

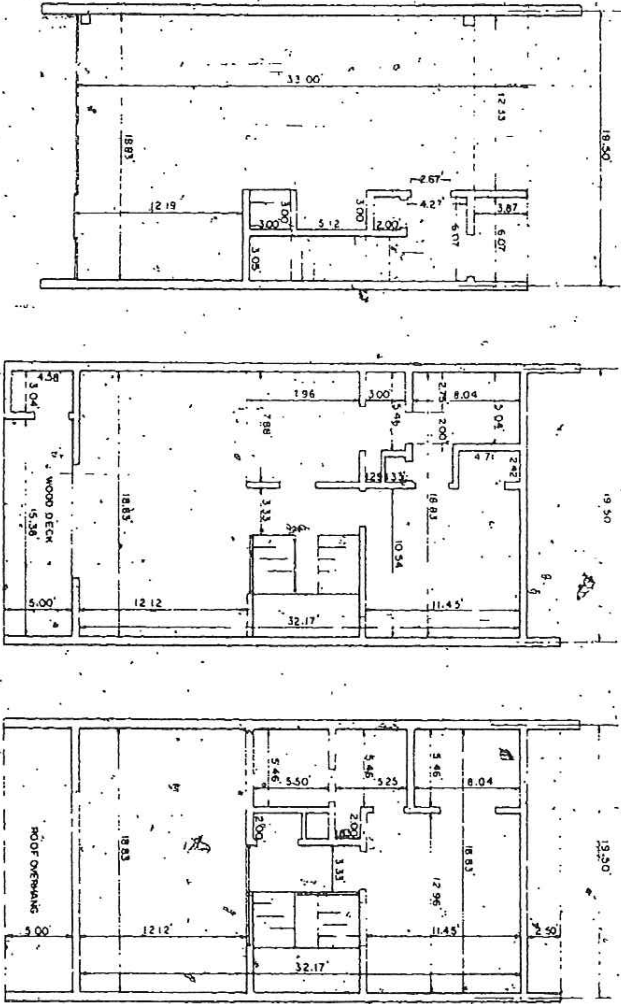
ISLAND BAY TOWNHOUSES A CONDOMINIUM

PART OF THE N.E. 1/4 OF SECTION 15, TOWNSHIP 28 SOUTH, RANGE 15 EAST
CITY OF DUNEDIN,
PINELLAS COUNTY, FLORIDA

UNIT AREA (ALL UNITS)

GROUND FLOOR	621.39 SQ. FT.
FIRST FLOOR	603.76 SQ. FT.
SECOND FLOOR	603.76 SQ. FT.
TOTAL	1827.91 SQ. FT. PER UNIT
LIVING AREA	1211.52 SQ. FT. PER UNIT

- NOTES
1. THE ELEVATIONS SHOWN HEREON ARE BASED ON THE NATIONAL GEODETIC VERTICAL DATUM OF 1929
 2. STANDARD CEILING HEIGHTS IN ROOMS ARE 8'0" FEET ABOVE THE FINISH FLOOR LINE. SOME CEILING HEIGHTS VARY IN DIMENSION AND MAY BE LOWER OR HIGHER THAN THE STANDARD HEIGHT INDICATED
 3. INTERIOR DIVIDING PARTY WALL WIDTHS ARE 0.04 FEET UNLESS OTHERWISE SHOWN
 4. EXTERIOR WALL WIDTHS ARE 0.45 FEET UNLESS OTHERWISE SHOWN



GROUND FLOOR

FIRST FLOOR

SECOND FLOOR

UNITS 101, 103, 105, 107 AND 109 ARE THE SAME BUT OPPOSITE HAND


UNITS 102, 104, 106 AND 108

ELEVATIONS

UNIT NUMBER	GARAGE FLOOR	FOYER FLOOR	FIRST FLOOR	SECOND FLOOR	CEILING ELEVATION
101	8.04	8.58	18.11	27.61	35.53
102	8.06	8.59	18.09	27.59	35.54
103	8.06	8.54	18.09	27.59	35.59
104	8.08	8.59	18.07	27.59	35.54
105	8.08	8.59	18.09	27.59	35.50
106	8.07	8.57	18.11	27.61	35.52
107	8.10	8.58	18.13	27.63	35.52
108	8.04	8.56	18.13	27.63	35.59
109	8.05	8.52	18.03	27.53	35.53



State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of ISLAND BAY TOWNHOUSES CONDOMINIUM ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on September 18, 1985, as shown by the records of this office.

