with the Articles of Incorporation, with these Bylaws and any special rules of order the Association may adopt.

ARTICLE XVII AMENDMENTS

Section 1. These Bylaws may be amended by a two-thirds (2/3) vote of the Members present and voting at the annual or special meeting of the Association, provided that the amendment has been submitted in writing to all Members at least twenty (20) days prior to said annual or special meeting of the Association, and further provided that those provisions of these Bylaws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law.

Section 2. In a case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control.

These Bylaws adopted at the First Organizational Meeting of the Board of Directors on the 12th day of April 1984.

(signed) Lawrence M. Carlson
President