

B Y - L A W S

OF

WINDCHASE BAY CONDOMINIUM ASSOCIATION, INC.
(A Florida Corporation Not-For-Profit)

Section 1. Identification of Association

These are the By-Laws of Windchase Bay Condominium Association, Inc., hereinafter referred to as the "Association", as duly adopted by its Board of Directors. The Association is a corporation not-for-profit, organized pursuant to and under Chapter 617 of the Florida Statutes for the purpose of managing, operating and administering the "Windchase Bay a, Condominium" located upon that certain real property identified in the Declaration of Condominium of Windchase Bay, a Condominium, to which these By-Laws are attached as an exhibit.

1.1 The office of the Association shall be for the present at 2299 Scenic Highway, Pensacola, Florida 32503, and thereafter may be located at any place in Escambia County, Florida, designated by the Board of Directors of the Association.

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

1.3 The seal of the Association shall bear the name of the Association, the word "Florida", and the words "Corporation Not-For-Profit".

Section 2. Explanation of Terminology

The terms defined in the Articles of Incorporation of the Association are incorporated herein by reference.

Section 3. Membership in the Association, Members'
Meetings, Voting and Proxies

3.1 The qualification of Members, the manner of their admission to membership in the Association and the manner of the termination of such membership shall be as set forth in Article IV of the Articles.

3.2 The Members shall meet annually at the office of the Association or such other place in Escambia County, Florida, as determined by the Board and as designated in the notice of such meeting at 7:00 o'clock P.M. local time on the third Tuesday in the month of November of each year (the "Annual Members Meeting") commencing with the year 1984 or within twenty-one (21) days of such date, as determined by the Board; provided, however, that if that day is a legal holiday, then the meeting shall be held at the same hour on the next succeeding Tuesday which is not a legal holiday. The purpose of the Annual Members Meeting shall be to hear reports of the officers, elect members of the Board (subject to the provisions of Article IX of the Articles), and to transact any other business authorized to be transacted by the Members.

3.3 Special meetings of the Members shall be held at any place within the County of Escambia, State of Florida, whenever called by the President, Vice President or a majority of the Board. A special meeting must be called by the President or Vice President upon receipt of a written request from one-third (1/3) of the Members.

3.4 A written notice of the meeting (whether the Annual Members Meeting or a special meeting of the Members) shall be mailed to each Member entitled to vote at his last known address as it appears on the books of the Association. Such written notice of an Annual Members Meeting shall be mailed to each Member (in the manner required by the Act and any amendments thereto in effect at the time of mailing) not less than fourteen (14) days nor more than forty (40) days prior to the date of the Annual Members Meeting. Written notice of a special meeting of the Members shall be mailed not less than ten (10) days nor more than forty (40) days prior to the date of a special meeting. The post office certificate of mailing shall be retained as proof of mailing. The notice shall state the time and place of such meeting and the object for which the meeting is called and shall be signed by an officer of the Association. Notice of the Annual Members Meeting shall be posted at a conspicuous place on the Condominium Property at least fourteen (14) days prior to an Annual Members Meeting. If a meeting of the Members, either a special meeting or an Annual Members Meeting, is one which, by express provision of the Act or Condominium Documents, there is permitted or required a greater or lesser amount of time for the mailing or posting of notice than is required or permitted by the provisions of this Section 3.4, then the aforesaid express provision shall govern. Any provision herein to the contrary notwithstanding, notice of any meeting may be waived by any Member before, during or after a meeting, which waiver shall be in writing and shall set forth a waiver of written notice of such meeting.

3.5 The Members may, at the discretion of the Board, act by written agreement in lieu of meeting, provided written notice of the matter or matters to be agreed upon is given to the Members at the addresses and within the time periods set forth in Section 3.4 herein or duly waived in accordance with such Section. The decision of the majority of the Members, or of a Class thereof (if in accordance with the Articles a Class shall vote on such matter) as to the matter or matters to be agreed upon (as evidenced by written response to be solicited in the notice) shall be binding on the Members provided a quorum of the Members submits a response. The notice shall set forth a time period during which time a response must be made by a Member.

