

10:50

This instrument prepared by:
Jeffrey T. Sauer, Esq.
Smith, Sauer & DeMaria
510 East Zaragoza Street

CERTIFICATE OF AMENDMENT TO
BYLAWS OF OLD HICKORY HOME OWNERS ASSOCIATION, INC.
BY THE ASSOCIATION

Original Bylaws recorded in OR Book 3018 at page 834
and previously amended in OR Book 3762 at page 404.

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The Bylaws of Old Hickory Home Owners Association, Inc., were recorded June 14, 1991, in Official Records Book 3018 at page 834, and previously amended in Official Records Book 3762 at page 404, all of the public records of Escambia County, Florida.

The Association hereby certifies that the following Resolution was duly passed by the general membership on APRIL 22, 1996, by the requisite percentage after due and proper notices of said meeting called for that purpose:

RESOLVED, that the Bylaws of Old Hickory Home Owners Association, Inc., are amended as set forth in Exhibit "A" hereto.

IN WITNESS WHEREOF, Old Hickory Home Owners Association, Inc., has caused these presents to be executed on this 12 day of ~~July~~ August 1996.

WITNESSES:

OLD HICKORY HOME OWNERS ASSOCIATION, INC.

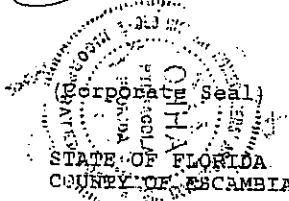
[Signature]
Printed name: JOHN V. KRAJESKI

By: [Signature]
Mike Ruelle, President

[Signature]
Printed name: JOHN M. PAINTER

and Attested By:

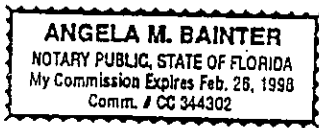
[Signature]
Stephanie H. Krajeski, Secretary



The foregoing instrument was acknowledged before me this 12th day of ~~July~~ August, 1996, by Mike Ruelle, as President of Old Hickory Home Owners Association, Inc., a Florida corporation not-for-profit, on behalf of the corporation. He (X) is personally known to me, or () has produced N/A as identification.

(Notary Seal)

[Signature]
Printed name: ANGELA M. BAITER
Notary Public



**BY-LAWS OF THE
OLD HICKORY HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is OLD HICKORY HOMEOWNERS' ASSOCIATION, INC. hereinafter referred to as the "ASSOCIATION". The principal office of the corporation shall be located at 1045 S. Fairfield Drive, Pensacola Florida 32506, but meetings of members and directors may be held at such place within the State of Florida, County of Escambia as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

SECTION 1 "ASSOCIATION" shall mean and refer to OLD HICKORY HOME OWNERS' ASSOCIATION, INC., its successors and assigns.

SECTION 2 "PROPERTIES" shall mean and refer to that certain real property described in the ARTICLES OF INCORPORATION and such additions thereto as may be brought within the jurisdiction of the Association.

SECTION 3 "COMMON AREA" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

SECTION 4 "LOT" or "UNIT" shall mean and refer to any plot of land upon any recorded subdivision map of the properties with the exception of the common area.

SECTION 5 "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot or unit which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 6 "DECLARANTS" shall mean and refer to Henry W. Randall and Henry E. Randall, their successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the declarants for the purpose of development.

SECTION 7 "MEMBER" shall mean and refer to those persons entitled to membership as provided in the Articles of Incorporation.

SECTION 8 "ARTICLES OF INCORPORATION" or "CHARTER" shall mean and refer to the Articles of Incorporation of Old Hickory Homeowners' Association, Inc., filed with the Secretary of State of the State of Florida on June 4, 1986, charter number N15257, and as the same shall be amended from time to time.

**ARTICLE III
MEMBERSHIP AND VOTING RIGHTS**

SECTION 1 "MEMBERSHIP". Every owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of their lot.

