
BYLAWS

PERDIDO PINES HOMEOWNERS ASSOCIATION, INC.

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BYLAWS OF PERDIDO PINES HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME LOCATION, MEMBERSHIP, APPLICABILITY

Section 1.1 Name. The name of this Association shall be PERDIDO PINES HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association"), a Florida not for profit corporation.

Section 1.2 Registered Office and Agent. The Association shall maintain a registered office and shall have a registered agent whose business office is identical with such registered office. The Association may have offices at such place or places within reasonable proximity to the Development as the Board of Directors may from time to time designate.

Section 1.3 Applicability. These Bylaws provide for the self government of the Association in accordance with and subject to the provisions of the Articles of Incorporation, Chapter 617 of the Florida Statutes, as amended from time to time, and any successor provision thereto, and that certain Declaration of Covenants and Restrictions of recorded in Plat Book 13, Pages 2 and 2A, of the Public Records of Escambia County.

Section 1.4 Definitions. Unless the context otherwise requires, the terms used in these Bylaws shall have the following meanings:

- (a) Association shall mean and refer to PERDIDO PINE HOMEOWNERS ASSOCIATION, INC., a not for profit corporation, and its successors.
- (b) Board or Board of Directors shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association.
- (c) Declaration shall mean and refer to that document and all amendments thereof filed of record in Plat Book 13, Pages 2 and 2A, of the Public Records of Escambia County, Florida. .
- (d) Development, with an initial capital letter, shall mean and refer to the Property and all improvements located or constructed thereon.
- (e) Lot shall be deemed to mean a "Lot" as defined in the Declaration.
- (f) Lot Owner shall mean any person that is the record owner of any Lot.
- (g) Mortgage, with an initial capital letter, shall mean and refer to a security deed, deed of trust, mortgage installment land sales contract or other similar security instrument granting, creating, or conveying a lien upon, a security interest in, or a security title to a Lot or any structure situated thereon.

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(h) Person shall mean and refer to a natural person, corporation, partnership association, trust, or other legal entity. Other terms shall have their natural meanings or the meanings given in the Declaration, the Articles of Incorporation, or the appropriate Chapters of the Florida Statutes relating to corporations in general and corporation's not-for-profit.

ARTICLE 2

MEMBERSHIP AND VOTING RIGHTS

Section 2.1 Membership. Every person who is the record owner of a fee or undivided fee interest in any Lot shall be a member of the Association, excluding persons who hold such interest under a mortgage. If a Lot is owned by more than one person and if only one of those persons is present at a meeting of the Association, that person shall be entitled to cast the vote appertaining to that Lot; provided, however, if more than one of those persons is present, the vote appertaining thereto shall be cast as they among themselves determine.

Section 2.2 Voting Rights. The Association shall have one class of voting membership which shall consist of all Lot Owners. The Lot Owners shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 2.1 of these Bylaws.

Section 2.3 Suspension of voting Rights. During any period in which a Lot Owner shall be in default for more than thirty (30) days in the payment of any annual or special assessment or other charge levied by the Association, after at least ten (10) days prior written notice to such Lot Owner of such default, the voting rights attributable to such Lot may be suspended by the Board of Directors until such assessment or charge has been paid. Such rights may also be suspended for a reasonable period for a violation of any provisions of the Declaration, these Bylaws or any of the published rules and regulations of the Association.

ARTICLE 3

MEETINGS QUORUM, VOTING PROXIES

Section 3.1 Place of Meeting. Membership meetings of the Association shall be held at the Development or at such other suitable place convenient to the members as may be designated in the notice thereof by the Board of Directors.

Section 3.2 Annual Meeting. Annual meetings of the membership of the Association shall be held on the Saturday immediately preceding Labor Day of each year if not a legal holiday; and, if such is a legal holiday, then on the next following day not a legal holiday. Notwithstanding the foregoing, the Board of Directors may cause the annual meeting of Lot Owners to be on such other date in any year as they shall determine to be in the best interests of the Association, and any business transacted at said meeting shall have the same validity as if transacted on the day designated herein. At the annual meeting, comprehensive reports of the affairs, finances and budget projections of the Association shall be made to the Lot Owners.

