

- 7.2 The affirmative vote of a majority of the Board of Directors shall be sufficient to decide any question brought before such Board.

Section 8. Conduct of Meeting

All meetings of the Members and of the Board of Directors shall be governed by Roberts' Rule of Order, as revised from time to time.

Section 9. Fiscal Management.

The provisions for fiscal management set forth in the Declaration of Condominium are supplemented by the following provisions:

- 9.1 Accounts. The funds and expenditures of the Association shall be credited and charged to the appropriate account as set forth below.

(a) Current Expenses. All funds to be expended during the year for the maintenance of the common elements and the operation of the Association shall be held in the current expense account. Any balance in this fund at the end of each year may be used to pay common expenses incurred in any successive year or may be placed in the reserve fund account.

(b) Reserve Fund Account. All funds to be expended for replacement, acquisition and repair of capital improvements which are a part of the common elements of the condominium, and for working capital of the Association, shall be held in the reserve fund account. In addition to the amounts reserved in the annual budget for such purposes, as provided in paragraph 9.2 below, with each conveyance of a Unit to a new Owner of that Unit, including the original conveyance by the Developer to the original Unit Owner and all subsequent conveyances of that Unit by the original Owner and his successors to new Owners, each such Owner shall pay an amount to the Association equal to two times the then current monthly assessment charge for such Unit, to be placed and held in the Association's Reserve Fund.

- 9.2 Budget. The Board of Directors shall adopt a projected operating budget for each calendar year, which shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to, those expenses listed in Section 718.504 (21), Florida Statutes, as amended. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof replacement, building painting, and pavement resurfacing. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item.

- 9.3 Assessments. Assessments against individual unit owners for their shares 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, in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses

and for all of the unpaid operating expenses previously incurred. One-twelfth (1/12) of each unit's assessment shall be due on the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly payments thereon shall be due upon the first day of each month until charged by an amended assessment. The budget and assessments therefor may be amended at any time by the Board of Directors. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due on the first day of the month next succeeding the month in which such amended assessment is made or as otherwise provided by the Board of Directors. The Board of Directors shall have the power to levy special assessments for unanticipated expenditures.

- 9.4 Notice. A copy of the proposed annual budget of Common Expenses, together with a notice of meeting, shall be mailed to the Unit Owners not less than 14 days prior to the meeting at which the budget will be considered. The Unit Owners shall be given written notice of the time and place at which the meeting of the Board of Directors to consider the budget shall be held and such meeting shall be open to the unit owners. If an adopted budget requires assessment against the unit owners in any fiscal or calendar year exceeding 115 percent of the assessments for the preceding year, the Board of Directors, upon written application of 10 percent of the voting interests to the board, shall call a special meeting of the unit owners within 30 days, upon not less than 10 days' written notice to each unit owner. At the special meeting, Unit Owners shall consider and enact a budget. The adoption of the budget shall require a vote of not less than a majority vote of all the voting interests. The Board of Directors 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 the voting interests in writing, the budget shall be adopted. If a meeting of the unit owners has been called and a quorum is not attained or a substitute budget is not adopted by the unit owners, the budget adopted by the Board of Directors shall go into effect as scheduled. In determining whether assessments exceed 115 percent of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium property, anticipated expenses by the 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 Directors, the Board of Directors shall not impose an assessment for any year greater than 115 percent of the prior fiscal or calendar year's assessment without approval of a majority of all the voting interests.

- 9.5 Depository. The funds of the Association will be deposited in such financial institution(s) as shall be designated from time to time by the Board of Directors. Withdrawals of funds from such accounts shall be only by drafts signed by such persons as authorized by the Board of Directors.

Section 10. Rules and Regulations

- 10.1 As to Common Elements. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing the operation, use, maintenance, management and control of the common elements of the Condominium. The Board of Directors shall from time to time post in a conspicuous place on the condominium property, a copy of the rules and regulations adopted by the Board of Directors. Any rules and

regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

10.2 As to Condominium Units. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing and restricting the use and maintenance of the condominium parcels; provided, however, that copies of such rules and regulations are furnished to each owner of a condominium parcel prior to the time the same shall become effective. Where applicable or desirable, copies thereof shall be posted in a conspicuous place on the condominium property. Any rules and regulations adopted pursuant thereto shall be reasonable and non-discriminatory.

