

OF

HIDDEN DUNES COMMUNITY ASSOCIATION, INC.
a corporation not for profit under the
laws of the State of Florida

1. Purpose. These are the By-Laws of Hidden Dunes Community Association, Inc., 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 purposes of (a) providing for the operation, management, maintenance, control and administration of such one or more condominiums of the planned development known as "Hidden Dunes" as may from time to time be submitted to the jurisdiction of the Association, and is with regard to such condominiums, the legal entity created pursuant to Chapter 718, Florida Statutes, 1982, called the "Condominium Act" in these By-Laws, and (b) providing an entity to operate, manage, maintain, control and administer all or such parts thereof of the real property located in Walton County, Florida, described as Community Property in the Community Property Agreement together with the recreational, greenspace, ingress and egress, parking and related amenities as may be from time to time constructed thereon. The Community Property Agreement may be amended from time to time and is Exhibit B to the Declaration of Condominium of Hidden Dunes, Gulfside I, a Condominium. Pursuant to the Community Property Agreement entered into by and between the Association and Hidden Dunes Developers, a Joint Venture Partnership composed of KKJVS Corporation, a Florida corporation, and Hidden Dunes, Inc., a Florida corporation, herein called the "Developer," and upon the termination of the Community Property Agreement the Association will receive fee simple title to the Community Property from the Developer pursuant to the covenants and agreements of the Community Property Agreement.

2. Offices. The office of the Association shall be at 5300 East Highway 98, near Destin, Florida, in Walton County.

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, "1982," an impression of which is as follows:

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 September 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 allowed by the Condominium Act or 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 by the President or Vice President or Secretary unless waived in writing. Such notice shall be posted at a conspicuous place on the condominium property at least fourteen (14) days prior to the meeting and shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than fourteen (14) days nor than more sixty (60) days prior to the date of the meeting. An officer of the association shall provide an affidavit, to be included in the official records of the association, affirming that notices of the association meeting were mailed or hand delivered in accordance with this provision, to each unit owner at the address last furnished to the association. Notice of meeting may be

waived before the meetings.

8. QUORUM. A quorum at members meetings shall consist of persons holding one-third (1/3) 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 percentage of voting interest 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 voting interests present.

9. Members Vote. At any meeting of the members, the voting interest that each unit shall be entitled to cast is one (1) vote for each unit owned, which shall not be cumulative.

10. Multiple Ownership. If a unit is owned by one (1) person, the right to vote on behalf of such unit shall be established by the record title to the unit. If a unit is owned by more than one (1) person, the person entitled to cast the vote for the unit shall be designated by a voting 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 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 unit concerned. A certificate designating a person entitled to cast the vote of a unit may be revoked by any owner of a unit. 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.

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. Election of chairman of the meeting.
- b. Call of the roll and certifying of proxies.
- c. Proof of notice of meeting or waiver of notice.
- d. Reading and disposal of any unapproved minutes.
- e. Report of officers.
- f. Report of committees
- g. Election of inspectors of an election.
- h. Election of directors.
- i. Unfinished business.
- j. New business.
- k. Adjournment.

14. Reservation of Control by Developer. Until required by the Condominium Act including Section 718.301 thereof, or until the Developer elects to terminate its control of the Association, 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. The affairs of the Association shall be managed by a Board of not less than three (3) nor more than nine (9) directors, the exact number to be determined at the time of the election and to consist of one (1) Class A director for each condominium operated by the Association and five (5)

At Large directors unless the number of At Large directors when added to the number of Class A directors shall be an even number, in which event the number of At Large directors shall be four (4).

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 or as required by the Articles of Incorporation of the Association.

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 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.

d. Except as 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 Section 718.301, of the Condominium Act, 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 unit owners to recall a member or members of the board of administration may be called by ten (10) percent of the voting interests giving notice of

the meeting as required for a meeting of unit owners, and the notice shall state the purpose of the meeting.

1. If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall shall be effective immediately, and the recalled member or members of the board of administration shall turn over to the board any and all records of the association in their possession, within seventy-two (72) hours after the meeting.

2. If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing shall be served on the association by certified mail. The board of administration shall call a meeting of the board within seventy-two (72) hours after receipt of the agreement in writing and shall either certify the written agreement to recall a member or members of the board, in which case such member or members shall be recalled effective immediately and shall turn over to the board within seventy-two (72) hours, any and all records of the association in their possession, or proceed as described in subparagraph 3.