The document number of this corporation is NI1149.

Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the 18th day of September, 1985.



CER-101

George Firestone
Secretary of State

FILED

ARTICLES OF INCORPORATION

1935 SEP 18 11 9 32

OF

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ISLAND BAY TOWNHOUSES CONDOMINIUM ASSOCIATION, INC.

The undersigned by these Articles associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes, and certify as follows:

I.

Name

The name of the corporation shall be ISLAND BAY TOWNHOUSES CONDOMINIUM ASSOCIATION, INC. For convenience the corporation shall be referred to in this instrument as the Association.

II.

Purpose

2.1 The purpose for which the Association is organized is to provide an entity pursuant to the Florida Condominium Act, which is Chapter 718, Florida Statutes, for the operation of ISLAND BAY TOWNHOUSES, A CONDOMINIUM, according to Declaration of Condominium now or hereafter recorded in the Public Records of Pinellas County, Florida, located upon lands in Pinellas County, Florida.

2.2 The Association shall make no distributions of income to its members, directors or officers.

III.

Power

The powers of the Association shall include and be governed by the following provisions:

3.1 The Association shall have all of the commonlaw and statutory powers of a corporation not for profit not in conflict with the terms of these Articles.

3.2 The Association shall have all of the powers and duties set forth in the Condominium Act except, where permissible by law, as limited by these Articles and the Declaration of Condominium, and all of the powers and duties reasonably necessary to operate the condominium pursuant to the Declaration as may be amended from time to time, including but not limited to the following:

a. To make and collect assessments against members as apartment owners to defray the costs, expenses and losses of the condominium, and to account to each member for assessments against that member's apartment.

b. To use the proceeds of assessments in the exercise of its powers and duties.

c. The maintenance, repair, replacement and operation of the property of the condominium, including easements.

d. The purchase of insurance upon the property of the condominium and insurance for the protection of the Association and its members as apartment owners.

e. The reconstruction of improvements after casualty and the further improvement of the property.

f. To make and amend reasonable rules and regulations respecting the use of the property in the condominium, other than the restrictions contained in the Declaration of Condominium; provided, however, that all such regulations and their amendments shall be approved by the Board of Directors of the Association before such shall become effective.

g. To enforce by legal means the provisions of the Condominium Act, the Declaration of Condominium, these Articles, the Bylaws of the Association and the Regulations for the use of the property in the condominium.

h. 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 maintenance, repair and replacement of the common elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the condominium documents and the Condominium Act, including but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the Association.

i. To employ personnel to perform the services required for proper operation of the condominium.

j. In no event shall the members of a particular condominium be charged with any portion of the expenses for any other condominium, but shall be charged only for the expenses of their particular condominium and their equitable share of the expenses of any common elements, easements, recreational facilities, or other areas used in common by more than one condominium.

3.3 All funds and titles of all properties acquired by the Association and their proceeds shall be held in trust for the members of the condominium in accordance with the provisions of the Declaration of Condominium, these Articles of Incorporation, and the Bylaws.

IV.

Members

4.1 The members of the Association shall consist of all of the record owners, by deed or otherwise, of condominium apartments in ISLAND BAY TOWNHOUSES, A CONDOMINIUM; and after termination of the condominium shall consist of these who are members at the time of such termination and their successors and assigns.

4.2 Change of membership in the Association shall be established, after receiving approval of the Association required by the Declaration of Condominium, by recording in the Public Records of Pinellas County, Florida, a deed, or other instrument establishing a record title to the apartment in the condominium and the delivery to the Association of a copy of such instrument as recorded. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated.

4.3 The share of a member in the funds and assets of the Association cannot be assigned, hypothecated and transferred in any manner except as an appurtenance to his apartment.

4.4 The owner of each apartment shall be entitled to one vote

as a member of the Association. The manner of exercising voting rights shall be determined by the Bylaws of the Association.

4.5 The terms "apartment" and "apartment owners" or "owners" shall have the same meaning as "unit" or "owner" as same are defined in the Condominium Act.

V.