10.3 Initial Rules and Regulations The initial rules and regulations hereinafter enumerated shall apply to and be binding upon all unit owners. The unit owners shall at all times observe the rules and regulations and shall have the responsibility of seeing that they are faithfully observed by their families, guests, invitees, servants, lessees and other persons over whom they exercise control and supervision. The initial rules and regulations are as follows:

(a) The units shall be used only for residential purposes and to provide temporary lodging.

(b) Unit owners shall not use or permit the use of their premises in a manner to create excessive noise, excessive vibration or other results which may be deemed to be obnoxious activity.

(c) Common elements shall not be obstructed, littered, defaced or misused in any manner.

(d) No structural changes or alterations shall be made in any unit, or to any of the common elements, except as provided in the Declaration of Condominium.

(e) All of the restrictions, limitations and obligations of members as provided in the Declaration of Condominium are incorporated herein by reference and apply to all members of the Association.

(f) Nothing shall be hung, or displayed on the outside of walls of a building, and no sign, awning, canopy, shutter or radio television or satellite antenna shall be affixed to or placed upon the exterior walls or roof, or any other part of the condominium property thereof, except with the approval of the Board of Directors, provided, however, that each Unit Owner may have a sign on or about the entrance way of his Unit with letters which do not exceed two (2) inches in height. All signs must be approved by the Association.

(g) Complaints regarding maintenance shall be made in writing to the Board of Directors.

(h) There shall not be kept in any unit any flammable, combustible or explosive fluid, material, chemical or substance except for normal office use.

(i) In case of any emergency originating in or threatening any of the units, the Board of Directors of the Association, or any other person authorized by it, shall have the right to enter such unit for the purpose of remedying or abating the cause of such emergency, and such right of entry in the event any such emergency shall be immediate. To facilitate entry in the event of any such emergency, each unit owner, if required by the Association, shall deposit a key to his unit with the Association.

(j) No unit owner shall make any adjustments of any nature whatsoever to any of the equipment located on the common elements without first obtaining the permission of the Association.

(k) No Unit Owner shall use or allow any units to be used for any type activity which would allow animals to be housed or cared for, temporarily or permanently, in a commercially related activity. No Unit Owner will allow their animals to roam free, unleashed, or to cause a nuisance.

(l) No unit owner shall use or allow others to use the portico, entry areas, patios or deck areas for storage.

Section 11. Default.

- 11.1 **Foreclosure.** In the event a unit owner does not pay any sums, charges or assessments required to be paid to the Association within 15 days from the due date, the Association, acting in its own behalf or through its Board of Directors may, foreclose the lien encumbering the unit owner's condominium parcel created by non-payment of the required monies in the same manner as mortgage liens are foreclosed. The Association shall have the right to bid on the condominium parcel at a foreclosure sale and to acquire, hold, mortgage and convey the same. In lieu of foreclosing its lien, or in addition thereto, the Association may bring suit to recover a money judgment for sums, charges or assessments required to be paid to the Association without waiving its lien securing the same. In any action, either to foreclose its lien or to recover a money judgment brought by or on behalf of the Association against a unit owner, the Association shall be entitled to recover the costs thereof, together with a reasonable attorneys' fee.
- 11.2 **Association Expenses.** If the Association becomes the owner of a condominium parcel by reason of foreclosure, it may offer the condominium parcel for sale and, when the sale is consummated, it shall deduct from such proceeds all sums of money due it for monthly assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorneys' fees, and any and all expenses incurred in the resale of the condominium parcel, which shall include but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the unit in question. All monies remaining after deducting the foregoing items of expense shall be returned to the former unit owner.
- 11.3 **Enforcement** In the event of violation of the provisions of the Condominium Documents as the same are now or may hereafter be constituted, the Association, on its own behalf, may

bring appropriate action to enjoin such violation, to enforce the provisions of the documents, to sue for damages or take all of the courses of action at the same time, or such other legal remedy it may deem appropriate.