3.6 A quorum of the Members shall consist of persons entitled to cast a majority of the votes of the entire membership and decisions shall be made by owners of a plurality of the Units, or Class (if in accordance with the Article a Class shall vote on such matter) represented at a meeting at which a quorum is present. A Member may join in the action of a meeting by signing and concurring in the minutes thereof and such a signing shall constitute the presence of such parties for the purpose of determining a quorum. When a quorum is present at any meeting and a question which raises the jurisdiction of such meeting is presented, the holders of a majority of the voting rights

present in person or represented by written proxy shall be required to decide the question. However, if the question is one which, by express provisions of the Act or the Condominium Documents, requires a vote other than the majority vote of a quorum, then such express provision shall govern and control the required vote on the decision of such question.

3.7 If any meeting of the Members cannot be organized because a quorum is not in attendance, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present. In the case of a meeting being postponed, the notice provisions for the adjournment shall, subject to the Act, be as determined by the Board.

3.8 Minutes of all meetings of the Members shall be kept in a business-like manner and be available for inspection by the Members and Directors at all reasonable times. The Association shall retain minutes for at least seven (7) years subsequent to the date of the meeting the minutes reflect.

3.9 Voting rights of Members shall be as stated in the Declaration and Articles. Such votes may be cast in person, or by proxy. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted by a Member to vote for him and in the Member's place and stead. Proxies shall be in writing and shall be valid only for the particular meeting designated therein and any adjournments thereof if so stated. A proxy must be filed with the Secretary of the Association before the appointed time of the meeting in order to be effective. Any proxy may be revoked prior to the time a vote is cast according to such proxy.

3.10 At any time prior to a vote upon any matter at a meeting of the Members any Member may demand the use of a secret written ballot for voting on such matter. The Chairman of the meeting shall call for nominations for Inspectors of Election to collect and tally written ballots upon the completion of balloting upon the subject matter.

3.11 Cumulative voting shall not be permitted.

Section 4. Board of Directors; Directors' Meetings

4.1 The form of administration of the Association shall be by a Board of not less than three (3) Directors, subject to the increase as set forth in Article IX of the Articles.

4.2 The provisions of the Articles setting forth the selection, election, designation and removal of Directors are hereby incorporated herein by reference.

4.3 Subject to Section 4.5 below and to Developer's rights as set forth in the Articles and as set forth in Section 4.5(c) below, vacancies in the Board shall be filled by persons appointed by the remaining Directors. Any such person shall be a Director and have all of the rights, privileges, duties and obligations as a Director elected at an

Annual Members Meeting and shall serve for the term prescribed in Section 4.4 of these By-Laws.

4.4 The term of each Director's service shall extend until the next Annual Members Meeting at which his term expires as provided in Article IX of the Articles, and until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided herein.

4.5 (a) A Director elected by the Purchaser Members may be removed from office upon the affirmative vote or the agreement in writing of a majority of the Purchaser Members at a special meeting of the Purchaser Members for any reason deemed by the Purchaser Members to be in the best interests of the Association. A meeting of Purchaser Members to so remove a Director elected by them shall be held, subject to the notice provisions of Section 3.4 hereof, upon the written request of ten (10%) percent of the Purchaser Members. However, before any Director is removed from office, he shall be notified in writing prior to the meeting at which a motion will be made to remove him that such a motion will be made, and such Director shall be given an opportunity to be heard at such meeting should he be present prior to the vote on his removal.

(b) Purchaser Members shall elect, at a special meeting of the Members or at the Annual Members Meeting, persons to fill vacancies on the Board caused by the removal of a Director elected by Purchaser Members in accordance with Section 4.5(a) above.

(c) A Director designated by Developer, as provided in the Articles, may be removed only by Developer in its sole and absolute discretion and without any need for a meeting or vote. Developer shall have the unqualified right to name a successor for any Director designated and thereafter removed by it or for any vacancy on the Board as to a Director designated by it and Developer shall notify the Board of the name of the respective successor Director and the commencement date for the term of such successor Director.