Directors

5.1 The affairs of the Association will be managed by a Board consisting of the number of directors determined by the Bylaws, but not less than three directors, and in the absence of such determination shall consist of three directors. Directors need not be members of the Association.

5.2 Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided in the Bylaws.

5.3 When unit owners, other than the Developer, own fifteen per cent (15%) or more of the units that will be operated by the Association, the unit owners, other than the Developer, shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. The unit owners, other than the Developer, shall be entitled to elect not less than a majority of the members of the Board of Directors after the first of the following occurs: (a) three (3) years after sales by the Developer have been closed on at least fifty per cent (50%) of the units to be operated by the Association; (b) three (3) months after sales have been closed by the Developer of ninety per cent (90%) of the units that will be operated by the Association; or (c) when all of the units that will be operated by the Association have been completed and when all of the units that Developer intends to offer for sale in the ordinary course of business have been sold. The Developer shall be entitled to elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business five per cent (5%) of the units in a condominium operated by the Association.

5.4 Within sixty (60) days after unit owners, other than the Developer, are entitled to elect a member or members of the Board of Directors the Association shall call and give not less than thirty (30) days nor more than forty (40) days' notice of a meeting of the unit owners for the purpose of electing these members.

5.5 The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

<u>Names</u>	<u>Addresses</u>
Richard Todd Proefke	2781 Enterprise Road East Apt. 41 Clearwater, Florida 33519
Edward A. Proefke, Jr.	2558 Knotty Pine Way Clearwater, Florida 33519
Kathleen C. Proefke	2558 Knotty Pine Way Clearwater, Florida 33519

VI.

Officers

The affairs of the Association shall be administered by the

officers designated in the Bylaws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The names and addresses of the Officers who shall serve until their successors are designated by the Board of Directors are as follows:

President	Richard Todd Proefke	2781 Enterprise Road East Apt. 41 Clearwater, Florida 33519
Vice President	Edward A. Proefke, Jr.	2558 Knotty Pine Way Clearwater, Florida 33519
Secretary	Kathleen C. Proefke	2558 Knotty Pine Way Clearwater, Florida 33519
Treasurer	Edward A. Proefke, Jr.	2558 Knotty Pine Way Clearwater, Florida 33519

VII.

Registered Agent and Office

The street address of the initial registered office of the Association shall be 343 Causeway Boulevard, Dunedin, Florida, 33528. The initial registered agent for the Association at the above address shall be Edward A. Proefke, Jr.

VIII.

Indemnification

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

IX.

Bylaws

The first Bylaws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by the Bylaws.

X.

Amendments

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner:

10.1 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.

10.2 A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors 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:

a. Such approvals must be by not less than seventy-five per cent of the entire membership of the Board of Directors and by not less than sixty-seven per cent of the votes of the entire membership of the Association; or

b. By not less than eighty per cent of the votes of the entire membership of the Association.

10.3 Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members, nor any change in Section 3.3, of paragraph III, without approval in writing by all members and the joinder of all owners of mortgages upon the condominium. No amendment shall be made that is in conflict with the Condominium Act or the Declaration of Condominium.

10.4 A copy of each amendment shall be certified by the Secretary of State and be recorded in the Public Records of Pinellas County, Florida.

XI.

Term

The term of the Association shall be perpetual.

XII.

Subscribers

The name and address of the subscriber of this Articles of Incorporation is as follows:

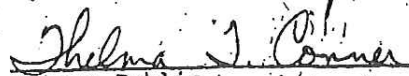
<u>Names</u>	<u>Addresses</u>
Edward A. Proefke, Jr.	343 Causeway Boulevard Dupedin, Florida 33528

IN WITNESS WHEREOF, the undersigned has affixed his signature this 17th day of September, A.D. 1985.


Edward A. Proefke, Jr.

STATE OF FLORIDA
COUNTY OF PINELLAS

BEFORE ME, the undersigned authority, personally appeared EDWARD A. PROEFKE, JR., who, after being duly sworn, acknowledged that he executed the foregoing Articles of Incorporation for the purposes expressed in such Articles this 17th day of September, A.D. 1985.