Section 3.3 Special Meetings. The Secretary of the Association shall be required to call a special meeting of the members as directed by the President of the Association or upon the resolution of a majority of the Board of Directors or a petition signed by Lot Owners entitled to cast at least two-thirds (2/3) of the votes of the Association presented to the Secretary of the Association.

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Section 3.4 Notice of Meetings. It shall be the duty of the Secretary of the Association to mail or email to an address certified by the lot owner to the association to be a valid electronic mail address for the receipt of official association business correspondence (see attachment 1 of these By-Laws a notice of each annual or special membership meeting, stating the purpose thereof as well as the date, time and place where it is to be held. Such notice shall be delivered personally or sent by United States Mail, postage prepaid, to all Lot Owners of record at such address or addresses as any of them may have designated, or if no address has been so designated, at the address of their respective Lots. Except as may be otherwise required by law or the Declaration, notice shall be given to each Lot Owner at least fourteen (14) days in advance of any annual or regularly scheduled meeting, and at least seven (7) days in advance of any other meeting. The mailing of a notice in the manner provided in this Section 3.4 shall be considered notice given. Upon request, any institutional holder of a first mortgage shall be entitled to and shall be sent written notice of all meetings and shall be permitted to designate a representative to attend and observe any such meeting. Any Lot Owner (or any mortgagee of any Lot Owner entitled to notice) may waive the notice of the meeting by doing so in writing before or after the meeting. Attendance at a meeting, either in person or by proxy, shall of itself constitute a waiver of notice and waiver of any and all objections to the place or time of the meeting or the manner in which it has been called or convened, unless a member or other person entitled to notice attends such meeting solely for the purpose of stating, at the beginning of the meeting, any such objection or objections to the transaction of business. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote. A recitation in the minutes of any membership meeting that notice of such meeting was properly given shall be prima facie evidence that such notice was so given.

Section 3.5 Order of Business. The order of business at all annual membership meetings shall be as follows:

- a. Roll call and certification of proxies.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of minutes of preceding meeting.
- d. Reports of officers, if any.
- e. Reports of committees, if any.
- f. Election or appointment of inspectors of election.
- g. Election of Directors.
- h. Unfinished business.
- i. New business.

Section 3.6 Quorum. At all membership meetings, annual or special, a quorum shall be deemed present throughout any meeting until adjourned if Lot Owners entitled to cast a majority of the votes of the Association are present in person or by proxy. For purposes of these Bylaws, "majority" shall mean more than fifty percent (50%). No Lot Owners whose voting rights have been suspended pursuant to Section 2.3 of these Bylaws shall be counted for a quorum.

Section 3.7 Adjourned Meetings. Any meeting of the membership which cannot be organized because a quorum has not attended may be adjourned from time to time by the vote of a majority of the Lot Owners present in person or represented by proxy. When any membership meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the

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case of an original meeting. Except as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting, other than by an announcement at the meeting at which such adjournment is taken.

Section 3.8 Proxy. The vote of any Lot Owner may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Lot Owner delivered to the Secretary of the Association. No such proxy shall be revocable except by written notice delivered to the Secretary of the Association by the Lot Owner. Any proxy shall be void if it is not dated or if it purports to be revocable without notice as aforesaid. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. The transfer of title to any Lot shall void any outstanding proxy pertaining to the voting rights appurtenant to that Lot. The presence of any Lot Owner at the meeting for which a proxy is given shall automatically revoke the proxy.

Section 3.9 Action Taken By Association. Except as otherwise provided by the Declaration of these Bylaws, any action taken at any meeting of members shall be effective and valid if taken or authorized by not less than a majority of all of the votes taken thereon to which all of the members present in person or by proxy at a duly constituted meeting shall be entitled.

Section 3.10 Action by Association Without Meeting. Any action which may be taken at a meeting of the members may be taken without a meeting if written approval and consent, setting forth the action authorized, shall be signed by each of the members entitled to vote on the date on which the last such member signs such approval and consent and upon the filing of such approval and consent with the Secretary of the Association. Such approval and consent so filed shall have the same effect as the unanimous vote of the members at the special meeting called for the purpose of considering the action authorized.

