

SUPPLEMENT "D" TO DECLARATION OF CONDOMINIUM

**BY-LAWS
OF
THE CRESCENT AT MIRAMAR BEACH
CONDOMINIUM OWNERS ASSOCIATION, INC.**

(a corporation not-for-profit under the laws of the State of Florida)

1. **PURPOSE.** These are the By-Laws of THE CRESCENT AT MIRAMAR BEACH CONDOMINIUM OWNERS ASSOCIATION, INC., hereinafter called Association in these By-Laws, a corporation not-for-profit under the laws of the State of Florida. The Association has been organized for the purpose of providing for the operation, management, maintenance, control and administration of such condominium as may be submitted to the jurisdiction of the Association, and is, with regard to such condominium, the legal entity created pursuant to Chapter 718, Florida Statutes, called the Condominium Act in these By-Laws.

2. **OFFICES.** The office of the Association shall be at 25 Walter Martin Road, Fort Walton Beach, Florida.

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", the words "corporation not for profit", and the year of the incorporation 1998, an impression of which is as follows:

5. **MEMBERS MEETING.** The annual members meeting shall be held at the office of the corporation or some other location designated by the Board of Directors at 2:00 p.m., on the third Saturday in August of each year for the purpose of electing directors and transacting any other business authorized to be transacted by the members.

6. **SPECIAL MEETING.** Except as required by the Condominium Act, as amended, 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 entitled to cast ten percent (10%) of the votes of the entire membership.
7. **NOTICE.** Except as required by the Condominium Act, as amended, notice of all members' meetings stating the time, the place and the purpose for which the meeting is called, shall be given by the President or Vice-President or Secretary. Written notice of such meetings shall be given to each Unit Owner and shall be posted in a conspicuous place on the Condominium property at least fourteen (14) continuous days prior to all meetings. Unless a Unit Owner waives in writing the right to receive notice of any meeting by mail, the notice of the meeting shall be sent by mail to each Unit Owner, and the Post Office Certificate of Mailing shall be retained as proof of such mailing. Notice of any meeting may be waived before or after the meetings.
8. **QUORUM.** A quorum of members meeting shall consist of persons entitled to cast a majority of the votes of the entire membership. The acts approved by the majority of the votes present at a meeting at which a quorum is present shall constitute the act of the members, except when approval by a greater number of members is required by the Declaration of Condominium of the Condominium operated by the Association, the Articles of Incorporation of the Association or these By-Laws. In determining whether a quorum is present, proxies may be counted as persons present.
9. **MEMBERS VOTE.** At any meeting of the members, the Owner of each unit or his designated proxy shall be entitled to cast one (1) vote for each unit he owns.
10. **MULTIPLE OWNERSHIP.** If a unit is owned by one (1) person, or jointly by a husband and wife, his/their right to vote shall be established by the record title to his/their unit. If a unit is owned by more than one (1) person, other than a husband and wife, jointly, 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 of the corporation and filed with the Secretary of the Association. Any certificate shall be valid until revoked or until superseded by a subsequent certificate or a change in the ownership of the unit concerned. A certificate designating a person entitled to cast the vote of a unit may be revoked by any owner of that unit.

If such 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. The designated person entitled to cast a vote shall be the only person authorized to appoint a proxy. However, no certificate is necessary for voting when the unit is owned by husband and wife. In that event, either may vote in person or by proxy.

11. **PROXIES**. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote. (i.e. a single owner, a husband or wife joint owner, or a voter designated in a voting certificate) and shall be valid only for the particular meeting designated in the proxy and any lawfully adjourned meeting, and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting.

12. **LACK OF QUORUM**. If any meeting of members cannot be organized because a quorum is not present, the members 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 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 DEVELOPER**. Until required by Chapter 718.301 of the Condominium Act or until GREENWOOD DEVELOPMENT CORPORATION OF FLORIDA, INC., its successors or assigns or any subsequent Developer, herein called Developer, elects to terminate its control of the Association and the Condominium operated by it, whichever occurs first, the proceedings of all meetings of members of the Association shall have no effect

unless approved by the Board of Directors.

