

BY-LAWS

THE BEACHCOMBER II OWNERS' ASSOCIATION, INC.

1. Identity. These are the By-Laws of THE BEACHCOMBER II OWNERS' ASSOCIATION, INC., hereinafter referred to as the Association, a non-stock, non-profit corporation under the laws of the State of Florida, the Articles of Incorporation having been filed in the office of the Secretary of State, State of Florida, on _____ . The association has been organized for the purpose of administering a condominium pursuant to Chapter 718, Florida Statutes, hereinafter referred to as the Condominium Act.

1.1 The temporary office of the Association shall be at 411 First Street South, Jacksonville Beach, Florida 32250, until such time as the Board of Directors, by majority vote, shall change the office's location.

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

1.3 The seal of the Association shall bear the name of the Association, the word "Florida," the words "Corporation Not for Profit," and the year of incorporation, an impression of which is as follows:

2. Members and Members' Meetings.

2.1 Those persons, partnerships, joint ventures, corporations or other legal entities who presently own or hereafter acquire title to units in THE BEACHCOMBER II, A CONDOMINIUM, shall be members of THE BEACHCOMBER II OWNERS' ASSOCIATION, INC. Each unit shall be entitled to only one vote.

2.2 The annual meeting of the members shall be held at the office of the Association at 2:00 o'clock PM Eastern Standard Time or Eastern Standard Daylight Savings Time, whichever is in effect, on the third Friday in August of each year, unless changed by a majority vote of the Board of Directors, for the purpose of electing directors and the transaction of any other business authorized to be transacted by the members; provided, however, that if said date is a legal holiday, the meeting shall be held at the same hour on the next day that is not a holiday.

2.3 Special meetings of the members shall be held whenever 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 ten percent (10%) of the entire membership.

2.4 Notice of all meetings of the members, stating the time and place and the objects for which the meeting is called, and, if assessments are to be considered, the fact that assessments are to be considered and the specific nature of any assessments to be considered, shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be in writing to each member at his or her address as it appears on the books of the Association and shall be mailed not less than fourteen (14) days and not more than sixty (60) days prior to the date of the meeting and shall be posted in a conspicuous place on the condominium property. Proof of such mailing shall be given by certificate of mailing, which must be retained as part of the records of the Association. Notice of specific meetings may be waived before the meeting by any unit owner in writing.

2.5 A quorum at the meetings of members shall consist of forty percent (40%) of the entire membership of the Association. The acts approved by a majority of the votes cast 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.

2.6 Voting

a. At any meeting of the members the owner of each unit shall be netitled to cast one vote for each unit he or she owns.

b. If a unit is owned by one person, his right to vote shall be established by his 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, 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 the unit. If such certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other reason. Notwithstanding the above, presence by one or more joint owners of a unit at a meeting, an uncontested vote by only one of the joint owners shall constitute presence for determining a quorum and a proper vote.

2.7 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 any lawful adjourned meetings thereof, and must be filed with the Secretary of the Association before any adjournment of the meeting. No proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. All proxies are revocable at anytime at the pleasure of the unit owner executing it.

2.8 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.

2.9 The order of business at the annual meetings of the members and as far as practical at the other meetings of the members shall be as follows:

- a. Election of chairperson of the meeting.
- b. Calling of the roll and certifying 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.

3. Directors.

3.1 Membership. The affairs of the Association shall be managed by a board of not less than three (3) nor more than eleven (11) directors; the exact number of directors to be determined by the members of the Association at the time of election of directors.

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

- a. Election of directors shall be held at the annual meeting of the members, or at a special meeting called for that purpose.
- b. A nominating committee of five (5) members shall be appointed by the Board of Directors not less than ten (10) days prior to the annual meeting of the members. The committee shall nominate one person for each director then serving. Nominations for additional directors created at the meeting shall 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 to be entitled to cast his or her vote for as many nominees as there are vacancies to be filled. There shall be no cumulative voting.
- d. Except as to vacancies created by the removal of directors by the members, vacancies in the Board of Directors occurring between annual meetings of the members shall be filled by the remaining directors.
- e. Any director may be removed by concurrence of a majority of the votes of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting. A special meeting for this purpose may be called by a minimum of ten percent (10%) of the unit owners giving notice as provided in subparagraph 2.4.
- f. Provided, however, that until the Developer has closed the sale of all of the condominium units, the turnover of the Association shall be in accordance with Section 718.301, Florida Statutes, unless Developer elects to terminate any right or control over the Association.

3.3 The term of each director's service shall extend until the next annual meeting of the members and subsequently until his or her successor is duly elected and qualified or until removed in the manner elsewhere provided.