ARTICLE 4

BOARD OF DIRECTORS, NUMBER, POWERS, MEETINGS

Section 4.1 Number. The affairs of the Association shall be governed by a Board of Directors composed of at least three (3), but no more than seven (7), persons. At the time of the adoption of these by laws, the number of Directors is set at three (3), which number can be increased within the limits set forth above by following the provisions for the amendment of these by laws set forth in Section 9.3. Except as otherwise provided herein, each Director shall serve for a term of one (1) year, or until their successors are elected at an annual meeting, whichever comes first. Directors need not be owners of a lot within the development.

a The offices of Secretary and Treasurer are combined from this date (31 March 2011) forward in the interest of conserving effort and reducing the amounts and numbers of copies of association records necessary to conduct daily business and comply with Florida Statutes. The minimum number of Board Members required remains three. Any subsequent duly elected Board may revert to separate offices by resolution.

Section 4.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary to administer the affairs of the Association, including, but not necessarily limited to, those powers and duties specifically assigned to the Board of Directors in the Declaration, the Articles of Incorporation and these Bylaws.

Section 4.3 Other Powers and Duties. The Board of Directors shall exercise such other powers, duties, and responsibilities as shall be incumbent upon it by law and the Declaration, together with such

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other powers, duties, and responsibilities as it may deem necessary or appropriate. In addition to other powers and duties which the Board of Directors may have, it may undertake:

- a. Maintenance, repair, renovation, restoration, replacement, care, upkeep and surveillance of the common areas and facilities, and other portions of the Development to be maintained by the Association (but this provision shall not be deemed to expand the obligation of the Board of Directors beyond those set forth in the Articles of Incorporation and the Declaration of Covenants and Restrictions);
- b. Designation and dismissal of the personnel necessary for the maintenance and operation of the common elements and facilities; and
- c. Subject to the provisions of the Declaration, the promulgation of rules and regulations governing the use and enjoyment of the common areas. The rules and regulations implement by the Board shall be made a part of the Association Records and known as THE RULES AND REGULATIONS OF THE PERDIDO PINES HOMEOWNERS ASSOCIATION, and shall include any other such rules and regulations as may be deemed necessary from time to time, to assure the safety, security, enjoyment and value of the property of the owners and residents of these townhomes.

Section 4.4 Preparation of Annual Budget. It shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated costs of operating the common area during the coming year, capital improvements, and a reasonable reserve for operating funds, repairs, contingencies, capital expenditures, and other appropriate purposes. The Board shall cause the budget and the proposed assessment to be levied against each unit for the following year to be delivered to each member at least fourteen (14) days prior to the meeting. The budget and the assessment shall become effective unless disapproved at the annual meeting by a vote of a majority of the total association membership. Notwithstanding the foregoing, however, in the event that the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the current year shall continue for the succeeding year.

Section 4.5 Procedure for Election. Persons may be nominated for election to the Board of Directors by a nominating committee appointed by the incumbent Board of Directors prior to the annual meeting and by nominations made from the floor at the meeting for such election. Election to the Board of Directors shall be by secret written ballot; unless dispensed by unanimous consent, and at such election members or their proxies may cast, with respect to each vacancy, the votes appurtenant to their respective Lots as provided in the Declaration; cumulative voting shall not apply. The procedure for the election of the Board of Directors shall be as follows: at the meeting of the Association at which Directors are to be elected, nominations shall be accepted for not less than the number of positions to be filled by the Board of Directors; upon the closing of such nominations, each owner entitled to vote shall cast the ballot with respect to his respective Lot by listing thereon the names of nominees only for the number of positions to be filled, together with the residence number of such Lot; and the persons receiving the greatest number of votes shall be elected to fill the vacancies on the Board of Directors. In the event of a tie vote as to any one or more positions, one or more subsequent votes shall be taken in similar manner but only with respect to the position or positions to be filled and the nominees therefor who, on the preceding ballot received such tie vote. In the event that the number of persons nominated equals the number of vacancies on the Board of Directors, such persons shall be elected by acclamation.