SECTION 2 "VOTING RIGHTS". Except as otherwise expressly provided for, each owner shall be entitled to one vote for each lot owned. When more than one person holds an ownership interest in any lot, all such persons shall be members and the one vote for each such lot shall be exercised as they determine. In no event shall more than one vote be cast with respect to any one lot.

**ARTICLE IV
MEETING OF MEMBERS**

SECTION 1 ANNUAL MEETINGS. The annual meeting of the members shall be held on the first Monday in April at 7:00 o'clock p.m. local time of each year unless a different date and time is determined and noticed by the Board of Directors, provided that any alternate date shall not be later than thirteen (13) months after the prior annual meeting. The first meeting of the new Board of Directors of the Association shall be immediately following the annual meeting of the members.

SECTION 2 SPECIAL MEETINGS. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon request of the members who are entitled to vote one-third (1/3) of all the class A membership.

SECTION 3 NOTICE OF MEETING. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and the purpose of the meeting. Including a copy of the agenda of the meeting shall satisfy the requirement for stating the purpose of the meeting.

SECTION 4 QUORUM. The presence at the meeting of members in person or by proxy entitled to cast votes equal to one third (1/3) of the votes of the resident membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present in person or by proxy.

SECTION 5 PROXIES. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary before the vote on the matter for which the proxy will be used. Any proxy shall be effective only for the specific meeting

for which originally given and any lawfully adjourned meetings thereof. A proxy is not valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE V BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

SECTION 1 NUMBER. The affairs of this Association shall be managed by a Board of not less than three (3) Directors who must be members of the Association.

SECTION 2 TERM OF OFFICE. At the first annual meeting, the members shall elect one Director for a term of one year, one Director for a term of two years and one Director for a term of three years. Except as otherwise provided herein, the term of each subsequently elected Director is three years. If the number of Directors is changed, then the terms of the Directors that are elected that year shall be staggered, if necessary as determined by the Board of Directors, in order to maintain a rotating Board. If applicable, the candidate who receives the most votes shall be elected to the longest term and the other candidates shall receive lesser terms in descending order based on the number of votes received by them.

SECTION 3 REMOVAL. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a Director, the successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

SECTION 4 COMPENSATION. No Director shall receive compensation for any service he may render to the Association, however, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

SECTION 5 ACTION TAKEN WITHOUT A MEETING. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI ELECTION OF DIRECTORS

SECTION 1 ELECTION. To the extent allowed by law, the election of Directors for this Association shall be conducted in the same manner as the elections for Directors to the Board of Directors or Board of Administration under Chapter 718 of the Florida Statutes (the "Condominium Act") even though this Association is not a condominium association. To the extent such procedure is not allowed, the Board of Directors shall adopt rules for the conduct of such elections. References in these By-Laws to "Board of Directors" or "Board of Administration" shall mean the same body.

SECTION 2 NUMBER OF DIRECTORS. The number of Directors for the ensuing year shall be determined by the Board of Directors at the meeting for receiving additional candidates held not less than 40 days before a scheduled election.

ARTICLE VII MEETINGS OF DIRECTORS

SECTION 1 REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held semi-annually, without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should the meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

SECTION 2 SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

SECTION 3 QUORUM. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done by or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

SECTION 4 WAIVER OF NOTICE. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice.

SECTION 5 ACTION WITHOUT A FORMAL MEETING. Any action required or permitted to be taken at any meeting of the Board of Directors or any Committee appointed by the Board of Directors may be taken without a meeting if, prior to such action, written consent thereto is signed by all members of the Board of Directors or of such Committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board or Committee.

SECTION 6 SPECIAL COMMITTEES. The Board of Directors or the Executive Committee, if one shall have been established, shall have the power and authority to create special committees consisting of two or more unit owners, including but not necessarily limited to, an Architectural Control Committee, a Recreation Committee, a Maintenance Committee, and an Audit Committee, which shall advise the Board of Directors or Executive Committee on matters pertaining to the purpose for which any such special committee shall have been created. The members, including the chairman, of any special committee shall be appointed by, and shall serve at, the pleasure of the Board of Directors, or Executive Committee, as the case may be.