3.4 The organization meeting of a newly-elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

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 three (3) days prior to the date stated 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 one-third of the directors. Not less than three (3) days' notice (unless this is impractical or impossible) 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 meetings of the directors 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 Open Meetings. All meetings of the Board of Directors shall be open to all unit owners. Notice of all meetings shall be posted in a conspicuous place on the condominium property at least 48 hours in advance of the meeting, except in an emergency, and shall include all information required by subparagraph 2.4 to be included in a notice of meetings of members.

3.10 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 meetings any business that might have been transacted at the meeting as originally called may be transacted without further notice if a quorum is obtained.

3.11 The presiding officer at meetings of the directors shall be the Chairman of the Board, if such an officer has been elected; and, if no Chairman of the Board has been elected, 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 meetings of the directors shall be as follows:

- a. Calling of the roll.
- b. Proof of due notice or waiver of notice of the meeting.
- c. Reading and disposal of any unapproved minutes.
- d. Election of officers.
- e. Unfinished business.
- f. New business.
- g. Adjournment.

3.13 Fees of directors, if any, shall be determined by the members.

3.14 The minutes of all meetings of the Board of Directors and/or the owners shall be kept in a book available for inspection by unit owners or board members, or their authorized representatives. Said minutes shall be retained for a period of seven (7) years.

4. Powers and Duties of the Board of Directors. All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium, Articles of Incorporation and these 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, Vice President, Treasurer, Secretary and an Assistant 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 an 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 in the management of the affairs of the Association.

5.2 The President shall be the chief executive officer of the Association. He shall have all of the power 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 shall also 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 directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

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 as prescribed by the Board of Directors.

5.6 The compensation of all officers and employees of the Association shall be fixed by the directors. The provision that fees of directors shall be determined by the 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 and Articles of Incorporation 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 funds, except expenditures chargeable to reserves, or to additional improvements. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expenses for the succeeding year.

b. Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually. A minimum of one dollar (\$1.00) per month shall be assessed to and collected from each unit owner for addition to this reserve.

c. Reserve for replacement, which shall include funds for 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 expenses and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices as follows:

a. Current annual operating expenses including, but not limited to, those expenses listed in Florida Statute 718.504(20), the amount for which shall not exceed one hundred fifteen percent (115%) of the budget account for the prior year.

b. Reserve for deferred maintenance.

c. Reserve for replacement and capital expenditures.

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, the amount for which shall not exceed forty-five hundred

dollars (\$4,500.00); provided, however, that in the expenditure of this fund, no sum in excess of two thousand dollars (\$2,000.00) shall be expended for a single item or purpose without approval of the members of the Association.

e. The reserve for deferred maintenance, replacement and capital expenditures set forth in subparagraphs 6.2.b and 6.2.c above shall include, but not be limited to, roof replacement, building painting and pavement resurfacing. The amount to be reserved shall be determined by formulas based upon estimated life and replacement cost of each reserve item. A majority of the members at a duly called meeting may elect not to provide for reserves in their annual budget for the year of that budget only. The decision not to have reserves in accordance with Florida Statutes 718.112(2)(k) may not be made for a period in excess of one year unless it is again voted for in the next yearly budget meeting by a majority of the members of the Association.

f. Provided, however, that the amount for each budgeted item may be increased over the foregoing limitations when approved by not less than seventy-five percent (75%) of the entire membership of the Association; and, further provided, that until the Developer of the condominium has closed the sales of all units in the condominium known as THE BEACHCOMBER II, A CONDOMINIUM, or until the Developer elects to terminate control of the condominium, whichever shall occur first, the Board of Directors may omit from the budget all allowances for contingencies and reserves.

g. Notice of the meeting in which a proposed budget or budget proposal will be considered or adopted and a copy of the proposed budget shall be given to all unit owners by mail at least thirty-five (35) days in advance so that they may have the opportunity to attend said meeting.

h. Copies of the budget and proposed assessments shall be transmitted to each member on or before December 1, preceding the year for which the budget is made. If the budget is amended subsequently, a copy of the amended budget shall be furnished to each member.

i. If an adopted budget requires assessment against the unit owners in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of the assessments for the preceding year, the board, upon written application of ten percent (10%) of the unit owners to the board, shall call a special meeting of the unit owners within thirty (30) days, upon not less than ten (10) days' written notice to each unit owner. At the special meeting, unit owners shall consider and enact a budget. Unless the By-Laws require a larger vote, the adoption of the budget shall require a vote of not less than a majority vote of all unit owners. The board of administration may propose a budget to the unit owners at a meeting of members or in writing; and if the budget or proposed budget is approved by the unit owners at the meeting or by a majority of all unit owners in writing, the budget shall be adopted. In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium property, anticipated expenses by the condominium association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the condominium property shall be excluded from the computation. However, as long as the Developer is in control of the board of administration, the board shall

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not impose an assessment for any year greater than one hundred fifteen percent (115%) of the prior fiscal or calendar year's assessment without approval of a majority of all unit owners.