Section 4.6 Removal or Resignation. A director duly elected may only be removed during the term of office for which he was elected at a special meeting for cause. Any Director whose removal has been proposed by any Lot Owner or Lot Owners shall be given an opportunity to be heard at the meeting. Any Director may resign at any time by given written notice to the members of the Board of Directors. Such

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resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Lot Owners shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, and each person so elected shall serve until a successor is elected and qualified at the next annual meeting of the Lot Owners.

Section 4.7 Fees and Compensation. No fee or compensation shall be paid by the Association to Directors for their services as Directors unless such fee or compensation is first fixed by a resolution adopted by a majority vote of the total authorized vote of the Lot Owners.

Section 4.8 Regular Meetings. The Board of Directors may provide, by resolution, the time and place for the holding of regular meetings of the Board, in addition to the organizational meeting, without notice other than such resolution. The Board of Directors shall keep minutes of its meetings and full account of its transactions.

Section 4.9 Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board on three (3) days' notice to each Director, given personally or by mail, telephone, or telegraph, which notice shall state the time, place and purpose of the meeting, or such other time (whether more or less than that specified herein), as may be reasonable under the circumstances. Special meetings of the Board of Directors may also be called by the Secretary of the Association in like manner and on like notice on the written request of at least a majority of the Directors. Unless otherwise agreed by a majority of the Directors, the place of any such special meeting shall be at a location within Escambia County, Florida.

Section 4.10 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice of such meeting and waiver of any and all objections to the place or time of the meeting or the manner in which it has been called or convened, except when a Director states, at the beginning of the meeting, any such objection or objections to the transaction of business.

Section 4.11 Board of Directors Quorum. At all meetings of the Board of Directors, a majority of the Directors then in office shall constitute a quorum for the transaction of business.

Section 4.12 Action Taken by Directors. Except as otherwise provided in the Declaration and these Bylaws or by law, every act or decision by a majority of the Directors then present in person or by proxy at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4.13 Action Without Formal Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or any Committee appointed by the Board of Directors may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by a majority of the members of the Board of Directors or of such Committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board or Committee. Such consent shall have the same force and effect as a unanimous vote by the Board of Directors or by such Committee, as may be applicable.

Section 4.14 Committees. There shall be such committees as the Board shall determine with such powers and duties as the Board shall authorize. Unless otherwise provided in the resolution creating the committee, the chairperson of each committee shall be a member of the Board.

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ARTICLE 5

OFFICERS

Section 5.1 Enumeration of Officers. The officers of the Association shall be a President, Vice President, Secretary/Treasurer, and such other officers the Board may from time to time by resolution create.

Section 5.2 Election. The Board of Directors shall elect the officers of the Association following each annual meeting thereof. The Board of Directors at any time and from time to time may appoint such other officers as it shall deem necessary, including one (1) or more Assistant Secretaries or Assistant Treasurers, who shall hold their offices for such terms as shall be determined by the Board of Directors and shall exercise such powers and perform such duties as are specified by these Bylaws or as shall be determined from time to time by the Board of Directors. Any person may hold two (2) or more offices, except that no person may hold the office of President and Secretary simultaneously.

Section 5.3 Compensation. No fee or compensation shall be paid by the Association to any officer for his services as an officer unless such fee or compensation is first fixed by a resolution adopted by a majority vote of the total authorized vote of the Lot Owners; provided, however, that during the period of Declarant's control pursuant to the Declaration, Declarant shall not be entitled to vote in favor of such a resolution.

Section 5.4 Terms. Each officer of this Association shall be elected at the time of each annual meeting of the Board of Directors, and each shall hold office until the next annual meeting of the Board and until his successor is duly elected and qualified, or until his earlier resignation, death, removal or other disqualification. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby. The sale of his Lot by an officer or a termination of his interest in a Lot shall automatically terminate his term as an officer.