4.6 The organizational meeting of a newly elected Board 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. No further notice of the organizational meeting shall be necessary.

4.7 Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of Directors. Special meetings of the Board may be called at the discretion of the President or the Vice President of the Association. Special meetings must be called by the Secretary at the written request of one-third (1/3) of the Directors.

4.8 Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, 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. Except in an emergency, notice of a Board meeting shall be posted conspicuously on the Condominium Property forty-eight (48) hours in advance for the attention of Members. Notice of any meeting where "Assessments" (as such term is hereinafter defined) against

Members are to be considered for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such Assessments. Any Director may waive notice of a meeting before, during or after a meeting, and such waiver shall be deemed equivalent to the receipt of notice by such Director.

4.9 A quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as specifically otherwise provided in the Declaration, Articles or elsewhere herein. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any meeting being held because of such an adjournment, any business which might have been transacted at the meeting as originally called may be transacted. In the case of a meeting, notice to the Directors of such adjournment shall, subject to the Act, be as determined by the Board.

4.10 The presiding officer at Board meetings shall be the President.

4.11 Directors' fees, if any, shall be determined by a majority of the Members.

4.12 Minutes of all meetings of the Board shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times. The minutes shall be retained by the Association for at least seven (7) years subsequent to the date of the meeting the minutes reflect.

4.13 The Board shall have the power to appoint executive committees of the Board consisting of not less than two (2) Directors. Executive committees shall have and exercise such powers of the Board as may be delegated to such executive committee by the Board.

4.14 Meetings of the Board shall be open to all Members. Unless a Member serves as a Director or unless he has been specifically invited by the Directors to participate in a meeting of the Board, but shall only be entitled to act as an observer. In the event that a Member not serving as a Director or not otherwise invited by the Directors to participate in a meeting attempts to become more than a mere observer at such meeting or conducts himself in a manner detrimental to the carrying on of such meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish such an expulsion. Also, any Director shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he is a Member, unless said person was specifically invited by the Directors to participate in such meeting.

Section 5. Powers and Duties of the Board of Directors

All of the powers and duties of the Association, including those existing under the Act and the Condominium Documents, shall be exercised by the Board, unless otherwise

specifically delegated therein to the Members. Such powers and duties of the Board shall be exercised in accordance with the provisions of the Act and the Condominium Documents and shall include, but not be limited to the following:

5.1 Making and collecting Annual and Special Assessments (hereinafter collectively referred to as "Assessments") against Members to pay the costs of Common Expenses, and the Association's portion of Operating Expenses. These Assessments shall be collected by the Association through payments made directly to it by the Members as set forth in the Declaration.

5.2 Using the proceeds of Assessments in the exercise of the powers and duties of the Association and the Board.

5.3 Reconstructing improvements after casualties and losses and making further authorized improvements of the Condominium Property.

5.4 Making and amending rules and regulations with respect to the use of the Condominium Property.

5.5 Enforcing by legal means the provisions of the Condominium Documents including the Declaration, the Articles, these By-Laws, and the rules and regulations adopted by the Association and the applicable provisions of the Act.

5.6 To contract for the management and maintenance of the Condominium Property and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and regulations and maintenance, repair and replacement of Common Elements and other services with funds that shall be made available by the Association for such purposes and to terminate such contracts and authorizations. All management and contract for service by Developer shall be subjected to the provisions of Article III B (6) of the Articles. The Association and its officers shall, however, retain at all times the powers and duties granted by the Condominium Documents and the Act including, but not limited to, the making of Assessments, promulgation of rules and regulations and execution of contracts on behalf of the Association.

5.7 Paying taxes and assessments which are or may become liens against the Common Elements and any Units owned by the Association and assessing the same against Units which are or may become subject to such liens.

5.8 Purchasing and carrying insurance for the protection of Unit Owners and the Association against casualty and liability for the Condominium Property.

5.9 Paying costs of all power, water, sewer and other utility services rendered to the Condominium and not billed to owners of individual Units.

5.10 Hiring and retaining such employees as are necessary to administer and carry out the services required for the proper administration of the purposes of this Association, including the hiring of a resident manager and paying all salaries therefor.