15. **NUMBER OF DIRECTORS.** While the Developer is allowed to appoint a majority of the directors as provided in the Declaration and the Condominium Act, the number of directors shall be set by majority vote of the directors. At the meeting of the members at which the Developer relinquishes control of the Association to the members and the members other than the Developer elect a majority of the directors, the number of directors shall be set at three (3).

16. **ELECTION OF DIRECTORS.** Election of directors shall be conducted in the following manner:

- (a) Election of directors shall be held at the annual members meeting.
- (b) The elections shall be by secret ballot (unless dispensed by unanimous consent) and by a plurality of the votes cast. The Owner of each unit 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.
- (c) Except as to vacancies provided by removal of directors by members, vacancies in the Board of Directors occurring between annual meeting of the members shall be filled by the remaining directors.
- (d) Any director may be removed by concurrence of a majority vote of the entire membership at a special meeting of the members called for that purpose or by agreement in writing by a majority of all condominium unit owners. The vacancy on the Board of Directors so created shall be filled by members of the Association at the same meeting.
- (e) Provided, however, that notwithstanding the provision of paragraph 16 (a) through (d) above and paragraph 17 including Chapter 718.301 thereof, or until the Developer elects to terminate its control of the Association, whichever occurs first, the Directors of the Association shall serve, and in the event of vacancies the remaining Directors shall be filled by the Developer.
- (f) If both the Developer and Unit Owners other than the Developer are entitled to representation on the Board of Directors, recall of Directors, vacancies on the Board created by any reason, and elections shall be in accordance with the applicable provision of Chapter 718, Florida Statutes, in accordance with Chapter 61(B) of the Florida Administrative Code.

17. **DIRECTOR'S TERM.** The term of each Director's service shall extend for one (1) year until the next annual meeting of the members at which his successor is duly elected and qualified or until he is removed in the manner provided.

18. **DIRECTORS 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 fixed by the directors at the meeting at which they were elected. Notice of the organizational meeting shall be given to each director and to the Unit Owners by hand delivery or by mail and shall be posted conspicuously on the condominium property at least fourteen (14) days prior to the day named for such meeting.

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 regular meetings shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

20. **SPECIAL MEETINGS.** 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 ($\frac{1}{3}$) of the Directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

21. **OPEN MEETINGS.** Meetings of the Board of Directors shall be open to all Unit Owners and notices of meetings shall be posted conspicuously forty-eight (48) continuous hours in advance for the attention of Unit Owners except in an emergency.

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.** Subject to the provisions of these By-Laws, a quorum at Directors meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at 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 of the Condominium operated by the Association, the Articles of Incorporation of the Association and 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. All rescheduled adjourned meetings must be properly noticed.

25. **JOINDER IN ACTION TAKEN AT MEETING.** Subject to the provisions of Paragraph 25 of these By-Laws, a member of the Board of Directors may join by written concurrence in any action taken at a meeting of the Board of Directors by signing or otherwise concurring in the minutes of that meeting, but such concurrence may not be used for the purpose of creating a quorum unless the provisions of telephonic participation by absentee Board members are fully complied with in accordance with the Chapter 718, Florida Statutes (The Condominium Act).

26. **PRESIDING OFFICER.** The presiding officer of directors meetings shall be the Chairman of the Board if such an officer has been elected; and, if none, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

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 the members.

29. **POWERS AND DUTIES OF THE BOARD OF DIRECTORS.** All of the powers and duties of the Association existing under the Condominium Act, the Declaration of Condominium of the Condominium operated by the Association, the 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 Unit Owners 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 except that the President shall not also be the Secretary or Assistant Secretary. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be 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 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. The Vice-President 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 Unit Owners and directors at all reasonable times. The Secretary shall attend to the giving and serving of all notices to the members and directors and other notices required by law. The Secretary 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 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; and shall perform all other duties incident to the office of Treasurer.