Section 5.5 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 5.6 President. The President shall be the chief executive officer of the Association and, subject to the control of the Board of Directors, shall, in general, manage, supervise, and control all of the business and affairs of the Association and 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. He shall, when present, preside at all membership meetings. He may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any contracts, deeds, notes, mortgages, bonds, policies of insurance, checks, or other instruments which the Board of Directors has authorized to be executed, except in cases where signing or execution thereof shall be expressly delegated by the Declaration of these Bylaws or by the Board of Directors to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed.

Section 5.7 Vice President. In the absence of the President, or in the event of his death or 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. Any Vice President may perform such duties as shall from time to time be assigned to him by the Board of Directors.

Section 5.8 Secretary. The Secretary shall: (a) attend and keep the minutes of meetings of the members, of the Board of Directors and of any committees having any of the authority 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 Declaration, the provisions of these Bylaws, or as required by law; (c) be custodian

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of the Association records; and (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors.

Section 5.9 Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association, receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be from time to time, selected by the Board of Directors; (b) authorize vouchers and sign checks for all monies due and payable by the Association; (c) promptly render to the President and to the Board of Directors an account of the financial condition of the Association whenever requested; and (d) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

Section 5.10 Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and Treasurers, in general, shall perform such duties as shall be assigned by the Secretary or Treasurer, respectively, or by the Board of Directors.

ARTICLE 6

FISCAL MATTERS AND BOOKS AND RECORDS

Section 6.1 Fidelity Bonds. The Board of Directors may require that any contractor or employee of the Association handling or responsible for Association funds shall furnish an adequate fidelity bond. The premium for any such bond shall be paid by the Association from the common expense fund.

Section 6.2 Books and Records Kept by Association. The Association shall keep detailed, complete and accurate financial records, including itemized records of all receipts and disbursements, shall keep detailed minutes of the proceeds of all meetings of the members and of the Board of Directors and committees having any of the authority of the Board of Directors, and shall keep such other books and records as may be required by law or necessary to reflect accurately the affairs and activities of the Association. The Association shall keep at the office of the Association a record giving the names and addresses of the Directors, of all members of the Association and of the holders of all mortgages on the Lots, which shall be furnished by each Owner pursuant to Section 6.10 of these Bylaws.

Section 6.3 Inspection. The books, records and papers of the Association shall at all times during reasonable business hours be subject to inspection by any member or his agent or attorney for any proper purpose. True and correct copies of the Articles of Incorporation of the Association, these Bylaws, the Declaration, and all rules and regulations of the Association with all amendments thereto, shall be maintained at the principal or the registered offices of the Association, and copies thereof shall be furnished to any Lot Owner on request on payment of a reasonable charge therefor.

Section 6.4 Contracts. The Board of Directors may authorize any officer or officers, or agent or agents of the Association, in addition to the officers so authorized by the Declaration and these Bylaws, to enter into any contract or execute and deliver any instrument in the name of, or on behalf of the Association, and such authority may be general or confined to specific instances.

Section 6.5 Checks. Drafts etc. All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, or agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the President or Treasurer of the Association.

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Section 6.6 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

Section 6.7 Gifts. The Board of Directors may accept, on behalf of the Association, any contribution, gift, and bequest or devise for the general purposes, or for any special purpose, of the Association.

Section 6.8 Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 6.9 Annual Statements. Not later than four months after the close of each fiscal year, and in any case prior to the next annual meeting of members, the Board of Directors shall prepare or cause to be prepared a balance sheet showing in reasonable detail the financial condition of the Association as of the close of its fiscal year and an income and expense statement showing the results of its operations during its fiscal year. Such statements may, in the discretion of the Board, be audited statements. Upon receipt of written request, the Treasurer promptly shall mail to any members copies of the most recent such balance sheet and income and expense statement.