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 the 10th day of December, preceding the year for which the assessments are made. Such assessments shall be due and payable in twelve (12) equal installments on the first day of each and every month during 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 annual assessment, and monthly installments on such assessment shall be due upon each installment date until changed by 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, after a properly called meeting for such purpose if the accounts of the amended budget do not exceed the limitations set forth above for that year. Any account that does exceed such limitation 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 an amended assessment is made shall be due and payable in equal monthly installments on the first day of each and every month during the remaining portion of said calendar year. The first assessment shall be determined by the Board of Directors of the Association.

6.4 Acceleration of Assessment Installments Upon Default. If the owner of a unit 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 owner of the unit, and then the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after the mailing of such notice to the owner of the unit by registered or certified mail, whichever shall occur first.

6.5 Assessments for Emergencies. Assessments for common expenses in emergencies which 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 owners of units concerned. After such notice and upon approval in writing by persons entitled to cast more than one-half of the votes of the owners of the units concerned, the assessment shall become effective, and it shall be due after thirty (30) days' notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

6.6 The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Directors, and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks 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 audit 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 The Association shall obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for assessments, insurance proceeds or any other funds

relating to the condominium. The premiums on such bonds shall constitute a common expense.

7. Regulations. The Board of Directors of the Association may from time to time make, adopt, amend and endorse reasonable regulations respecting the use of the respective condominium properties, and any property in which the Association owns an interest and shall have the power to enforce such regulations by fine or suspension of the privilege of use of the common areas.

7.1 An owner of a unit shall pay all ad valorem taxes or his particular unit, whether assessed directly or assessed against the condominium as a whole, and prorated by the Board of Directors of the Association.

7.2 An owner of a unit shall maintain his unit so that the unit or any other unit owner will not be damaged by his neglect.

7.3 An owner of a unit shall maintain all of the interior installations of the unit, including the maintenance of the water, light, gas, power, sewage, telephone, air conditioning, sanitary installations, doors, windows, lamps and other accessories belonging to the particular unit and not owned by the Association.

8. Access to Units.

8.1 No object shall be placed in or on the common area by a unit owner which will interfere in any manner with the use of said area, or render said area unsightly.

8.2 A person or persons designated by the Board of Directors of the Association shall be granted permission by an owner to enter his unit in any case of emergency or to make repairs which are immediately necessary. The cost of said repairs if they occur inside the unit, shall be borne by the unit owner.

9. Amendments. Amendments to the By-Laws shall be proposed and adopted in the following manner:

9.1 Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered, and shall comply with the text requirements of Florida Statutes, 718.112(2)(c), 1981.

9.2 A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy at the meeting to consider the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as hereinafter provided, approval of a proposed amendment must be either by

a. Not less than sixty percent (60%) of the entire membership of the Board of Directors and not less than sixty-seven percent (67%) of the votes of the members of the Association voting at the particular meeting and the approval of eligible holders holding mortgages on unit estates which have at least fifty-one percent (51%) of the votes of unit estates subject to eligible holder mortgages; or

b. Not less than seventy-five percent (75%) of the votes of the entire membership of the Association and the approval of eligible holders holding mortgages on unit estates which have at least fifty-one percent (51%) of the votes of unit estates subject to eligible holder mortgages; or

c. Until the first election of the Board of Directors, only by all of the directors of the Association, and the approval of eligible holders holding mortgages on unit estates which have at least fifty-one percent (51%) of the votes of unit estates subject to eligible holder mortgages.

9.3 No amendment shall make any changes in the qualifications for membership nor the voting rights of members, nor any change in Section III.3 of Article III of the Articles of Incorporation of THE BEACHCOMBER II OWNERS' ASSOCIATION, INC., without approval in writing by all members and the joinder of all record owners of mortgages upon the condominium. No amendment shall be made that is in conflict with the Condominium Act or the Declaration of Condominium.

9.4 No amendment to these By-Laws shall be valid until recorded in the Public Records of Duval County, Florida, as an Amendment to the Declaration of Condominium of THE BEACHCOMBER II, A CONDOMINIUM.

The foregoing were adopted as the By-Laws of THE BEACHCOMBER II OWNERS' ASSOCIATION, INC., a non-stock, non-profit corporation under the laws of the State of Florida, at the first meeting of the Board of Directors on _____

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FILED AND RECORDED IN PUBLIC RECORDS OF DUVAL COUNTY, FLA.

[Signature]
CLERK OF CIRCUIT COURT