5.11 Performing all of the covenants, conditions and obligations set forth in any easement agreement to be performed by the Association or required thereby.

5.12 To acquire, own, mortgage and convey real and personal property and take such other reasonable actions in that regard.

Section 6. Officers of the Association

6.1 The officers of the Association shall be a President, who shall be a Director, one (1) or several Vice Presidents, a Treasurer and a Secretary, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by a vote of the Directors at any meeting of the Board. The Board shall, from time to time, appoint such other officers and assistant officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

6.2 The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the President of a condominium association, including, but not limited to, the power to appoint such committees at such times from among the members as he may, in his discretion, determine appropriate to assist in conducting the affairs of the Association. The President shall preside at all meetings of the Board.

6.3 In the absence or disability of the President, the Vice President shall exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one (1) Vice President elected by the Board, then they shall be designated "First", "Second", etc, and shall exercise the powers and perform the duties of the Presidency in such order.

6.4 The Secretary shall cause to be kept the minutes of all meetings of the Board and the Members, which minutes shall be kept in a businesslike manner and shall be available for inspection by Members and Directors at all reasonable times. He shall have custody of the seal of the Association and shall affix the same to instruments requiring such seal when duly authorized and directed by the Board to do so. He shall keep the records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary.

6.5 The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members, keep the books of the Association in accordance with good accounting practices and shall perform all of the duties incident to the office of a Treasurer. The Assistant Treasurer, if any, shall perform

the duties of the Treasurer whenever the Treasurer is absent and shall assist the Treasurer.

6.6 The compensation, if any, of all officers and other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director as an employee of the Association nor preclude the contracting with a Director for the management of the Condominium Property.

Section 7. Accounting records; Fiscal Management

7.1 The Association shall maintain accounting records in accordance with generally accepted accounting principles which shall be open to inspection by Members or their authorized representatives at reasonable times. Such authorization as a representative of a Member must be in writing and be signed by the Member giving such authorization and dated within sixty (60) days of the date of any such inspection. Written summaries of the accounting records shall be supplied at least annually to the Members. The accounting records shall include (a) a record of all receipts and expenditures; (b) an account for each Unit which shall designate the name and address of the Unit Owner, the amount of each Assessment charged to the Unit, the amounts and due dates for each Assessment, the amounts paid upon such account and the balance due for each Unit; and (c) an account indicating the Common Expenses allocated to the Limited Common Elements, "Building Exterior" and (d) an account indicating the Common Expenses actually incurred during the course of the fiscal year.

7.2 (a) The Board shall adopt budgets of the Common Expenses (the "Budget") for each forthcoming fiscal year at a regular or special meeting of the Board ("Budget Meeting") called for that purpose not later than the Annual Meeting. In the event a Budget is not adopted during such period, it shall not abrogate or alter Unit Owners' obligations to pay Common Expenses. Prior to the Budget Meeting, proposed Budget shall be prepared by or on behalf of the Board, which Budget shall include, where applicable, but not be limited to, the following items of exense:

- (i) Administration of the Association
- (ii) Utilities
- (iii) Management fees
- (iv) Maintenance
- (v) Taxes upon Association property
- (vi) Insurance
- (vii) Security provisions
- (viii) Other Expenses
- (ix) Operating capital
- (x) Reserves
- (xi) Fees payable to the Division of Florida Land Sales and Condominiums

Copies of the proposed Budget and notice of the exact time and place of the Budget Meeting shall be mailed to each Member at the Member's last known address, as reflected on the books and records of the Association, not less than thirty (30) days prior to said Budget Meeting, and the Budget Meeting shall be open to the Members. Failure to timely adopt a Budget shall not alter or abrogate the obligation to pay Common Expenses.

