

B Y - L A W S

SPYGLASS POINT CONDOMINIUM ASSOCIATION
OF PENSACOLA, INC.,

A CORPORATION NOT FOR PROFIT

UNDER THE LAWS OF THE STATE OF FLORIDA

1. Identity. These are the By-Laws of Spyglass Point Condominium Association of Pensacola, Inc., called Association in these By-Laws, a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the Office of the Secretary of State on the 30th day of April, 1982. The Association has been organized for the purpose of administering a condominium pursuant to Chapter 718, Florida Statutes, 1981, as the same may be amended from time to time, called the Condominium Act in these By-Laws, which condominium is identified by the name Spyglass Point, a condominium, and is located upon the following lands in Escambia County, Florida:

Legal Description is contained in Exhibit A
attached to the Declaration.

1.1 The office of the Association shall be at 2201
Scenic Highway, Pensacola, Florida.

1.2 The fiscal year of the Association shall be the
calendar year.

1.3 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, an impression
of which is as follows:

2. Members' Meetings.

2.1 The annual member's meeting shall be held at
the office of the corporation at 7:00 o'clock, P.M., Central
Standard Time, on the second Tuesday 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, if that day is a legal holiday, the meeting shall be held at the same hour on the next day that is not a holiday.

2.2 Special members' meetings shall be held whenever allowed by the Condominium Act or called by the President or Vice President or by a majority of the board of directors, and must be called by such officers upon receipt of a written request from members entitled to cast one-third of the votes of the entire membership.

2.3 Notice of all members' meetings stating the time and place and the objects for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be posted at a conspicuous place on the condominium property at least 14 days prior to the meeting and shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than 14 days nor more than 60 days prior to the date of the meeting. Proof of such mailing shall be by the retained post office certificate of mailing. Notice of meeting may be waived before or after meetings.

2.4 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 By-Laws. In determining whether a quorum is present, proxies may be counted as persons present.

2.5 Voting.

(A) In any meeting of members the owner of each unit shall be entitled to cast one vote for each unit he owns, which shall not be cumulative.

(B) 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 or assistant 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 on file, the vote of such owner shall not be considered in determining the requirement for a quorum nor for any other purpose.

2.6 Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting.

2.7 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.

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

- (A) Election of chairman of the meeting.
- (B) Calling of the role and certifying of proxies.
- (C) Proof of notice of meeting or waiver of notice.
- (D) Reading and disposal of any unapproved minutes.
- (E) Reports of officers.
- (F) Reports of committees.
- (G) Election of inspectors of election.
- (H) Election of directors.
- (I) Unfinished business.
- (J) New business.
- (K) Adjournment.

2.9 Proviso. Provided, however, that until a majority of the directors of the Association are elected by the members other than the developer of the condominium, or until required by Fla.Stat. 718.301, or until the Developer elects to terminate his control of the condominium, or until January 1, 1988, whichever shall first occur, the proceedings of all meetings of members of the Association shall have no effect unless approved by the board of directors.

3. Directors.

3.1 Membership. The affairs of the Association shall be managed by a board of not less than three nor more than eleven directors, the exact number to be determined at the time of election.

3.2 Election of directors shall be conducted in the following manner:

(A) Election of directors shall be held at the annual members' meeting.

(B) A nominating committee of five members shall be appointed by the board of directors not less than 30 days prior to the annual membership meeting. The committee shall nominate one person for each director then serving. Nominations for additional directorships created at the meeting shall be made from the floor, and other nominations may be made from the floor.

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

(D) 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.

(E) Any member may be removed by concurrence of 51% of the vote 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 meeting.

(F) Provided, however, that until the Developer of the condominium has completed all of the contemplated improvements and closed the sales of all of the units of the condominium in all phases, or until required by Fla.Stat. 718.501, or until the Developer elects to terminate its control of the condominium, or until unit owners other than the Developer elect a majority of the Directors, or until January 1, 1988, whichever shall first occur, the first directors of the Association shall serve, and in the event of vacancies the remaining directors shall fill the vacancies, and if there are no remaining directors the vacancy shall be filled by the Developer.

3.3 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.

3.4 The organization meeting of a newly-elected board of directors shall be held within 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.

3.5 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 3 days prior to the day named for such meeting.

3.6 Special meetings of the directors may be called by the President and must be called by the Secretary at the written request of 1/3 of the directors. Not less than 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.

3.7 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.

3.8 A quorum at director's 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 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 By-Laws.

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

3.10 Joinder in Action taken by Approval of Minutes. A director may join in any action taken at a

meeting by signing and concurring in the minutes of the meeting.

3.11 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.

3.12 The order of business at directors' meetings shall be:

- (A) Calling of role.
- (B) Proof of due notice of meeting.
- (C) Reading and disposal of unapproved minutes.
- (D) Reports of officers and committees.
- (E) Election of officers.
- (F) Unfinished business.
- (G) New business.
- (H) Adjournment.