3. If the board determines not to certify the written agreement to recall a member or members of the board, or if the recall by a vote at a meeting is disputed, the board shall, within seventy-two (72) hours, file with the division a petition for binding arbitration pursuant to the procedures of Section 718.1255. For purposes of this section, the unit owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the board, the recall shall be effective upon service of the final order of arbitration upon the association. If the association fails to comply with the order of the arbitrator, the division may take action pursuant to Section 718.501. Any

member or members so recalled shall deliver to the board any and all records of the association in their possession within seventy-two (72) hours of the effective date of the recall.

f. Provided, however, that notwithstanding the provision of paragraph 16.a. through e. above and paragraph 17 below to the contrary, until required by the Condominium Act including Section 718.301 thereof, or until the Developer elects to terminate its control of the Association, whichever occurs first, the first directors of the Association shall serve, and in the event of vacancies, such vacancies shall be filled in the manner provided by the Articles.

17. Director's Term. 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 Meetings. 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 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 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. OFFICIAL RECORDS

21. Open Meetings and Records. Meetings of the Board of Directors shall be open to all unit owners and notices of meetings shall be posted conspicuously forty-eight (48) hours in advance for the attention of unit 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 unit 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 of Condominium of the condominium operated by the Association, the Articles of Incorporation of the Association 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 might 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; however,

it shall not 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 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 a majority of the voting interests.

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 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 director, a Treasurer, a Secretary, and an Assistant Secretary, one of whom shall be elected annually by the Board of Directors and who may be preemptorily 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 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 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 business like manner and available for inspection by unit 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's 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 condominium 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 of Condominium of each of the condominiums operated by the Association, the Articles of Incorporation, the Community Property Agreement and the Condominium Act shall be supplemented by the following provisions:

a. Classification of Receipts and Expenditures

The receipts and expenditures of the Association shall be divided into two (2) general classifications. One general classification shall be for receipts and expenditures arising out of the use, ownership or maintenance of the Community Property or other similar receipts or expenditures received or incurred for the

benefit of all members of the Association. The second general classification shall be for receipts and expenditures specific to one of the condominiums operated by the Association, such as the maintenance, repair or replacement of the common elements of a condominium. The second general classification shall be further divided into separate classifications, one such classification for each of the condominiums operated by the Association. Any decision by the Board of Directors determining the classification of a particular receipt or expenditure shall be final.

b. Budgets. The Board of Directors shall adopt a budget for each fiscal year for each condominium operated by the Association and for the Association. The budget for the Association shall include the estimated receipts and expenditures arising out of the use, ownership, operation and maintenance of the Community Property as set forth in the Community Property Agreement. All budgets adopted by the Board of Directors 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 including, if applicable, but not limited to the following:

- (1) Administration of the Association
- (2) Management fee
- (3) Maintenance
- (4) Community Property expense for recreational and other commonly used facilities
- (5) Taxes upon Association Property
- (6) Taxes upon leased area
- (7) Insurance
- (8) Security provisions
- (9) Other expenses
- (10) Operating Capital
- (11) Reserves (In addition to annual operating

expenses, each budget shall include reserve accounts for capital expenditures and deferred maintenance. The 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. This subsection shall not apply to budgets in which the members of the Association have, by a vote of the majority of the voting interests of the Association present at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection.)

(12) Fees payable to Division

(13) Betterments (Betterments shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be a part of the common elements of the condominium or the property of the Association.)

(14) Operations (Operations shall include the gross revenues, if any, from the use of the common elements or other property owned by the Association and only the additional direct expense required by the revenue producing operation. Any surplus from such operations shall be used to reduce the assessments in the year following the year in which

the surplus is realized. Any losses from such operation shall be met by assessments in the year following the year in which the loss is realized, unless funds cannot be adequately and timely raised in such fashion, in which event the required funds shall be provided by special assessment.)

c. Adoption of Budgets. A copy of each proposed annual budget of common expenses shall be mailed to the unit 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 unit owner shall be given written notice of the time and place at which such 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 one hundred fifteen percent (115%) of the assessments for the preceding year, the Board, upon written application of ten percent (10%) of the voting interests 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 upon vote of two-thirds (2/3) of the voting interests.

In any event, the Board of Directors may propose a budget to the unit 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 unit owners has been called and a quorum is not attained or a substitute budget is not adopted, the budget adopted by the board of directors shall go into effect as scheduled.