(b) The Board may also include in any such proposed Budget a sum of money as an Assessment for the making of betterments to the Condominium Property for anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis or for the establishment of reserves for repair or replacement of the Condominium Property either annually or from time to time as the Board shall determine the same to be necessary. This sum of money so fixed may then be levied upon the Members by the Board as a Special Assessment and shall be considered an "Excluded Expense" under Section 7.3(a) hereof. In addition, the Board shall include, on an annual basis, the establishment of reserve accounts for capital expenditures and deferred maintenance of the Condominium Property. The reserve 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 sum of money shall also be considered an Excluded Expense under Section 7.3(a) hereof. Notwithstanding anything contained herein, the Members may by a majority vote determine for a particular fiscal year to budget no reserves or reserves less adequate than required herein.

(c) In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any income received by the Association in any calendar year may be used by the Association to pay expenses incurred by the Association in the same calendar year; (iii) there shall be apportioned between calendar years on a pro rata basis any expenses which are prepaid in any one calendar year for Common Expenses which cover more than such calendar year; (iv) Assessments shall be made not less frequently than monthly in amounts no less than are required to provide funds in advance for payment of all of the anticipated current expenses and for all unpaid expenses previously incurred; and (v) Common Expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such Common Expenses is received. Notwithstanding the foregoing, Assessments shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses and anticipated cash needs in any calendar year.

(d) The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Boards.

(e) A report of the actual receipts and expenditures of the Association for the previous twelve (12) months shall be prepared annually by an accountant or Certified Public Accountant designated by the Board, and a copy of such report shall be furnished to each Member no later than the first day of April of the year following the year for which the report is made. The report shall be deemed to be furnished to the Member upon its delivery or mailing to the Member at his last known address shown on the books and records of the Association.

7.3 Until the provisions of Section 718.112(2)(f) of the Act relative to the Members approval of a Budget requiring Assessments against the Members in excess of 115% of such Assessments for the Members in the preceding year are declared invalid by the Courts, or until amended by the Florida Legislature (however, if such amendment merely substitutes another amount for 115%, then such new amount shall be substituted for 115% each time it is used in this Section 7.3), the following shall be applicable:

(a) Should the budget adopted by the Board at the Budget Meeting require Assessments against the Members of an amount not greater than 115% of such Assessments for the prior year, the Budget shall be deemed approved. If, however, the Assessments required to meet the Budget exceed 115% of such Assessments against the Members for the preceding year (an "Excess Assessment"), then the provisions of Sections 7.3(b), (c) and (d) hereof shall be applicable; provided that in computing whether an Assessment constitutes an Excess Assessment, there shall be excluded from such computation certain expenses (the "Excluded Expenses"), including the following:

(i) Reasonable reserves for repair or replacement of the Condominium Property;

(ii) Anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis; and

(iii) Assessments for betterments to the Condominium Property.

(b) While the Board is "controlled by Developer": Should an Excess Assessment be adopted by the Board while Developer is in control of the Board, then a special meeting of the Members shall be called by the Board which shall be held not less than ten (10) days subsequent to the sending of written notice to each Member, but within twenty (20) days after the Budget Meeting. At said special meeting the Excess Assessment shall be presented to the Members. If at said special meeting a majority of the Members shall approve the Excess Assessment, then the Budget adopted by the Board shall approve the Excess Assessment, then the Budget adopted by the Board shall be the final Budget. If, at said special meeting of the Members a majority of the Members shall not approve the Excess Assessment, then the Board shall reconvene at a special meeting so as to reduce the items of anticipated expense in the Budget, other than the Excluded Expenses, in an amount necessary so that the Budget adopted by the Board will not result in an Excess Assessment against the Members.

(c) After the Board is not "controlled by Developer": Should the Excess Assessment be adopted by the Board after the Board is not controlled by Developer, then upon written application requesting a special meeting signed by ten (10%) percent or more of the Members and delivered to the Board within twenty (20) days after the Budget Meeting, the Board shall call a special meeting to be held not less than ten (10) days subsequent to the sending of written notice to each Member, but within thirty (30) days of the delivery of such application and shall enact a revision of the Budget. The enactment of a revision of the Budget shall

require approval of not less than two-thirds (2/3) of the Members. If such a revised Budget is enacted at said special meeting, then the revised Budget shall be the final Budget, or if a revised Budget is not enacted at such special meeting, then the Budget originally adopted by the Board shall be the final Budget. If no written application is delivered, as provided herein, then the Budget originally adopted by the Board shall be the final Budget.