Notary Public
My Commission Expires:

Notary Public, State of Florida
My Commission Expires Aug. 12, 1986

RCW:cae

OFFICES OF
THOMAS MOORE
KEY FILE
6 THOMAS

BYLAWS

OF

ISLAND BAY TOWNHOUSES CONDOMINIUM ASSOCIATION, INC.

A corporation not for profit
under the Laws of the State of Florida

I.

Identity

Section 1. These are the Bylaws of ISLAND BAY TOWNHOUSES CONDOMINIUM ASSOCIATION, INC., called Association by these Bylaws, a corporation not for profit under the Laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on September 18, A.D. 1985. The Association has been organized for the purpose of administering ISLAND BAY TOWNHOUSES, A CONDOMINIUM, pursuant to Chapter 718, Florida Statutes, called the Condominium Act in these Bylaws, which condominium is identified by the name ISLAND BAY TOWNHOUSES, A CONDOMINIUM, and is located upon the lands described in the Declaration of Condominium.

Section 2. The office of the Association shall be at 343 Causeway Boulevard, Dunedin, Florida, 33528.

Section 3. The Association shall operate upon the calendar year beginning on the 1st day of January and ending on the 31st day of December of each year. The Board of Directors is expressly authorized to change from a calendar year basis to a fiscal year basis whenever deemed expedient and for the best interests of the Association.

Section 4. The seal of the Association shall bear the name of the Association, the word "Florida," and the words "Corporation not for profit" and the year of incorporation, an impression of which is as follows:

II.

Definitions

Section 1. All words, phrases, names and terms used in these Bylaws, the Declaration of Condominium, the Articles of Incorporation of the Condominium Association, and Exhibit "A" attached to said Declaration shall have the same meaning and be used and defined the same as they are in the Condominium Act unless the context of said instruments otherwise requires.

III.

The Association

Section 1. Members. The owners of the condominium parcels shall be the members of this Association.

a. Any legal entity capable of ownership of real property under the Laws of Florida shall be eligible for membership.

b. Any legal entity, upon acquiring title to a condominium parcel, shall thereby become a member of the Association; and upon the conveyance or transfer of said ownership, said owner's membership in the Association shall automatically cease.

Section 2. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Association, or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 3. Annual Meetings. The first annual meeting of the Association shall be held on such date as may be set by the Board of Directors. Thereafter the annual meetings of the Association shall be held on the first Wednesday of March of each succeeding year. If the day so designated falls on a legal holiday, then the meeting shall be held on the first secular day thereafter. At the annual meeting the members may transact such business of the Association as may properly come before them. The time of all meetings shall be set by the directors and the directors by majority vote may change the date of the annual meeting.

Section 4. Special Meetings. Special meetings of the members may be called by the President and shall be called by the President or Secretary at the request in writing of the Board of Directors or at the request in writing of five (5) members. Such requests shall state the purpose or purposes of the proposed meeting.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his address as it appears on the membership books of the Association, and if no such address appears, at his last known place of address, at least fourteen days for an annual meeting and five days for a special meeting, prior to such meeting, and for annual meetings the post office certificate of mailing shall be retained as proof of such mailing. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. Minutes. Minutes of all meetings shall be kept in businesslike manner and available for inspection by unit owners and Board members at all reasonable time.

Section 7. Majority of Owners. As used in these Bylaws, a "majority of owners" shall consist of that number that shall exceed fifty per cent thereof.

Section 8. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a "majority of owners" as defined in Section 7 of this paragraph, shall constitute a quorum.

Section 9. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting to a time not later than ten (10) days from the time the original meeting was called, and hold the meeting adjourned, without additional notice, provided that a quorum can be obtained for such meeting.

Section 10. Voting. At every meeting of the members, the owner or owners of each unit, or combination of units, either in

person or by proxy, shall have the right to cast one vote as set forth in the Declaration. The vote of the majority of those present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute, or of the Declaration of Condominium, or of the Articles of Incorporation, or of these Bylaws, a different vote is required, in which case such express provision shall govern and control. If a unit is owned by more than one person, or is under lease, 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 according to the roster of unit owners and filed with the Secretary of the Association. If a unit is owned by a corporation, the persons 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. Those certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned. A certificate designating the person entitled to cast the vote for a unit may be revoked by any owner of a share in the unit. If a certificate designating the person entitled to cast the vote for a unit is not on file, the vote of the owners shall not be considered in determining whether a quorum is present nor for any other purpose.