In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for 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 Directors, the Board shall not impose an assessment for any year greater than one hundred fifteen (115%) of the prior fiscal or calendar year's assessment without approval of a majority of all voting interests.

d. Assessments. The Board of Directors shall make assessments against each unit for its share of the items of each budget in an amount no 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, quarterly installments on the first day of each month of each quarter 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 quarterly installments of such assessments shall be due on the first day of each month of each quarter of the year until changed by an amended assessment. In the event the annual assessment shall be insufficient in the judgment of the Board of Directors, the Board of Directors shall amend each budget and shall make amended assessments for the balance of the year in sufficient amounts to meet the expenses for the year; provided, however, that any account of an amended budget that exceed the limit upon increases for that year shall be subject to approval of membership of

the Association as previously required in these By-Laws.

e. Reserves. If a meeting of the unit owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect.

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 of the assessments 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.

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 unit 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 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 unit 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

OFFICIAL RECORDS

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 of Condominium, Articles of Incorporation or these By-Laws.

41. Official Records.

(a) From the inception of the association, the association shall maintain a copy of each of the following, where applicable, which shall constitute the official records of the association:

(1) The plans, permits, warranties, and other items provided by the developer pursuant to Section 718.301(4);

(2) A photocopy of the recorded declaration of each condominium operated by the association and all amendments thereto;

(3) A photocopy of the recorded bylaws of the association and all amendments thereto;

(4) A certified copy of the articles of incorporation of the association or other documents creating the association and all amendments thereto;

(5) A copy of the current rules of the association;

(6) A book or books containing the minutes of all meetings of the association, of the board of directors, and of unit owners, which minutes shall be retained for a period of not less than seven (7) years;

(7) A current roster of all unit owners, their mailing addresses, unit identifications, voting certifications, and if known, telephone numbers;

(8) All current insurance policies of the association and condominiums operated by the association;

(9) A current copy of any management agreement, lease, or other contract to which the association is a party or under which the association or the unit owners have an obligation or responsibility;

(10) Bills of sale or transfer for all property owned by the association;

(11) Accounting records for the association and separate accounting records for each condominium it operates, according to good accounting practices. All accounting records shall be maintained for a period of not less than seven (7) years. The accounting records shall include, but are not limited to:

(i) Accurate, itemized, and detailed records of all receipts and expenditures.

(ii) A current account and a monthly, bimonthly, or quarterly statement of the account for each unit designating the name of the unit owner, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

(iii) All audits, reviews, accounting statements, and financial reports of the association or condominium.

(iv) All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one (1) year.

(12) Voting proxies, which shall be maintained for a period of one (1) year from the date of the meeting for which the proxy was given.

(13) All rental records where the association is acting as agent for the rental of condominium units.

(b) The official records of the association shall be maintained in the county in which is located the condominium.

(c) The official records of the association shall

be open to inspection by any association member or the authorized representative of such member at all reasonable times. Failure to permit inspection of the association records as provided herein shall entitle any person prevailing in an enforcement action to recover reasonable attorney's fees from the person in control of the records who, directly or indirectly, knowingly denies access to the records for inspection. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the association member.

42. 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 unit owner a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following:

- (a) Costs for security;
- (b) Professional and management fees and expenses;
- (c) Taxes;
- (d) Costs for recreational facilities;
- (e) Expenses for refuse collection and utility services;
- (f) Expenses for lawn care;
- (g) Costs for building maintenance and repair;
- (h) Insurance costs;
- (i) Administrative and salary expenses; and
- (j) General reserves, maintenance reserves, and depreciation reserves.

43. Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors for all officers, directors or other persons who control or disburse funds of the Association. The amount of such bonds and the sureties of such bonds shall be determined from time to time by the Board of Directors but in any event shall provide coverage for each officer, director or other person as aforesaid in an amount not less than Ten Thousand Dollars (\$10,000.00). The Association shall bear the

cost of bonding.

44. Fines. In addition to all remedies provided in the Declaration of Condominium of the condominium operated by the Association, the Articles or these By-Laws, the Board of Directors of the Association may, upon reasonable notice and an opportunity for hearing before said Board, fine and charge any offending member or his offending licensee or invitee a sum not to exceed Fifty Dollars (\$50.00) for each infraction of the provisions of said Declaration, Articles, By-Laws or reasonable rules and regulations of the Association. No fines shall become a lien against the unit. The provisions of this paragraph shall not apply to unoccupied units.