Section 6.10 Notices. An Owner who mortgages his Lot, or executes and delivers, or assumes or purchases his Lot subject to any mortgage which shall be or becomes lien on his Lot, shall notify the Secretary of the Association of the name and address of the holder of any such mortgage. The Association shall furnish such information as any such mortgagee may request respecting defaults of the Owner under the Declaration, or the Bylaws, taxes, or other information concerning such Lot areas as may be provided by the Declaration. Each owner shall be or become obligated to furnish to the Secretary of the Association, the address, if other than the Owner's Lot, to which any notice or demand to the Owner under the Declaration or these Bylaws is to be given, and if no address other than such Lot shall have been designated, all such notices and demands shall be mailed or delivered to such Lot.

Section 6.11 Administrative Fees and Assessments. The Treasurer is authorized to assess an administrative fee in the amount of \$25.00 per month per unit (or other such greater fee as the Board may Direct) against any delinquent lot or account and or any account requiring the production of a monthly or quarterly statement of delinquent maintenance assessments or any other special assessments. This administrative fee shall be in addition to and not in lieu of the interest charges called for in Article VIII – Effect of Non-Payment of Maintenance or Insurance Premium Assessments, of the Associations Declarations Covenants & Restrictions and FSA 720.3085(3)(a).

Section 6.12 Estoppel Certificate Fees. Estoppel Certificate Fees are set in the amount of *\$50.00 to \$325.00 (depending on complexity and cost to be determined by the Treasurer) for the initial certificate on any address and \$125.00 for all subsequent certificates requested for the same address. All accumulated fees to be paid to the Treasurer on closing.*

Section 6.13 Deferred Capital Improvement/Savings Accounts. These accounts are established in the Association's Annual Budget under the provisions of FL Statute Title XL Chapter 720-303(6)(d) and will be administered and maintained in accordance with FL Statute Title XL Chapter 720-303 subparagraphs (6)(d)-(h) inclusive.

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ARTICLE 7

INSURANCE

Section 7.1 Types of Coverage. The Association shall maintain in effect at all times as a common expense the types of insurance coverage required by the Declaration, any workmen's compensation or other insurance required by law, and such other insurance as the Board may from time to time deem appropriate. The Board shall review the amount and terms of such insurance annually.

Section 7.2 Policy Provisions. The Board shall consider and endeavor to obtain insurance on the following terms and conditions if feasible and if the Board considers them advisable:

(a) The insurer shall waive its right of subrogation against, the Board of Directors, any Directors or officers of the Association, any managing agent or other agent or employees of the Association, all Owners, and all other persons entitled to occupying the Lot or other portions of the Development.

(b) The policy shall not be canceled, invalidated, or suspended on account of the conduct of any person listed in item (a) above without a prior demand in writing delivered to the Association to cure the defect and the allowance of reasonable time thereafter within which to cure such defect.

(c) Any "no other insurance" provision in the policy shall expressly exclude the individual owners' policies from its operation.

(d) The policy shall include a mortgagee's clause for the benefit of all mortgages of Lots.

(e) The policy shall not be canceled or materially altered with respect to any mortgagee for the nonpayment of premium or otherwise until the mortgagee has been given thirty (30) days prior written notice of such cancellation or material alteration.

(f) The policy shall include a waiver of any co-insurance provisions.

(g) The policy shall include an agreed value endorsement.

(h) The policy shall include a waiver of the insurer's right to repair or reconstruct instead of pay cash.

(i) The policy shall include a deductible amount per occurrence not in excess of \$1,000.00.

(j) The insurer shall provide appropriate certificates to each Owner and each mortgagee, together with duplicate originals of the policies and proof of payment of the premiums.

(k) The insurer shall be financially sound and responsible and qualified to do business in the State of Florida.

Section 7.3 Damage or Destruction of Development. Immediately after the damage or destruction by fire or other casualty to all or any part of the Development covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance, and, in any such event, the Board shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction means repairing or restoring the damaged property to substantially the same condition in which it existed prior to the fire or other casualty. Unless within sixty (60) days following any damage or destruction to all or a part of the Development, at least seventy-five (75%) of the total vote of the Association shall otherwise agree, the Association shall restore or replace such damaged

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improvements, If the insurance proceeds, if any, for such damage or destruction are not sufficient to defray the cost thereof, and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a special assessment against all Owners, in accordance with and under the terms of the Declaration, in an amount sufficient to provide funds to pay such excess cost of repair or reconstruction. Any and all sums paid to the Association under and by virtue of such assessments shall be held by and for the benefit of the Association (together with the insurance proceeds,) if any, for such damage or destruction. Such insurance proceeds and assessments shall be disbursed by the Association in payment for such repair or reconstruction pursuant to and in accordance with such method of distribution as is established by the Board of Directors. Any proceeds remaining after defraying such costs shall be retained by the Board for the benefit of the Association.