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

4. Power 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 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.

5. Officers.

5.1 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 a Secretary, all of whom shall be elected annually by the board of directors and who may be peremptorily removed by vote of the directors at any meeting. Any person may hold two or more offices except that the President shall not also be the Secretary or Assistant Secretary. The board of directors from time to time shall elect such other officers and designate their powers and duties as the board shall find to be required to manage the affairs of the Association.

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

5.3 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.

5.4 The Secretary shall keep the minutes of all 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 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.

5.5 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.

5.6 The compensation of all officers and employees of the Association shall be fixed by the directors. The provision that directors' fees shall be determined by members shall not preclude the Board of Directors from employing a director as an employee of the Association nor preclude the contracting with a director for the management of the condominium.

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

6.1 Accounts. The receipts 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:

(A) Current expenses, which shall include all receipts and expenditures within the year for which the budget is made including a reasonable allowance for contingencies and working capital funds, except expenditures chargeable to reserves, to additional improvements or to operations. The balance of this fund at the end of each year shall be applied to reduce the assessments for current expenses for the succeeding year. This account shall also include but not be limited to, administrative expense, management fees, legal and accounting fees, insurance, security provisions, fees payable to the Division of Condominiums, State of Florida, grounds and parking lot cleanup, pest control and termite treatment, trash disposal service, utilities for common elements, salaries, wages, payroll taxes, supplies, and all other common expenses. This account shall be initially funded by the Developer so that it shall include a sum equal to two months' estimated assessment for each unit to establish an initial working fund.

(B) Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.

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

(D) Betterments, 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 elements.

6.2 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 as follows:

(A) Current expense, the amount for which shall not exceed 115% of the budget for this account for the prior year.

(B) Reserve for deferred maintenance, the amount for which shall not exceed 115% of the budget for this account for the prior year.

(C) Reserve for replacement, the amount for which shall not exceed 115% of the budget for this account for the prior year.

(D) Betterments, the amount for which shall not exceed \$2,500.00 and no sum in excess of \$500.00 shall be expended for a single item or purpose, unless the amount, item or purpose has been approved by the members in the manner required by the Declaration of Condominium and by these By-Laws.

(E) Provided, however, that the amount of each budgeted item may be increased over the foregoing limitations when approved by unit owners entitled to cast not less than 70 percent of the votes of the entire membership of the Association.

(F) Copies of the budget and proposed assessments shall be transmitted to each member not less than 30 days prior to the meeting at which the budget will be considered. If the budget is amended subsequently, a copy of the amended budget shall be furnished to each member.

6.3 Assessments. Assessments against the unit owners for their share 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 monthly installments 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 installments on such assessment shall be due upon each installment payment date 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 if the accounts of the amended budget do not exceed the limits for that year. Any account that does exceed such limit shall be subject to the approval of the membership of the Association as previously required in these By-Laws. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due upon the date of the assessment if made on or after January 1; and if made prior to January 1, 1/2 of the increase shall be due upon the date of the assessment and the balance of the assessment upon the next January 1. The first assessment shall be determined by the Board of Directors of the Association.

6.4 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 come due upon the date stated in the notice, but not less than 10 days after delivery of the notice to the unit owner, or not less than 20 days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

6.5 Assessments for Emergencies. Assessments 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 of the votes of the unit owners concerned, the assessment shall become effective, and it shall be due after 30 days' notice in such manner as the board of directors of the Association may require in the notice of assessment.

6.6 The depository of the Association shall be such bank(s) or savings and loan association(s) as shall be designated from time to time by the Directors and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall be only by checks or withdrawals signed by such persons as are authorized by the directors.

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

6.8 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, but must be in at least the amount of \$10,000.00 for each such person, officer or director.

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

8. Amendments. These By-Laws may be amended in accordance with the same provisions for the amendment of the Declaration of Condominium which are set forth in paragraph 14 of said Declaration.

9. Easements.

9.1 For Emergency. In case of any emergency originating in or threatening any unit, or limited common element, regardless of whether the owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, or the building managing agent, shall have the right to enter such unit, or limited common element, for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

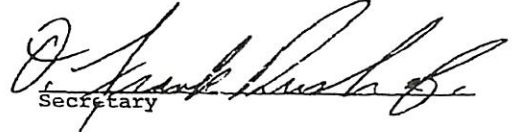
9.2 For Repairs. Whenever it is necessary to enter any unit, or limited common element, for the purpose of performing any maintenance, alteration or repair to any portion of the common property, the owner of each unit shall permit other owners or their representatives, or the duly constituted and authorized agent of the Association, to enter such unit, or limited common element, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

9.3 Utility Easement. The Association shall have the right to grant such utility easements under, through and over the common elements as are reasonably necessary to the ongoing development and operation of the condominium, including each of the additional phases.

10. Agreement for professional management of the condominium. Any agreement for professional management of the condominium, or any other contract providing for services by the Developer, may not exceed three years. Any such

agreement must provide for termination by either party without cause and without payment of a termination fee on 90 days or less written notice.

THE FOREGOING was adopted as the By-Laws of Spyglass Point Condominium Association of Pensacola, Inc., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on the 5th day of May, 1982.


Secretary

APPROVED:

President