45. Amendments. In addition to any other method of amendment provided under the Declaration, 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, or

(2) Until control of the Association is transferred by the Developer to unit owners other than the Developer pursuant to the Condominium Act including Section 718.301, by all of the directors; or

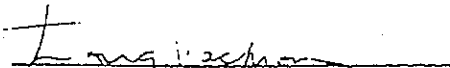
(c) No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text underlined, and the words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlying and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately proceeding 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.

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 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 recorded in the public records of Walton County, Florida.

The foregoing was adopted as the By-Laws of Hidden Dunes Community 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 ____ day of _____, 198_.



President

AMENDMENTS TO BY-LAWS
OF
HIDDEN DUNES COMMUNITY ASSOCIATION, INC.

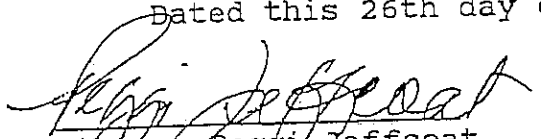
On March 24, 1994, Amendments to By-Laws of Hidden Dunes Community Association, Inc. were recorded in the Office of the Clerk of Circuit Court of Walton County, Florida, in O.R. Book 1102 at Pages 248-253.

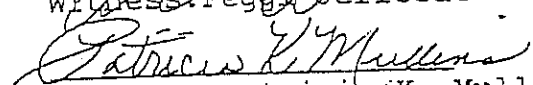
Due to a scrivener's error by the undersigned preparer of said Amendments to By-Laws, the book and page number of the public records where the declaration of each condominium operated by the association is recorded was omitted from the first page of same.

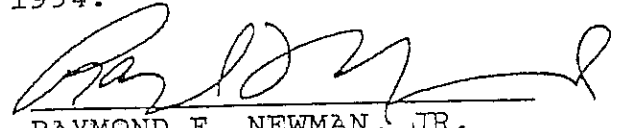
Each condominium operated by Hidden Dunes Community Association, Inc. and the book and page number of the public records where the declaration of each is recorded is as follows: HIDDEN DUNES (GULFSIDE I), A CONDOMINIUM, O.R. BOOK 328, PAGE 56; HIDDEN DUNES (BEACH COTTAGES), A CONDOMINIUM, O.R. BOOK 366, PAGE 116; HIDDEN DUNES (BEACH COTTAGES II), A CONDOMINIUM, O.R. BOOK 531, PAGE 246; HIDDEN DUNES (BEACH VILLAS), A CONDOMINIUM, O.R. BOOK 703, PAGE 290.

The Amendments to By-Laws of Hidden Dunes Community Association, Inc. are hereby being re-recorded to correct said scrivener's error.

Dated this 26th day of July, 1994.


Witness: Peggi Jeffcoat


Witness: Patricia K. Mullins


RAYMOND F. NEWMAN, JR.

STATE OF FLORIDA

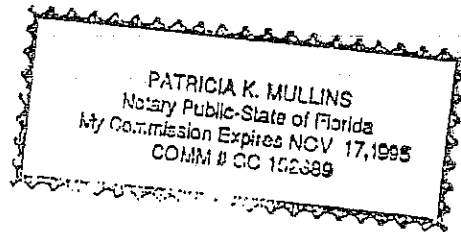
COUNTY OF OKALOOSA

Before me, the undersigned authority, appeared RAYMOND F. NEWMAN, JR., to me personally known and known to be the individual described in the foregoing instrument, and he acknowledged to and before me that he executed same for the uses and purposes therein expressed.

Sworn to and subscribed before me this 26th day of July, 1994.


NOTARY PUBLIC

Prepared By:
Raymond F. Newman, Jr.
P. O. Box 1346
Ft. Walton Beach, FL 32549



FL 488353 B 1165 P 167
CO:WALTON ST:FL

CATHERINE KING CLERK
CO:WALTON ST:FL

AMENDMENTS TO BY-LAWS
OF
HIDDEN DUNES COMMUNITY ASSOCIATION, INC.

Pursuant to the provisions of Section 617.0206, Florida Statutes and Section 45 of the By-Laws, the following sections of the By-Laws of Hidden Dunes Community Association, Inc. are hereby amended to read:

7. Notice. Notice of all members meetings stating the time and place and the objects for which the meeting is called, and including an agenda, shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be posted at a conspicuous place on the property at least fourteen (14) continuous days prior to the meeting and shall be furnished in writing to each member at his address as it appears on the books of the Association by mail or hand delivery not less than fourteen (14) days prior to the date of the meeting. An officer of the association shall provide an affidavit, to be included in the official records of the association, affirming that notices of the association meeting were mailed or hand delivered in accordance with this provision, to each unit owner at the address last furnished to the association. Notice of meeting may be waived before the meetings.