ARTICLE 8

INDEMNIFICATION

Section 8.1 General. The Corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by, or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of any other corporation, partnership joint venture, trust or other enterprise against expenses (including attorneys' fees) judgments, fines, amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, including any appeal thereof, if he acted in good faith in a manner he reasonable believed to be in, or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not create, of itself, a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

The Corporation shall have power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless, and only to the extent that, the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 8.2 Expenses. To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 above, or in any defense of any claim, issue or matter therein, he shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by him in connection therewith.

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Section 8.3 Standard of Conduct. Any indemnification shall be made hereunder, unless pursuant to a determination by a court, only if a determination is made that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 above. Such determination shall be made either (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) by the shareholders who were not parties to such action, suit or proceeding.

Section 8.4 Advance Expenses. Expenses incurred in defending any action, suit or proceeding may be paid in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Section 3 above any receipt of any undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article.

Section 8.5 Benefit. The indemnification provided by this Article shall be in addition to the indemnification rights provided pursuant to Chapter 607 of the Florida Statutes, and shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any by-law, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 8.6 Insurance. The Corporation shall be empowered to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

Section 8.7 Affiliates. For the purpose of this Article, references to "the Corporation" include all constituent corporations absorbed in a consolidation or merger, as well as the resulting or surviving corporation, so that any person who is or was a director, officer, employee or agent of such a constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation in the same capacity.

Section 8.8 Survival. Upon the death of any person having a right to indemnification under this Article, such right shall inure to his heirs and legal representatives. In addition, such heirs and legal representatives shall be entitled to indemnification, under the terms of this Article, against all expenses (including attorneys' fees, judgments, fines and amounts paid in settlement) imposed upon or reasonably incurred by them in connection with any claim, action, suit or proceeding described in the foregoing Section 1 on account of such deceased person.

ARTICLE 9

MISCELLANEOUS

Section 9.1 Parliamentary Rules. Unless waived by majority vote of the Lot Owners in attendance in person or by proxy at any duly called membership meeting, or unless waived by a majority of the Directors present at any duly called meeting of the Board of Directors, Roberts' Rules of Order (latest edition) shall govern the conduct of the proceedings of such meeting when not in conflict with Florida law, the Declaration, or these Bylaws.

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Section 9.2 Conflicts. In the event of any conflicts or inconsistencies between the provisions of Florida law, the Declaration, the Articles of Incorporation, and these Bylaws, the provisions of Florida law, the Declaration, and the Articles of Incorporation, in that order, shall prevail.

Section 9.3 Amendment. These By-laws may be altered, amended, repealed or added to by the vote of a majority of the Board of Directors present at any regular meeting of the said Board, or at a special meeting of the directors called for that purpose, provided a quorum of the directors are present at such meeting, unless reserved to the shareholders by the Articles of Incorporation. These by-laws, and any amendments thereto, and new By-laws added by the directors, may be amended, altered or repealed by the shareholders and the shareholders may prescribe in any by-law made by them that such by-law shall not be altered, amended or repealed by the Board of Directors.

Section 9.4 Severability. Invalidation of any covenant, condition, restriction, provision, sentence, clause, phrase or word of these Bylaws, or the application thereof in any circumstances, shall not affect the validity of the remaining portions thereof and of the application thereof, which shall remain in full force and effect.

Section 9.5 Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 9.6 Headings and Captions. The article and section headings and captions are for convenience and reference only and in no way define or limit the scope and content of these Bylaws or in any way affect the provisions thereof.