(d) The term "controlled by Developer" means the period of time when a majority of the Board is designated by Developer.

(e) No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Common Expenses not included in the Budget or which shall exceed budgeted items and no Board shall be required to engage in deficit spending. Should there exist any deficiency which results from there being greater Common Expenses than income from Assessments, then such deficits shall be carried into the next succeeding year's budget as a deficiency or shall be the subject of a Special Assessment to be levied by the Board as otherwise provided in the Declaration.

7.4 Allocation of Common Expenses and Determination of Annual Assessment

(a) The Budget constitutes an estimate of the expenses of the Condominium. This estimate of the expenses of the Condominium shall be multiplied by the share in Common Expenses assigned to each Unit and the resultant product shall constitute the Annual Assessment for such Unit.

(b) Notwithstanding the allocation to each Apartment of its Annual Assessment, a Unit Owner shall also be liable for any Special Assessments levied against his Unit by the Board as provided in the Declaration.

7.5 Manner of Collecting Share of Common Expenses

The Association shall collect Annual Assessments and Special Assessments from the Unit Owners in the manner set forth in the Declaration and the other Condominium Documents.

Section 8. Rules and Regulations

The Board may adopt rules and regulations or amend or rescind existing rules and regulations for the operation and the use of the Condominium Property, at any meeting of the Board; provided, however, that such rules and regulations are not inconsistent with other Condominium Documents. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed to all Unit Owners at their last known address as shown on the books and records of the Association and shall not take effect until forty-eight (48) hours after such mailing.

Section 9. Parliamentary Rules

The then latest edition of Robert's Rules of Order shall govern the conduct of meetings of this

Association; provided, however, if such rules and regulations are in conflict with the Articles, these By-Laws, the Declaration of the Act, then the Articles, By-Laws, Declaration or Act, as the case may be, shall govern.

Section 10. Amendment of the By-Laws

10.1 These By-Laws may be amended by the affirmative vote of not less than a majority of the Members present at an Annual Members Meeting or a special meeting of the Members and the affirmative approval of a majority of the Board at a regular or special meeting of the Board. A copy of the proposed amendment shall be sent to each Member along with the notice of the special meeting of the Members or Annual Members Meeting. An amendment may be approved at the same meeting of the Board and/or Members at which such amendment is proposed.

10.2 An amendment may be proposed by either the Board or by the Members, and after being proposed and approved by one of such bodies, it must be approved by the other as above set forth in order to become enacted as an amendment.

10.3 Amendments to these By-Laws shall be made in accordance with the requirements of the Act and amendments thereto in effect at the time of amendment.

10.4 No modification or amendment to these By-Laws shall be adopted which would affect or impair the priority of any Mortgagee, the validity of the mortgage held by any such Mortgagee or any of the rights of Developer.

Section 11. Conflict

In the event of any conflict between the provisions of the Declaration, the Articles and the provisions of these By-Laws, the provisions of the Declaration and Articles shall prevail.

Dated: May 16, 1983

WINDCHASE BAY CONDOMINIUM
ASSOCIATION, INC.

By: Joseph Kompuss
President

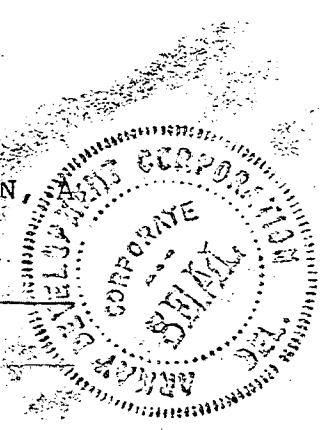
(SEAL)

Developer: MITCHELL COMPANY
BY: THE MITCHELL COMPANY, A
Partnership

BY: ARMA DEVELOPMENT CORPORATION,
Delaware corporation

By: Joseph Kompuss
Senior Vice President

(SEAL)



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FILED & RECORDED IN
THE PUBLIC RECORDS OF
ESCAMBIA CO. FLA. ON

MAY 18 11 49 AM '83

IN BOOK & PAGE LISTED ABOVE
JOE A. FLOWER, COMPTROLLER
ESCAMBIA COUNTY

1765 WE 882

SPECIAL AMENDMENT TO DECLARATION OF CONDOMINIUM
OF WINDCHASE BAY, A CONDOMINIUM

This Special Amendment to Declaration of Condominium of Windchase Bay, a Condominium, made this 17th day of May, 1981, by Mitchell Homes, a Partnership.