ARTICLE VIII
POWERS AND DUTIES OF THE BOARD OF ADMINISTRATION

SECTION 1 POWERS. The Board of Administration shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof,

(b) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infractions of published rules and regulations,

(c) Exercise for the Association all powers, duties and authority vested in or designated to this Association and not reserved to the membership by other provisions of these By-Laws, or the Articles of Incorporation,

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and,

(e) Employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties.

SECTION 2 DUTIES. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-third (1/3) of the Class A members who are entitled to vote,

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed,

(c) As provided in these By-Laws to:

(1) Fix the amount of the annual assessment against each lot or unit at least thirty (30) days in advance of each annual assessment period,

(2) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period, and,

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment,

(e) Procure and maintain adequate liability/hazard insurance on property owned by the Association,

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate,

(g) Cause the Common Areas to be maintained.

(h) Until the initial sale or use as a residence by each unit, it shall not be subject to any assessment levied by the Association and neither the Board of Directors nor its appointed agents shall assess or collect any sums until and unless the happening of the first of the following:

- (1) An original sale of a unit or,
- (2) The rental or residential use of a unit by the developer.

ARTICLE IX OFFICERS AND THEIR DUTIES

SECTION 1 ENUMERATION OF OFFICES. The officers of this Association shall be president and vice-president, who shall at all times, be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time, by resolution, create.

SECTION 2 ELECTION OF OFFICERS. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association.

SECTION 3 TERM. The officers of this Association shall be elected annually and each person shall hold office for one (1) year unless they shall sooner resign, or shall be removed, or otherwise disqualified to serve.

SECTION 4 SPECIAL APPOINTMENT. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for each period, have such authority and perform such duties as the Board may, from time to time, determine.

SECTION 5 RESIGNATION AND REMOVAL. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6 VACANCIES. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer they replace.

SECTION 7 MULTIPLE OFFICES. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

SECTION 8 DUTIES. The duties of the officers are as follows:

PRESIDENT: The president shall be a Director and shall be the chief executive officer of the Association and, subject to the control of the Board of Administration, shall in general manage, supervise, and control all of the business and affairs of the Association. He shall, when

present, preside at all membership meetings. He may sign, with the secretary, or any other proper officer of the Association there unto authorized by the Board of Directors, any contracts, deeds, mortgages, bonds, policies of insurance, or other instruments which the Board of Directors has authorized to be executed, except in cases where signing or the execution thereof shall be expressly delegated by the Board of Directors or By-Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and, in general, shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

VICE PRESIDENT: In the absence of the President, or in the event of his death or inability or refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-President in the order designated at the time of their election, or in the absence of any designation, in the order of election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the such duties as shall, from time to time, be assigned to him by the President or by the Board of Directors.

SECRETARY: The Secretary shall:

- (a) Attend and keep the minutes of the membership meetings and of the Board of Directors meetings in one or more books provided for that purpose;
- (b) See that all notices are duly given in accordance with the charter, the provisions of these By-Laws, or as required by law;
- (c) Be custodian of the Association records;
- (d) Keep a register of the post office address of each unit owner and the post office address of the holder of any mortgage on such owner's unit, and in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Board of Directors.

TREASURER: The Treasurer shall:

- (a) Have charge and custody of, and be responsible for, all funds, securities, and financial records of the Association; receive, and give receipts for, moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies, or other depositories as shall be selected by the Board of Directors;
- (b) Authorize vouchers and sign checks for moneys due and payable by the Association, and;
- (c) In general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

ASSISTANT SECRETARIES AND ASSISTANT TREASURERS: The Assistant Secretaries and Treasurers, in general, shall perform such duties as from time to time may be assigned by the Secretary, the Treasurer respectively, or by the Board of Directors.