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NOTES

This document has been scanned and reformatted from a copy of the original By-Laws of the Perdido Pines Homeowners Association Inc. Any errors and/or omissions in this copy do not relieve owners of the responsibilities and requirements contained in the original unless specifically permitted, in writing, by the current Association Board President. Any errors or omissions should be immediately reported to the Association Secretary for corrective action.

Article 6 Fiscal Matter and Books and Records amended to include Section 6.11 Administrative Fees and Assessments by resolution of the Board of Directors on 28 July 2010. This amendment codifies a previous direction of the Board of Directors to the Treasurer to recover losses to the Association. FSA Title XL Chapter 720 Payment for assessments; lien claims, paragraph 720.3085(3)(a)

Article 6 Fiscal Matters and Books and Records amended to include Section 6.12 Estoppel Certificate Fees by resolution of the Board of Directors on 31 March 2011. This amendment implements the provisions of FSA Title XL Chapter 720 paragraph 720.30851(3).

Article 6 Fiscal Matters and Books and Records amended to include Section **6.13 Deferred Capital Improvement/Savings Accounts**. These accounts are established under the provisions of FL Statute Title XL Chapter 720-303(6) (d).

Attachment 1 Certificate of Electronic Mail Address added by resolution in the 31 March 2011 Special Board meeting to conform with the provisions of FSA (2010) Title XL Chapter 720.306 Meetings of members; voting and election procedures; amendments and Chapter 720.303(4)(g)

Attachment 2 Proxy added by resolution in the 31 March 2011 Special Board meeting to conform to the provisions of FSA (2010) Title XL Chapter 720.306 Meetings of members; voting and election procedures;

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Certificate of Electronic Mail Address
Attachment 1 to the By-Laws of the PPHOA

I, the undersigned, owner of parcel number _____ for which the physical address is 134____ Valerie Drive, Pensacola, Florida 32507, do hereby

1. Submit the following electronic address(es) as my address(es) for the express use of the Perdido Pines Homeowners Association Board of Directors for all official communications and official association business correspondence between myself and the Association which do not, by law, require the use of the United States Mail Service. This election shall remain in effect until I either notify the Secretary/Treasurer of the Board of a change in my address or request removal of my address from the rolls without replacement.

Printed Email Address

Signature

Date

Or

2. Decline to authorize the use of electronic means of communication between myself and the PPHOA Board of Directors.

Printed Name

Signature

Date

PPHOA Proxy
Attachment 2 to the By-Laws of the PPHOA

**Proxy for the Annual Meeting of the Perdido Pines
Homeowners scheduled for
_____, 20__**

I, _____, owner of 134____ parcel number _____
(Print your name)

Valerie Drive, Pensacola, Florida 32507, do hereby present this proxy to the Secretary/Treasurer of the Association to act in my behalf

OR

appoint _____ to act as my attorney and agent for
(Print the name of your Proxy)

me, in my place and stead to vote as my proxy at the 20__ Annual Meeting of the Perdido Pines Homeowners, scheduled for _____ and only at this time and on this occasion unless this meeting is adjourned due to lack of quorum and rescheduled for a later date.

(Signature of owner)

(Date)

Please complete and mail your proxy in the enclosed self addressed stamped envelope to:

PPHOA, 134__ Valerie Drive, Pensacola, FL 32507

Please ensure your proxy arrives by _____, 20__.

FSA (2010) Title XL Chapter 720.306 Meetings of members; voting and election procedures; amendments.

(8) PROXY VOTING. — The members have the right, unless otherwise provided in this subsection or in the governing documents, to vote in person or by proxy.

(a) To be valid, a proxy must be dated, must state the date, time, and place of the meeting for which it was given, and must be signed by the authorized person who executed the proxy. A proxy is effective only for the specific meeting for which it was originally given, as the meeting may lawfully be adjourned and reconvened from time to time, and automatically expires 90 days after the date of the meeting for which it was originally given. A proxy is revocable at any time at the pleasure of the person who executes it. If the proxy form expressly so provides, any proxy holder may appoint, in writing, a substitute to act in his or her place.

6 April 2011 dib

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