WHEREAS, the Declaration of Condominium of Windchase Bay, a Condominium, is dated May 16, 1983 and recorded May 18, 1983 under Comptroller's file for record number L/44, of the public records of Escambia County, Florida (herein "Declaration of Windchase Bay"); and

WHEREAS, the Veterans Administration of the United States of America requires that certain amendments be made to the Articles of Incorporation of Windchase Bay Condominium Association, Inc., a certified copy of which is recorded as Exhibit "I" to the said Declaration of Condominium of Windchase Bay,

NOW, THEREFORE, Developer, as the owner in fee simple of the land described in the said Declaration, and pursuant to the provisions of Article XXVI of the said Declaration, does hereby amend the said Declaration of Condominium of Windchase Bay by amending the Articles of Incorporation as follows:

(1) Article IX of the Articles of Incorporation entitled "Board of Directors" is amended by the deletion in its entirety of paragraph "K" on page 15.

(2) Paragraph (B) of Article XII of the Articles of Incorporation is amended by the deletion of paragraphs 1 and 2 and by the addition of paragraphs 1, 2, 3, 4 and 5 which shall henceforth read as follows:

1. The Board shall adopt a resolution setting forth the proposed amendment and direct that it be submitted to vote at a meeting of the Members;

2. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting (regular or annual) at which such proposed amendment is to be considered by the Members;

3. Such proposed amendment must be submitted and approved by the Members. Any number of amendments may be submitted to the Members and voted upon at one meeting. Approval by the Members must be by a vote of a majority of the votes of all Members entitled to vote thereon, unless any Class of Members is entitled to vote thereon, as a Class, in which event the proposed amendment shall be adopted upon receiving both the affirmative vote of a majority of the votes of Members of each Class entitled to vote thereon as a Class and the affirmative vote of a majority of the votes of all Members entitled to vote thereon. Such vote by the Members must be taken at a meeting of the Membership.

4. Notwithstanding the foregoing, an amendment to these Articles may be made by a written statement signed by all Members and Directors.

5. No amendment of these Articles may be made by the Members without an act of the Directors."

(3) Paragraph "E" of Article XII of the Articles is amended by the deletion of the words "or the Condominium" on lines 12 and 13 of said paragraph "E".

THIS INSTRUMENT WAS PREPARED BY:

James M. Weber

BY: HEGGS & LANE
700 BRENT BUILDING
PENSACOLA, FLORIDA

IN WITNESS WHEREOF, Developer has executed this Special Amendment the day and year first above written.

Signed, sealed and delivered in the presence of:

James M. White
Regina Fitzgerald

MITCHELL HOMES, a Partnership
By The Mitchell Company, a Partnership
By Armay Development Corporation, a Delaware Corporation.

By Joseph J. Campus, III
Senior Vice President
(Corporate Seal)

STATE OF FLORIDA
COUNTY OF ESCAMBIA

17th The foregoing instrument was acknowledged before me this day of May, 1983 by Joseph J. Campus, III, Senior Vice President of Armay Development Corporation, a Delaware Corporation, on behalf of the corporation in its capacity as general partner of The Mitchell Company, a partnership, executing and acknowledging said instrument as a partner on behalf of Mitchell Homes, a partnership.

James M. White
Notary Public
My Commission Expires: July 1, 1983

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FILED & RECORDED IN
THE PUBLIC RECORDS OF
ESCAMBIA CO. FLA. ON

MAY 18 11 49 AM '83

IN BOOK 5, PAGE 1 NOTED ABOVE
JOE A. FLORES, CLERK
ESCAMBIA COUNTY, FLORIDA