- 11.4 Fines and Penalties. In the event the Board of Directors determines, in the manner set forth below, that a Unit Owner has violated any rule or regulation set forth in Section 10 above, as it may be amended, the Association may impose such fines and other penalties as are allowed by law, including those fines and penalties allowed by Section 720.305 Florida Statutes which provides, among other penalties, for the suspension of a Unit Owner's use of Common Elements and voting rights as a Member of the Association.
- 11.5 Notice and Hearing. In the event the Board of Directors receives a complaint that a Unit Owner has violated a rule or regulation, other than non-payment of assessments and other charges when due, the Board of Directors shall notify the Unit Owner that a complaint has been made and shall specify the rule or regulation which is alleged to have been violated. The notice shall set forth a date (not less than fifteen (15) days after the date of the Notice) for a hearing to be held in accordance with Section 720.305 Florida Statutes (2000) before a Committee of at least three Members appointed by the Board of Directors and who are not officers or directors of the Association and who otherwise qualify pursuant to Section 720.305 (2) (a) Florida Statutes (the "Grievance Committee"). If the Unit Owner has not been previously subject to a complaint for a violation of the same rule or regulation and if the Unit Owner ceases the alleged activity, repairs any damage, and otherwise complies with the rules and regulations within ten (10) days from the date the Board of Directors notifies the Unit Owner of the alleged violation, no further action shall be taken by the Grievance Committee or the Board of Directors. If the Unit Owner disputes the violation and/or fails to correct the violation in the foregoing manner within the time specified, the Grievance Committee shall hold a hearing to receive and consider evidence of the alleged violation. At such hearing, the Grievance Committee shall first receive evidence of the alleged violation and, following the presentation of such evidence, the Grievance Committee shall receive evidence relating to the alleged violation and offered by the Unit Owner. The Grievance Committee shall consider the evidence presented, determine by a majority vote whether a violation has occurred and notify the Unit Owner of its decision and determination, and the amount of the fine or other penalty, if any, within ten (10) days from the date of the hearing. If the Unit Owner desires to challenge the finding of the Grievance Committee, the Unit Owner shall, within twenty (20) days after the date of the Grievance Committee's Determination, initiate proceedings in the Circuit Court for the Seventh Judicial Circuit, in and for St. Johns County, Florida, seeking a declaration of the Unit Owner's rights, or may avail himself of any other remedy provided by law. In the event such proceeding is not initiated within said twenty-day period, or is thereafter dismissed and not reinstated within said twenty-day period, the decision of the Grievance Committee shall be final and the fine shall constitute a lien on the unit owned by the Unit Owner. If legal action is initiated and pursued by the Unit Owner, the outcome of the judicial proceedings shall be binding on the parties and the prevailing party shall be entitled to all costs incurred, including reasonable attorneys' fees. In the event the Association prevails, such costs shall be added to the fine. All notices to a Unit Owner required hereunder shall be deemed given upon depositing the notice, with postage prepaid, in the United States mail, and posting the notice on the unit owned by the Unit Owner.
- 11.6 Consent to Foregoing Provisions. Each unit owner for himself, his heirs, successors and

assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of the harshness of the remedy available to the Association, and regardless of the availability of other equally adequate legal procedures. Additionally, all unit Owners expressly agree that should the Association find it necessary to invoke any of the above-specified remedies and the Association is successful, the unit owner subject to the action shall be responsible for reasonable attorneys' fees and court costs. It is the intent of all unit owners to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from unit owners and to preserve each unit owner's right to enjoy his condominium parcel free from unreasonable restraint and nuisance.

Section 12. Mortgage of Unit.

The Association shall maintain a suitable register for the recording of mortgaged condominium parcels. Any mortgagee of a condominium parcel may, but it is not obligated to, notify the Association in writing, of the mortgage. In the event notice of default is given any member, under an applicable provision of the Condominium Documents, a copy of such notice shall be mailed to the registered mortgagee.

Section 13. Contracts.

The Association, prior to passage of control pursuant to Section 4.4, shall not directly or indirectly enter into contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after such transfer of control, upon not more than 90 days' notice to the other party.

Section 14. Amendment of By-Laws.

The By-Laws of this Association may be altered, amended or repealed, unless specifically prohibited herein, at any regular or special meeting of the members by approval of owners of not less than three-fourths (3/4) of the voting interests. No amendment to the By-Laws shall be valid unless recorded, with identification on the first page thereof of the book and page of the public records where the Declaration of Condominium is recorded.

Section 15. Parliamentarian.

The Secretary of the Association shall act as parliamentarian at all meetings of the Board of Directors of the Association. He shall see that all meetings are conducted in an orderly manner in accordance with these By-Laws.

CERTIFICATION

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CERTIFICATION

I, Steven C. Cupolo, as the duly elected and acting Secretary of SEASIDE AT ANASTASIA OWNERS ASSOCIATION, INC., a Florida not for profit corporation, do hereby certify that the foregoing By-Laws constitute the original By-Laws of the said association, as duly adopted at the first meeting of the Board of Directors held on the ____ day of _____, 2003.

Steven C. Cupolo, Secretary

APPROVED:

Alva C. Atkins, President