

BY-LAWS

\*\* OFFICIAL RECORDS \*\*  
BK 1717 PG 1552

OF

CRYSTAL SHORES OWNERS ASSOCIATION, INC.

1. Purpose. These are the By-Laws of CRYSTAL SHORES OWNER'S ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida (the "Association"). The Association has been organized for the purpose of doing any and all things necessary and proper for the Association to carry out its duties and responsibilities as set forth in the Declaration of Covenants, Conditions and Restrictions for CRYSTAL SHORES, a planned unit development (the "Project"), for the benefit of and on behalf of the members of this corporation and other lawful occupants. The capitalized terms used herein shall have the same meanings ascribed to them in the Declaration.

2. Offices. The office of the Association shall be at such location as may be established in Okaloosa county, Florida, from time to time by the Board of Directors.

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

4. Seal. The seal of the corporation shall bear the name of the Association, the word "Florida" and the words "corporation not for profit," and the year of incorporation, "1992".

5. Members Meetings. The annual members meeting shall be held each year at the office of the corporation on a date during the month of February, March or April of each year, as from time to time determined by the Board of Directors for the purpose of electing directors and transacting any other business authorized to be transacted by the members.

6. Special Meetings. Special meetings 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 members holding ten percent(10%) of the voting interests of the entire membership.

7. Notice. Notice of all members meetings stating the time and place and the objects for which the meeting is called shall be given to each member by mail fourteen (14) days in advance of the meeting by the President or Vice President or Secretary unless waived in writing. Notice of meeting may be waived before or after the meetings.

8. Quorum. A quorum at members meetings shall consist of persons holding a majority of the voting interests of the entire membership. The acts approved by a majority of the voting interests present at a meeting at which a quorum is present shall constitute the act of the members, except when approval by a greater voting interest is required by the Declaration, the Articles of Incorporation of the Association or these By-Laws. In determining whether a quorum is present, proxies may be counted as voting interests present.

9. Members Vote. At any meeting of the members, each Lot Owner shall be entitled to cast one (1) vote for each Lot he owns, which shall not be cumulative.

10. Multiple Ownership.

- (a) If a Lot is owned by one (1) person or entity, the right to vote on behalf of such Lot shall be established by the record title to the Lot. If the Lot is owned by more than one (1) person, the person or entity entitled to cast the vote for the Lot shall be the voting member designated by a voting certificate signed by all of the record owners of the Lot and filed with the Secretary of the Association. If a Lot is owned by a corporation, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or a change in the ownership of the Lot concerned. A certificate designating a person entitled to cast the vote of the Lot may be revoked by any Owner of a Lot. If such a certificate is not on file, the vote of such Owner shall not be considered in determining the requirement for a quorum nor for any other purpose.
- (b) Notwithstanding the provisions of Subparagraph (1) of this Paragraph 10, whenever any Lot is owned by a husband and wife they may, but shall not be required to, designate a Voting member. In the event a Voting Certificate designating a voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote.

(1) Where both husband and wife are present at the meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Lot owned by them. In the event they are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

(2) Where only one (1) spouse is present at a meeting, the spouse present may cast their Voting Interest without establishing the concurrence of the other spouse, absent any prior written notice to the contrary of the Association by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse their Voting Interest shall not be considered.

(3) Where neither spouse is present, the person designated in a proxy or Voting Certificate signed by either spouse may cast the Voting Interest, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different Voting Member by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different Voting Member by the other spouse, the Voting Interest shall not be considered.

11. Proxies. Votes may be cast in person or by proxy. a proxy may be made or revoked by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting, provided that in no event shall a proxy be valid for a period longer than ninety (90) days after

the date of the first meeting for which it was given.

12. Lack of Quorum. If any meeting of members cannot be organized because a quorum is not present, the voting interests who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

13. Order of Business. The order of business at annual meetings and as far as practical at other members meetings shall be:

- (a) Call of the roll and certifying of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Report of Officers.
- (e) Report of committees.
- (f) Election of inspectors of an election.
- (g) Election of Directors.
- (h) Unfinished business.
- (i) New Business.
- (j) Adjournment.

14. Reservation of Control by Declarant. Until the termination of the Development Period, as that term is defined in the Declaration, Crystal Beach Development Company of Northwest Fl., Inc., as the Declarant, shall have the right to appoint or designate three (3) persons to serve as directors on the Board of Directors and the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors. By a statement in writing delivered to any director of the Association, the Declarant may, at any time during the development period, voluntarily relinquish the right to appoint or designate one, two, or three persons to serve as Directors. During the period the Declarant controls the Association Board of Directors, the Declarant may designate who shall chair the annual and any special meetings of the Association members and in the absence of such designation, the President shall preside and chair such members' meetings.

15. Number of Directors. After the Development Period, the affairs of the Association shall be managed by a Board of not less than three (3) nor more than five (5) directors, the exact number to be determined at the time of the election.