Section 11. Proxies. A member may appoint any other member, any owner of any condominium parcel, the developer, or the manager as a proxy. Any proxy must be filed with the secretary before the appointed time of each meeting.

Section 12. Order of Business. The order of business at all annual or special meetings of the members shall be as follows:

- a. Roll call.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of the minutes of preceding meeting.
- d. Reports of officers.
- e. Reports of committees.
- f. Election of officers (if election is to be held).
- g. Unfinished business.
- h. New business.

IV.

Administration

Section 1.

a. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors. The number of directors which shall constitute the Board shall be not less than three (3) nor more than five (5). The Board of Directors may from time to time increase or decrease the number of persons to serve on the Board, provided there is always an odd number of members and there is never less than three (3) nor more than five

(5) members. Any increase or decrease in the number of members shall be effectuated prior to the notice of the next annual meeting, and such change in numbers shall be effective as of the date of the regular election at such annual meeting. All directors, except for the initial directors named in the Articles of Incorporation, shall either be members of the Association or designees of the Developer. The Directors shall be elected at the annual meeting of the owners by a plurality vote and each Director shall serve for a term of one year or until his successor shall be elected and duly qualified, except that the initial Directors shall serve until their resignation or relinquishment of control of the Association by the Developer pursuant to Article V of the Articles of Incorporation. The Developer reserves the right, in its sole discretion, to remove and replace any or all of the initial directors or their designated replacements.

b. Removal. Directors may be removed, with or without cause, by the vote or agreement in writing of a majority of the owners. The vacancy so created shall be filled by the members of the Association. No Director, other than the initial Directors named in the Articles of Incorporation, or Directors as may be designated by the Developer as provided above, shall continue to serve on the Board if, during his term of office, his membership in the Association shall be terminated for any reason whatsoever.

c. Vacancies. Except as to vacancies provided by removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by the Declaration, the Articles of Incorporation of the Condominium Association, the Condominium Act, or these Bylaws directed to be exercised and done by the members or officers. The powers of the Board shall include, but not be limited to, the following:

a. All powers and duties of the Condominium as set forth in the Condominium Act and in the Articles of Incorporation of the Association, except as limited as above provided.

b. To prepare and adopt an annual operating budget, which budget shall be sufficient in amount to pay for all necessary expenses and expenditures to be shared in common by the respective owners of units, and including a reasonable reserve for repairs, upkeep and replacement of the common elements and for contingencies.

c. To prepare a detailed report of the acts for the previous year, and present same at the annual meeting of members.

d. To determine who shall act as legal counsel and as accountant for the Association whenever necessary.

e. To determine the depository for the funds of the Association.

f. To acquire the necessary personnel needed for the maintenance, care, and upkeep of the common elements, and set the salaries of said personnel.

g. Assess and collect all assessments pursuant to the

Condominium Act.

h. Establishment of reserves or making assessments for betterments to the condominium property.

i. Within sixty (60) days following the end of the fiscal year or calendar 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:

- (1) Cost for security;
- (2) Professional and management fees and expenses;
- (3) Taxes;
- (4) Cost for recreation facilities;
- (5) Expenses for refuse collection and utility services;
- (6) Expenses for lawn care;
- (7) Cost for building maintenance and repair;
- (8) Insurance costs;
- (9) Administrative and salary expenses; and
- (10) General reserves, maintenance reserves and depreciation reserves.

Section 3. Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board for the management and maintenance of the condominium property and authorize the management agent to assist the Association in carrying out its powers by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the common elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the condominium documents and the Condominium Act, including but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the Association.

Section 4. Compensation. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid a director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

Section 5. Organization Meeting. The first meeting of the Board of Directors shall be held within ten days after the annual members' meeting, at such place as shall be fixed by the Board and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing all of the Board of Directors shall be present.

Section 6. Regular Meetings. Regular meetings of the directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least three days prior to the day named for such meeting.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President and Secretary, in like manner and on like notice, on the written request of at least two directors.

Section 8. Notice of Meetings to Unit Owners. 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.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Minutes. Minutes of all meetings of the Board of Directors and of the unit owners shall be kept in businesslike manner and available for inspection by unit owners and Board members at all reasonable times.