ARTICLE X COMMITTEES

The Association shall appoint an Architectural Control Committee and a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII ASSESSMENTS

SECTION 1 PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the properties, for the improvement and maintenance of the Common Area, and for the Association to carry out its purposes and obligations.

SECTION 2 AMOUNT OF ANNUAL ASSESSMENT. The Board of Directors shall fix the annual assessment each year. If the annual assessment is increased in any year by more than twenty percent (20%) above the assessment for the previous year then the Board of Directors, upon written application of ten percent (10%) of the voting interests to the Board, shall call a special meeting of the owners within 30 days. At the special meeting, the owners shall consider and enact a budget by majority vote of all owners. If a meeting of the owners has been called and a quorum is not obtained or a substitute budget is not adopted by the owners, the budget adopted by the Board of Directors shall go into effect as scheduled.

SECTION 3 SPECIAL ASSESSMENTS. In addition to the annual assessments authorized above, the Association may levy, in any fiscal year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting duly called for that purpose.

SECTION 4 UNIFORM RATE OF ASSESSMENT. Both annual and special assessments must be fixed at a uniform rate for all lots and shall be collected on a monthly basis unless otherwise determined by the Board of Directors of the Association.

SECTION 5 DUE DATES OF ASSESSMENTS. The Board of Directors shall fix the amount of annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. Any installment of an assessment not paid within ten (10) days of the due date will result in a late charge of ten dollars (\$10.00). The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

SECTION 6 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the interest in the land and shall be a continuing lien upon the interest in the lot against which the assessment is made and shall be a perfected lien as to third parties upon the recording of a document entitled "Claim of Lien" in the public records of Escambia County, Florida. The Claim of Lien shall identify the lot, the name of the owner(s), and the amount due. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment became due.

SECTION 7 EFFECT OF NONPAYMENT OF ASSESSMENTS. Any installment of an assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate allowed by law, which is currently eighteen percent (18%) per annum. In addition to the late fee and interest, the owner shall be responsible for all attorney's fees and court costs incurred in the enforcement and collection of this assessment. If the assessment is not paid when due, then the Association may record a lien in the public records on the lot involved. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his property.

SECTION 8 SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments provided for herein on any lot shall be conditionally subordinate to the lien of any first mortgage to an institutional lender on such lot pursuant to such first mortgage foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which were not paid and became due within the six (6) months prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

SECTION 9 FIDELITY BONDS. The Board of Directors may require that any manager, contractor or employee of the Association handling or responsible for Association funds shall furnish an adequate fidelity bond. The premium for any such bond shall be paid by the Association.

ARTICLE XIII CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: OLD HICKORY HOMEOWNERS' ASSOCIATION, INC.

ARTICLE XIV AMENDMENTS

SECTION 1 These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy. Any proposed changes to these By-Laws shall be sent with the notice of the meeting at which it will be considered. 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 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 underlining and hyphens as indicators of words added or deleted, but, instead, a notation shall be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of By-Law. See By-Law _____ for present text."

SECTION 2 In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control.

ARTICLE XV OBLIGATIONS OF UNIT OWNERS

SECTION 1 COMPLAINT PROCEDURE. Prior to taking any other action with respect thereto, unit owners shall be obligated to adhere and abide by the following procedure in the case of any complaint a unit owner may have against the Association, or an officer or Director thereof. Any complaint by a unit owner concerning the maintenance, operation, repair and replacement of the property or any portion thereof, shall be presented in writing to the Board of Directors of the Association. Within thirty (30) days after such complaint is presented to the Board, a representative of the Board shall meet with the unit owner for the purpose of resolving such complaint. If the complaint is not resolved at such meeting, then the Board's representative or the unit owner may elect to have a second meeting. In such event, the parties shall arrange for a second meeting to be held within fifteen (15) days after the first meeting. Unless otherwise mutually agreed, such meeting shall be held at a place selected by the Board. If the complaint is not resolved at the first meeting and neither of the parties elects to have a second meeting, or if a second meeting is held and the complaint is not resolved at such meeting, then, in either such event, the complaining unit owner shall be deemed to have complied with the provisions of this Section.