16. Election of Directors. After the Development Period, election of directors shall be conducted in the following manner:

- (a) Election of directors shall be held at the annual members meeting.
- (b) A nominating committee of three (3) members shall be appointed by the Board of Directors not less than thirty (30) days prior to the annual meeting. The committee shall nominate one (1) person for each director then serving. Nominations for additional directorships created at the meeting shall be made from the floor, and other nominations may be made from the floor.

- (c) The election shall be by secret ballot (unless dispensed by unanimous consent) and by a plurality of the voting interests. The Owner of each Lot shall be entitled to cast a vote for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.
- (d) Except as to vacancies provided by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of the members shall be filled by the remaining directors.
- (e) Subject to the provisions of paragraph 14 above, any member of the Board of Administration may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the Lot Owners to recall a member or members of the Board of Administration may be called by ten (10%) percent of the voting interest giving notice of the meeting as required for a meeting of Lot Owners, and the notice shall state the purpose of the meeting.

17. Director's Term. After the Development Period, the terms of each director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

18. Director's Organizational Meeting. The organizational 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 affixed by the directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

19. Regular Meeting. 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 the regular meetings shall be given to each director, personally or by mail, telephone or telegraph, at least two (2) days prior to the day named for such meeting.

20. Special Meeting. Special meetings of the directors may be called by the President and must be called by the Secretary at the written request of one-fourth (1/4) of the directors. Not less than two (2) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

21. Open Meetings and Records. Meetings of the Board of Directors shall be open to all Lot Owners and notice of meetings shall be posted conspicuously forty-eight (48) hours in advance for the attention of Lot Owners except in an emergency. Minutes of all meetings of the members or the Board of Directors shall be kept in a book available for inspection by Lot Owners or their authorized representatives, and board members at any reasonable time. Said minutes shall be retained for a period of not less than seven (7) years.

22. 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.

23. Quorum. A quorum at director's meetings shall consist of a majority of the entire Board of

Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors as required by the Declaration, the Articles of Incorporation of the Association and/or these By-Laws.

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

25. Director Action.

- (a) Joinder in Meeting by Approval of Minutes. The joinder of a director in the action of a meeting by signing or otherwise concurring in the minutes of that meeting shall constitute the presence of such director at such meeting and it shall constitute the presence of such director for the purpose of determining a quorum.
- (b) Presumption of Consent. A director of the Association who is present at a meeting of the board at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

26. Presiding Officer. The presiding officer at directors meetings shall be the chairman of the board if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

27. Order of Business. The order of business at a directors meeting shall be:

- (a) Calling of roll.
- (b) Proof of due notice of meeting.
- (c) Reading and disposal of any unapproved minutes.
- (d) Report of Officers and committees.
- (e) Election of Officers.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

28. Directors Compensation. Directors' fees or other compensation, if any, shall be determined by a majority of the members' voting interests.

29. Powers and Duties of the Board of Directors. All of the powers and duties of the Association existing under the Declaration, Articles of Incorporation of the Association and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees subject only to the approval by the voting interests when such approval is specifically required.

30. Officers. The executive officers of the Association shall be a President, who shall be a director,

a Vice-President, who shall be a director, a Treasurer, a 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 (2) or more offices. 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 necessary or convenient to manage the affairs of the Association.

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

32. Vice President. The Vice President in the absence or disability of the President shall exercise the powers and perform the duties of the President. He also shall assist the President generally and exercise such other powers and perform such other duties as shall be prescribed by the directors.

33. Secretary. The Secretary shall keep the minutes of all proceedings of the directors and the members in a businesslike manner and available for inspection by Lot owners and directors at all reasonable times. 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.

34. Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; he shall submit treasurer's reports to the Board of Directors at reasonable intervals; he shall make the treasurer records available for inspection by directors or members at reasonable times; and he shall perform all other duties incident to the office of treasurer.

35. Officer Compensation. The compensation of all officers and employees of the Association shall be fixed by the Board of Directors. The provision that directors' fees shall be determined by voting interests 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 Project operated by the Association, the Association or any portions of the property thereof.

36. Fiscal Management. Provisions for fiscal management of the Association as set forth in the Declaration the Articles of Incorporation shall be supplemented by the following provisions:

- (a) Budget. The Board of Directors shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the Common Expenses and to provide and maintain funds according to good accounting practices by accounts and expense classifications as the Board deems appropriate. Alternately, the Board of Directors may propose a budget to the Lot Owners at a meeting of the members or in writing, and if the budget or proposed budget is approved by the voting interests at the meeting or by a majority of all voting interests in writing, the budget shall be adopted. If a meeting of the Lot Owners has been called and

a quorum is not attained or a substitute budget is not adopted by the Lot Owners, the budget adopted by the Board of Directors shall go into effect as scheduled.