35. **COMPENSATION.** The compensation of all employees of the Association shall be fixed by all the directors. The provision that directors' fees shall be determined by members shall not

preclude the Board of Directors from employing a director as an employee of the Association nor preclude the contracting with a director for the management of the Condominium operated by the Association, the Association, or any portions of the property thereof. Officers of the Association shall receive no corporation compensation.

36. **FISCAL MANAGEMENT.** Provisions for fiscal management of the Association as set forth in the Declaration of Condominium of the Condominium operated by the Association and the Articles of Incorporation shall be supplemented by the following provisions:

(a) **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:

(1) Current expenses, which shall include all receipts and expenditures for the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable for reserves, to additional improvements or to operations. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year.

(2) Capital surplus for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.

(3) Capital surplus for replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

(4) 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, or be owned by the Association for the uses and benefit of the members.

(5) Operations, which shall include the gross revenues, if any, from the use of the common elements, or other property of the Association. Only the additional direct expense required by the revenue-producing operation will be charged to this account, and any surplus from such operation shall be used to reduce the assessments for current expenses in the year following the year in which the surplus is realized. Losses from operations shall be met by special assessments against unit owners, which assessments may be made in advance in order to provide a working fund.

(b) **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 for the foregoing accounts and reserves according to good accounting practices as follows:

- (1) Current expense.
- (2) Reserve for deferred maintenance.
- (3) Reserve for replacement.
- (4) 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 of any condominium operated by the Association or property of the Association.
- (5) Operations, the amount of which may be to provide a working fund or to meet losses.
- (6) Copies of the budget and proposed assessments shall be transmitted to each unit owner not less than fourteen (14) days prior to the meeting of the Board of Directors at which the proposed budget will be considered for adoption, together with a notice of that meeting. If the budget is amended subsequently, a copy of the amended budget shall be furnished to each member.
- (7) Each Unit Owner shall be given written notice of the time and place of any meeting at which the Board of Directors are to consider adoption of the budget and such meeting shall be open to the Unit Owners.

(c) **Assessments.** Assessments against the Unit Owners for their shares of the items of the budget shall be made for the fiscal year annually in advance on or before the last day of the fiscal year preceding the year for which the assessments are made, and such assessments shall be due in equal, monthly installments on the first day of each 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 assessment and monthly installments on such assessments shall be due on each installment payment day until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended by the Board of Directors if the accounts of the amended budget do not exceed the limitations for that year. Any account that does exceed the limitations shall be subject to the approval of a majority of the voting interests of the Association, as elsewhere required in these By-Laws.

37. **ACCELERATION OF ASSESSMENT INSTALLMENTS UPON DEFAULT.** If a Unit Owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments for the

remainder of the budget year of the assessments by filing a claim of lien and upon notice to the Unit Owner, and then the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after the delivery of the notice to the Unit 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. If no claim of lien is filed, the assessment may be accelerated only to the end of the budget quarter.

38. **ASSESSMENT OF EMERGENCIES.** Assessments for common expenses of emergencies that cannot be paid from the annual assessment or from a properly amended budget for common expenses shall be made by the Board of Directors and only after notice of the need for such is given to the Unit Owners concerned. After such notice and upon approval in writing by a majority of the voting interests, the assessment shall become effective, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of assessment.

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 drawn only by checks signed by such persons as are authorized by the directors.

40. **FINANCIAL STATEMENTS.** An accounting of the financial transactions of the Association shall be made annually by a Certified Public Accountant, and a copy of such report shall be furnished to each member not later than the first day of the fourth month of the year following the year for which the report is made. Such accounting shall comply with the applicable provisions of the Condominium Act and with Chapter 61(B) of the Florida Administrative Code.

41. **BONDS.** The Association shall obtain and maintain adequate fidelity bonding of all persons who control or disburse funds of the Association, including those individuals authorized to sign checks, and the President, Secretary, and Treasurer of the Association. If an Association's annual gross receipts do not exceed \$100,000.00, the bond shall be in the principal sum of not less than \$10,000.00 for each such person. If an Association's annual gross receipts exceed \$100,000.00, but do not exceed \$300,000.00, the bond shall be in the principal sum of not less than \$50,000.00 for each such person. The Association shall bear the cost of bonding.