SECTION 2 RIGHT OF ENTRY. A unit owner shall grant the right of entry to the management agent or other person authorized by the Board of Directors and in the case of an

emergency originating in or threatening their or any other unit, whether the unit owner is present at the time or not.

SECTION 3 CONDUCT. All unit owners, their guests, visitors or occupants of the unit shall at all times observe the rules of conduct which may from time to time be established by the Association or its Board of Directors. Said rules shall be kept in the office of the Association as a matter of record, and copies furnished to any unit owner on request.

SECTION 4 NOTICES TO ASSOCIATION. A unit owner who mortgages their unit, or executes and delivers, or assumes or purchases their unit, subject to any mortgage which shall be or become a lien on their unit, shall notify the Secretary of the Association of the name and address of the holder of any such mortgage, and thereby authorize the Association to furnish such information as such mortgage may request respecting unpaid assessments, taxes or other information concerning such unit or as may be provided by the By-Laws.

SECTION 5 NOTICES BY ASSOCIATION. Whenever any notice by the Association to a unit owner is required or permitted under these By-Laws, such notice shall be in writing and delivered personally or sent by United States mail, postage prepaid, to the unit owner at such address or addresses as such unit owner may have designated with the Secretary of the Association, or, if no such other address has been so designated, at the address of such owner's unit. Notice shall be considered given when delivered personally or on the second day following the date upon which such notice is so deposited in the United States mail.

ARTICLE XVI MISCELLANEOUS

SECTION 1 FISCAL YEAR. The fiscal year of the Association shall be the calendar year.

SECTION 2 PARLIAMENTARY RULES. Unless waived by majority vote of the unit owners in attendance in person or by proxy at any duly called membership meeting, or unless waived by a majority of the Directors present at any duly called meeting of the Board of Directors, Robert's' Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with Florida law, the Charter, or these By-Laws.

SECTION 3 CONFLICTS. If there are conflicts or inconsistencies between the provisions of Florida law or the Charter and these By-Laws, the provisions of Florida law and the Charter (in that order) shall prevail.

SECTION 4 DEFINITIONS. Unless the context shall otherwise require, words or phrases used herein which are defined in the Charter, shall have the same meaning as therein set forth.

SECTION 5 DUE DATES OF ASSESSMENTS. The Board of Directors shall fix the amount of annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. Any installment of an assessment not paid within ten (10) days of the due date will result in a late charge of ten dollars (\$10.00). The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

SECTION 6 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the interest in the land and shall be a continuing lien upon the interest in the lot against which the assessment is made and shall be a perfected lien as to third parties upon the recording of a document entitled "Claim of Lien" in the public records of Escambia County, Florida. The Claim of Lien shall identify the lot, the name of the owner(s), and the amount due. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment became due.

SECTION 7 EFFECT OF NONPAYMENT OF ASSESSMENTS. Any installment of an assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate allowed by law, which is currently eighteen percent (18%) per annum. In addition to the late fee and interest, the owner shall be responsible for all attorney's fees and court costs incurred in the enforcement and collection of this assessment. If the assessment is not paid when due, then the Association may record a lien in the public records on the lot involved. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his property.

SECTION 8 SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments provided for herein on any lot shall be conditionally subordinate to the lien of any first mortgage to an institutional lender on such lot pursuant to such first mortgage foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which were not paid and became due within the six (6) months prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

SECTION 9 FIDELITY BONDS. The Board of Directors may require that any manager, contractor or employee of the Association handling or responsible for Association funds shall furnish an adequate fidelity bond. The premium for any such bond shall be paid by the Association.