Section 11. Quorum. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association who control or disburse Association funds shall furnish adequate fidelity bonds, with the premiums for such bonds to be paid by the Association.

Section 13. Designation of Officer. The principal officers of the Association shall be President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in their judgment may be necessary.

Section 14. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board, and shall hold office at the pleasure of the Board.

Section 15. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 16. President. The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of the Association.

Section 17. Vice President. The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 18. Secretary. The secretary shall keep the minutes of all meetings of the Board of Directors, and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary.

Section 19. Treasurer. The treasurer shall have responsibility for Association funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

Section 20. Nominating and Executive Committees. The Board of Directors shall have the authority to appoint an Executive Committee comprised of members from the Board of Directors. The Executive Committee may be delegated the responsibility to perform those powers and duties of the Board as the Board may determine. The Board shall also have the authority to appoint a Nominating Committee comprised of members of the Association to assist in the election process of members of the Board. The number of members and scope of authority may be determined by the Board.

V.

Assessment and Collection of Common Expenses

Each unit owner shall share that percentage of the common expenses, and own that percentage of the common surplus, in direct relationship to the percentage of the common elements owned by said unit owner. Assessments for the common expenses, including those required under any Management Contract, including reasonable attorneys' fees and other costs of collecting any assessments, shall be secured by a lien against the condominium parcel against which it is made and such lien shall arise in favor of the Association and shall come into effect upon recording of the Declaration of Condominium. Said lien shall date back to the date of the Declaration and shall be prior to the creation of any homestead status or any subsequent lien or encumbrance, except that said lien shall be subordinate and inferior to that of any institutional first mortgage. Assessments

shall be made not less frequent than quarterly in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred.

VI.

Annual Budget

Pursuant to Article IV, Section 2, paragraph b of these By-laws, the Board of Directors shall have the power and duty of preparing and adopting an annual operating budget for the Association. The Board of Directors shall mail a meeting notice and copies of the proposed annual budget of common expenses to the unit owners not less than thirty (30) days prior to the meeting at which the budget will be considered. The meeting will be open to unit owners and if an adopted budget requires assessment against the unit owners in any fiscal or calendar year exceeding one hundred fifteen per cent (115%) of the assessments for the preceding year, the Board, upon written application of ten per cent (10%) of the unit owners 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, and the adoption of such budget shall require a vote of not less than a majority of all unit owners. The Board may propose a budget to unit owners at a meeting of members or in writing, and if the budget or proposed budget is approved by the unit owners at the meeting or by a majority of all unit owners in writing, the budget shall be adopted. In determining whether assessments exceed one hundred fifteen per cent (115%) of similar assessments in prior years, authorized provisions 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.

The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to, those expenses listed in Section 718.504(20), Florida Statutes. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof replacement, building painting, and pavement resurfacing. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item. These provisions shall not apply to budgets in which the members of the Association have, by a vote of the majority of the members present at a duly called meeting of the Association, determined for a fiscal year to provide no reserve or reserves less adequate than required by this Section.

VII.

Amendment of Bylaws

The Bylaws of the Association may be modified, amended or revoked, unless specifically prohibited elsewhere herein, at any regular or special meeting of the members of the Association by not less than seventy-five per cent of the votes of the entire membership of the Association, provided that not less than fourteen (14) days' notice of said meeting has been given to the members of the Association, which notice contained a full statement

of the proposed modification, change or revocation.

VIII.

Arbitration of Internal Disputes

Internal disputes arising from the operation of the Condominium among the unit owners, this Association, and their agents and assigns, or any of them, may be submitted to binding arbitration in the manner provided by law and under the rules of the American Arbitration Association or such other rules as the disputing parties shall mutually agree to. No matter shall be submitted to arbitration hereunder without the consent in writing of all the disputing parties, except that if a matter shall be submitted to arbitration by some of the disputing parties, arbitration may proceed with respect to them and the disputes among them, but any decisions thereunder shall not be binding upon the non-consenting parties.

The foregoing were adopted as the Bylaws of ISLAND BAY TOWNHOUSES CONDOMINIUM 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 May 12, 1986.

ISLAND BAY TOWNHOUSES
CONDOMINIUM ASSOCIATION, INC.

By Kathleen A. Brofke
Secretary