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

43. **ARBITRATION OF DISPUTES.** The provisions of Chapter 718, Florida Statutes, dealing with mandatory non-binding arbitration shall apply to disputes such as the authority of the Board of Directors to require an Owner to take any action, or not to take any action, involving that Owner's unit; the authority of the Board of Directors to alter or add to the common area; the failure of the Board of Directors to hold properly-noticed and conducted meetings or elections; the refusal of management to allow Unit Owners to inspect Association books or records; and other similar disputes.

44. **FINES.** In addition to all remedies provided in the Declaration of Condominium of the Condominium operated by the Association, the Association may levy reasonable fines against a unit for the failure of the Owner of the unit, or its occupant, licensee, or invitee, to comply with any provision of the Declaration, the Association or the By-Laws, or reasonable rules of the Association. No fine will become a lien against a unit. No fine may exceed \$100.00 per violation. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000.00. No fine may be levied except after giving reasonable notice and opportunity for a hearing to the Unit Owner and, if applicable, its licensee or invitee. The hearing must be held before a committee of other Unit Owners. If the committee does not agree with the fine, the fine may not be levied. Provided, however, that such a fine may be imposed subject to the following provisions:

(a) The Owner of the unit shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:

- (1) A statement of the date, time and place of the hearing;
- (2) A statement of the provisions of the Declaration, Association By-Laws, or Association rules which have allegedly been violated; and
- (3) A short and plain statement of the matters asserted by the Association.

(b) The Owner of the unit shall have the opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association.

45. **FIRE AND LIFE SAFETY CODE.** Applicable fire and life safety codes must be

complied with; the Board of Directors may accept a Certificate of Compliance from a licensed electrical contractor or electrician as evidence of compliance.

46. **COMPLAINTS.** When a Unit Owner files a complaint by certified mail with the Board of Directors, the Board shall respond in writing to Unit Owner within thirty (30) days of receipt of the complaint as follows:

The Board's response shall either give a substantive response to the complaint; or notify the complaining unit owner that a legal opinion has been requested; or that advice has been requested from the Department of Business and Professional Regulation, Bureau of Condominium, Condominiums Division.

In the event the Board requested advice from the Division, it shall within ten (10) days of its receipt of the advice provide, in writing, a substantive response to the complaining Unit Owner. If a legal opinion has been requested, the Board shall within sixty (60) days after receipt of the complaint, provide, in writing, a substantive response to the complaining Unit Owner.

47. **AMENDMENTS.** 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 members of the Association. Directors and members 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 sixty-six and two-thirds percent (66 2/3%) of the votes cast at a meeting of the membership, provided that all other requirements of notice, statement of purpose and other requirements of these By-Laws regarding meetings have been met, and provided that the total number of votes cast in favor of amendment shall represent a majority of the voting interests of the Association.

(2) Until the first election of a majority of directors by owners other than the Developer, by seventy-five percent (75%) of the directors.

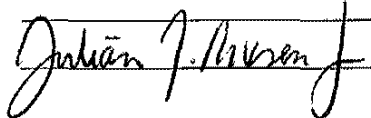
48. **PROVISO.** Provided, however, that no amendment shall discriminate against any Unit

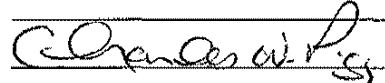
Owner nor against any unit of class or group of units unless the Unit Owner so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Condominium.

49. **EXECUTION AND RECORDING.** A copy of each amendment shall be attached to 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 effective when such certificate and copy of the amendment are recorded in the Public Records of Walton County, Florida.

The foregoing were adopted as the By-Laws of THE CRESCENT AT MIRAMAR BEACH CONDOMINIUM OWNERS 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 25th day of March, 1998.

APPROVAL OF BY-LAWS

 (SEAL)
As President

 (SEAL)
as Secretary