- (b) Adoption of Budget. A copy of the proposed annual budget of Common Expenses shall be mailed to the Lot Owners not less than fourteen (14) days prior to the meeting at which the budget will be considered, together with a notice of that meeting. The Lot Owner shall be given written notice of the time and place at which such meetings of the Board of Directors to consider the budget shall be held, and such meeting shall be open to the Lot Owners.
  
- (c) Assessments. The Board of Directors shall make assessments against each Lot for its share of the items of the budget in an amount not less than required to provide funds in advance for payment of all the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. The assessments shall be made for the fiscal year annually in advance and shall be due in equal, monthly, quarterly or other installment basis as the Board may determine. 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. In the event the annual assessment shall be insufficient in the judgement of the Board of Directors, the Board of Directors shall amend the budget and shall make amended assessments for the balance of the year in sufficient amounts to meet the expenses for the year.

37. Acceleration of Assessment Installments Upon Default. If a Lot Owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessments upon notice to the Lot Owner, 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 delivery of the notice to the Lot Owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall occur first.

38. Special Assessments. Assessments for Common Expenses not included in the annual assessment for Common Expenses shall be made only after written notice of the specific purpose or purposes for such is sent or delivered to each Lot Owner. After such notice and upon approval at a duly called meeting or in writing without a meeting by persons entitled to cast more than one-half (1/2) of the voting interests concerned, the assessment shall become effective, and shall be paid in such a manner as the Board of Directors of the Association may require in the notice of assessment. The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice, or returned to the Lot Owners. However, upon completion of such specific purpose or purposes, any excess funds shall be considered common surplus.

39. Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the monies from such accounts shall be withdrawn only by checks signed by such persons as are authorized by the directors.

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

41. Annual Financial Report. Within sixty (60) days following the end of the fiscal year of the Association, the Board of Directors shall mail or furnish by personal delivery to each Lot Owner a financial report of actual receipts and expenditures for the previous twelve (12) months.

42. Fines. In addition to all remedies provided in the Declaration operated by the Association, the Articles or these By-Laws, the Board of Directors of the Association after providing notice and an opportunity to cure may, upon reasonable notice and an opportunity for hearing before said Board, fine and charge any offending member a sum not to exceed one hundred fifty (\$150.00) dollars for each infraction of the provisions of said Declaration, Articles, By-Laws or reasonable rules and regulations of the Association. Fines shall become a lien against the Lot of the Owner against whom the fine is levied.

43. Transfer Fee. No fee shall be charged by the Association in connection with a transfer, lease, sale or sublease of a Lot which is subject to approval of the Association or its Board of Directors, in excess of the expenditures reasonably required for the transfer or sale, and this expense shall not exceed \$50.00. No charge shall be made in connection with an extension or renewal of a lease.

44. Amendments. In addition to any other method provided under the Declaration of Articles of Incorporation, these By-Laws may be amended in the following manner:

- (a) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
- (b) A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the voting interests of the Association. Directors and voting interests not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:
  - (1) Not less than two-thirds (2/3) of the voting interests of the entire membership of the Association.
  - (2) Until the first election of directors, by all of the directors.
- (c) No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text underlined, and the words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that his procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language:

"substantial rewording of By-Law. See By-Law \_\_\_\_\_ for present text."



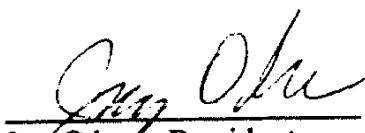
Non-material errors or omissions in the By-Law process shall not invalidate an otherwise promulgated amendment.

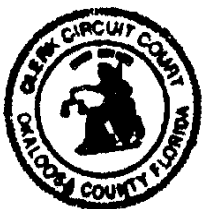
45. Action by Members by Written Agreement. Any action that may be taken by members or voting interests at a meeting or that may be approved or ratified at a meeting, may be taken by written agreement without a meeting in the following manner and provided that the following conditions are met:

- (a) The Board of Directors determines that action by written agreement without a meeting will be in the best interest of the members (which determination shall be final and binding upon all concerned); and
- (b) Appropriate arrangements are made for voting by secret ballot where the Articles, By-Laws, Declaration or other laws require issues be decided by secret ballot; and
- (c) The Secretary shall mail or cause to be mailed by regular U.S. mail, prepaid, the ballot forms to all members. An Affidavit of Mailing shall be prepared evidencing the mailing; and
- (d) To be counted, a ballot must be received by the Association not more than sixty (60) days from the date of mailing as reflected in the Affidavit of Mailing.

46. Execution and Recording. A copy of each amendment shall be attached to or incorporated in a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and By-Laws, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be valid and effective when such certificate, with a copy of the amendment attached thereto or incorporated therein, is recorder in the public records of Okaloosa County, Florida.

The foregoing was adopted as the By-Laws of Crystal Shores Owner's Association, Inc., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on the 18<sup>th</sup> day of Dec, 1992.

  
Jay Odom, President



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OKALOOSA COUNTY, FLORIDA

RCD: DEC 29 1992 @ 2:56 PM  
NEWMAN C BRACKIN, CLERK