11. Proxies. Votes may be cast in person or by limited or general proxy. A proxy may be made or revoked by any person en-

titled 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. No proxy, limited or general, may be used in the election of board members.

16. b. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver a first notice of the date of the election to each unit owner entitled to vote.

Unless nominated at the board meeting as set out below, any person desiring to be a candidate for election to the Board of Directors must give written notice to the Association not less than forty (40) days before a scheduled election.

The Board of Directors shall hold a meeting no later than five (5) days after the deadline for a candidate to provide notice to the Association of intent to run. At this meeting, the Board shall accept additional nominations of candidates for election to the Board of Directors.

Not less than thirty (30) days before a scheduled election, the Association shall mail or deliver a second notice of election to each unit owner entitled to vote. Included with this notice shall be a ballot containing the name of each candidate and all information sheets which have been furnished by the respective

candidates no less than thirty-five (35) days before the scheduled election.

17. Director's Term. The terms of each Director's service shall extend two years and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided. "Class A" Directors shall be elected at the Annual Members Meeting in odd numbered years, "At Large" Directors shall be elected at the Annual Members Meeting in even numbered years.

21. Open Meetings and Records. Meetings of the Board of Directors shall be open to all unit owners and notices of meetings shall be posted conspicuously on the property forty-eight (48) continuous hours in advance of the meeting 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 unit 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.

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. Proper notice shall be given of any meeting rescheduled after such adjournment.

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 of the assessment by filing a claim of lien setting forth the accelerated amount with the Clerk of Circuit Court of Walton County, Florida. Accelerated assessments shall be due and payable on the date the claim of lien is filed.

43. Fidelity Bonds. The Association shall obtain and maintain fidelity bonding of those individuals authorized to sign checks of the Association and the president, secretary and treasurer of the Association. The principal amount of each individual's bond shall be not less than the amount required by Section 718.112(2)(j) of the Florida Statutes. The Association shall bear the cost of bonding.

44. Fines. In addition to all remedies provided in the Declaration of Condominium of any condominium operated by the Association, the Articles or these By-Laws, the Board of Directors of the Association may, subject to reasonable notice and an opportunity for hearing as set out herein, fine and charge any offending member or his offending licensee or invitee a sum not to exceed One Hundred Dollars (\$100.00) for each infraction of the provisions of said Declaration, Articles, By-Laws or reasonable rules and regulations of the Association. Each day, beginning at 12:01 A.M., of a continuing violation shall be considered a sepa-

rate infraction. However, no fine shall in the aggregate exceed \$1,000.00.

No fine may be levied until the party against whom the fine is sought shall be afforded an opportunity for a hearing after reasonable notice of not less than fourteen (14) days. The hearing shall be held before a committee of other unit owners, a majority of whom must agree with the fine before it may be imposed.

No fines shall become a lien against the unit. The provisions of this paragraph shall not apply to unoccupied units.

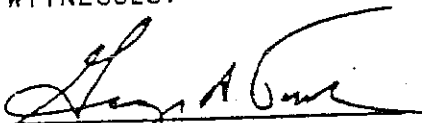
2. The date of adoption of the amendments was December 4, 1993.

FL 488353 B 1165 P 172
CO:WALTON ST:FL

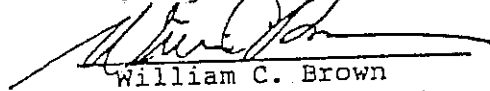
3. The amendments were adopted by the members on December 4, 1993, and the number of votes cast were sufficient for approval.

Dated this 26th day of February, 1994.

WITNESSES:



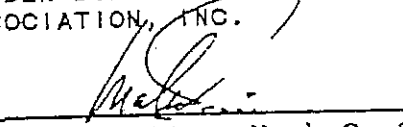
George A. Turk



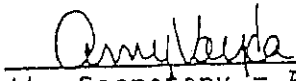
William C. Brown

HIDDEN DUNES COMMUNITY
ASSOCIATION, INC.

BY:


Its President - Mark C. Scoggins

ATTEST:


Its Secretary - Amy Vayda

FL 480642 B 1102 P 253
CO:WALTON ST:FL

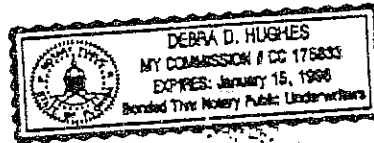
STATE OF FLORIDA

COUNTY OF WALTON

Before me, the undersigned authority, appeared Mark C. Scoggins, to me personally known and known to be the President of Hidden Dunes Community Association, Inc., and he acknowledged to and before me that he executed the foregoing instrument in such capacity and with due corporate authority vested in him.

SWORN TO AND SUBSCRIBED before me this 26th day of February, 1994.

Debra D. Hughes
NOTARY PUBLIC
My Commission Expires: 1-15-96



Prepared by:

Raymond F. Newman, Jr.
Attorney at Law
150 Eglon Parkway, NE
P.O. Box 1346
Fort Walton Beach, FL 32548

FL 488353 B 1165 P 173
CO:WALTON ST:FL

AMENDMENT TO BY-LAWS
OF
HIDDEN DUNES COMMUNITY ASSOCIATION, INC.

Each condominium operated by Hidden Dunes Community Association, Inc. and the book and page number of the public records where the declaration of each is recorded is as follows: HIDDEN DUNES (GULFSIDE I), A CONDOMINIUM, O. R. BOOK 328, PAGE 56; HIDDEN DUNES (BEACH COTTAGES), A CONDOMINIUM, O. R. BOOK 366, PAGE 116; HIDDEN DUNES (BEACH COTTAGES II), A CONDOMINIUM, O. R. BOOK 531, PAGE 246; HIDDEN DUNES (BEACH VILLAS), A CONDOMINIUM, O. R. BOOK 703, PAGE 290; HIDDEN DUNES (GRAND VILLAS), A CONDOMINIUM, O. R. BOOK 1242, PAGE 236.

1. Pursuant to the provisions of Section 617.0206, Florida Statutes and Section 45 of the By-Laws, section 45 of the By-Laws of Hidden Dunes Community Association, Inc. is hereby amended as follows:

45. (d) Notwithstanding any other provision of this Article 45 to the contrary, these By-Laws may be amended by the affirmative vote of a majority of the Board of Directors to conform to the requirements of any law, or rule or regulation adopted pursuant thereto, of the United States, the State of Florida, any local governmental authority or any duly authorized agency of each without the consent or prior approval of the members. A copy of all such amendments with a reference to the law, rule or regulation requiring same shall be made available to the membership at the next annual meeting of the Association following its adoption.

(The amendment is new in its entirety, and is to be added as an additional paragraph at the end of the present Section 45.)

2. The date of adoption of the amendment was July 29, 1995.

FILED AND RECORDED
DATE 01/18/96 TIME 14:47
FL 518092 B 1389 P 91
CO:WALTON ST:FL

CATHERINE KING CLERK
CO:WALTON ST:FL

3. The amendment was adopted by the members and the number of votes cast was sufficient for approval.

Dated this 9th day of September, 1995.

WITNESSES:

HIDDEN DUNES COMMUNITY ASSOCIATION, INC.

Bruce Culpepper
Bruce Culpepper
Debra D. Hughes
Debra D. Hughes

BY: George Turk
Its President -George Turk

ATTEST:

Jane B. Thompson
Its Secretary
Jane B. Thompson

STATE OF FLORIDA

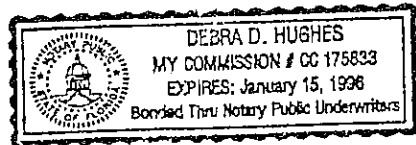
COUNTY OF WALTON

Before me, the undersigned authority, appeared GEORGE TURK, to me personally known and known to be the President of Hidden Dunes Community Association, Inc., and he acknowledged to and before me that he executed the foregoing instrument in such capacity and with due corporate authority vested in him.

SWORN TO AND SUBSCRIBED before me this 9th day of September, 1995.

Debra D. Hughes
NOTARY PUBLIC
My Commission Expires: 1-15-96

FL 518092 B 1389 P 92
CO:WALTON ST:FL



Prepared By:

Raymond F. Newman, Jr.
Attorney at Law
150 Eglin Parkway, NE
P.O. Box 1346
Fort Walton Beach, FL 32548

State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of HIDDEN DUNES COMMUNITY ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on December 13, 1982.

The charter number for this corporation is 766081.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
14th day of December, 1982.



George Firestone
George Firestone
Secretary of State

