

BY-LAWS
OF
THE SEASCAPE HOMEOWNERS ASSOCIATION, INC.

These are the By-Laws of The Seascape Homeowners Association, Inc., (hereinafter for convenience called "Association" or "Corporation"), a corporation not for profit, incorporated under the laws of the State of Florida.

ARTICLE I
ASSOCIATION

Section 1.1 Office. The office of the Association shall be at Seascape, c/o Business Office, Highway 98, Destin, Florida, or such other place as shall be selected by a majority of the Board of Directors.

Section 1.2 Fiscal Year. The fiscal year of the Association shall be from August 1 through July 31.

Section 1.3 Seal. The corporate seal of the Association shall consist of two concentric circles, between the edges of which shall be engraved the words: "THE SEASCAPE HOMEOWNERS ASSOCIATION, INC., Florida, Not for Profit", and across the center thereof the words: "Corporate Seal", all as shown by an imprint of such seal in the margin of these By-Laws. Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise.

ARTICLE II
DEFINITIONS

Section 2.1 Declaration: The Declaration of Covenants for Seascape applicable to Members' Property which shall be recorded in the public records of Walton County, Florida.

Section 2.2 Developer: Seascape Resorts Inc., a Delaware corporation, its successors and assigns.

Section 2.3 Residential Parcel: Any unit, lot, part or parcel of the Property designed for a single family residence, including condominium units and single family residential lots platted of record regardless of whether a dwelling has or has not been constructed on such lot.

Section 2.4 Seascape or Property: The property described as Seascape in the Declaration, and other property contiguous with or proximate to Seascape which may be acquired by Developer and developed as a part of Seascape.

Section 2.5 Association: The Seascape Homeowners Association, Inc., its successors and assigns.

Section 2.6 Member: A person who is a record owner of Members' Property.

Section 2.7 Members' Property: That portion of the Property which shall have been submitted to the Declaration.

Section 2.8 Common Areas: Portions of the Property are designated by the Developer as Common Areas.

Section 2.9 Resident: Any person or persons occupying Members' Property.

ARTICLE III MEMBERSHIP

Section 3.1 Membership: The Members of the Association shall consist of all owners of Members' Property and shall be all those persons or other entities as set forth in Article V of the Articles of Incorporation.

Section 3.2 Classes of Membership: The Association shall have two classes of membership, Class A and Class B, each such Class consisting of those Members meeting the applicable qualifications for membership in each respective Class, as set forth in Article V of the Articles of Incorporation.

Section 3.3 Rights and Obligations of Membership: The Members shall have all the rights, privileges, duties and obligations applicable to their respective Class of membership as set forth in the Declaration, the Articles of Incorporation, and elsewhere in these By-Laws.

Section 3.4 Assessments: The rights of membership are subject to the payment of annual assessments and charges, and, when properly authorized, special assessments for capital improvements. The obligation of such assessments and charges is imposed against each owner of, and is a lien upon; the Residential Parcel against which such assessment or charge is made, as provided in Article III of the Declaration.

ARTICLE IV VOTING RIGHTS

Section 4.1 Each class of membership shall have those voting rights as set forth in Article V of the Articles of Incorporation.

When entitled to vote, each Member shall have one vote for each Residential Parcel owned by such Member.

When more than one (1) person (or other entity) holds an ownership interest or interest in any Parcel, the vote for such Parcel shall be exercised as they among themselves shall determine, but in no event shall more than one (1) person be entitled to cast votes with respect to any Parcel or Parcels. In the event of disagreement among such persons (or other entities) and an attempt by two (2) or more of them to cast the vote of such Residential Parcel, the vote with respect to such Residential Parcel shall not be counted or recognized.

ARTICLE V

Section 5.1 Additions to Common Areas. The Association shall accept the designation of additional Common Areas and the delegation of additional responsibility by Developer. No approval from any Member of the Association or anyone else is required for Developer or its successors and assigns, to designate additional Common Areas property or additional responsibilities.

Section 5.2 Mortgages. The Developer shall have the power to mortgage or otherwise burden or encumber all or part of the Common Areas.

Section 5.3 Dedication or Transfer of Properties. The Developer shall transfer the fee ownership of all or part of its properties to the Association in accordance with Section 6.3 of the Declaration.

ARTICLE VI
BOARD OF DIRECTORS

Section 6.1 Selection; Terms of Office. During the time when the Class B membership is entitled to elect all Members of the Board, the Board of Directors shall consist of three (3) Members, who shall be elected at the time and in the manner set forth in Section 6.2 hereof. After the time when the Class B membership is entitled to elect all Members of the Board, the Board of Directors shall consist of nine (9) Members, who shall be elected at the time set forth in Section 6.3 and in the manner set forth in Article VII of these By-Laws.

Section 6.2 Election of Directors by the Class B Members. Until fifty (50) Residential Parcels have been conveyed by Developer to new Members, the Board of Directors shall consist of three (3) Members who shall be the persons named as the initial Board of Directors in Article VIII of the Articles of Incorporation. Said Directors shall be subject to replacement as follows: In the event any named Director ceases to be a Director prior to the time specified above, his replacement shall be appointed by the Class B Member. Any Director or Directors appointed or elected by the Class B Member may be removed or replaced at any time, with or without cause, by the Class B Member.

Section 6.3 Election of Directors by Class A Membership Prior to Termination of Class B Membership. After the sale of fifty (50) Residential Parcels by Developer to new Members, the Board of Directors shall consist of nine (9) Members who shall be appointed or elected in the following manner:

6.3.1 The Class A Members shall be entitled to elect one (1) Member of the Board at a special election to be held for this purpose within sixty (60) days after the conveyance of the fiftieth (50th) Residential Parcel. The Class B Member shall be entitled to appoint the remaining Members of the Board. The Directors elected by the Class A Members shall serve for a term of one (1) year, or until the next meeting of the Class A Members to elect new Directors, whichever shall first occur, unless removed by the affirmative vote of two-thirds (2/3) of the Class A Members. The Directors appointed by the Class B Member shall hold office until one hundred and fifty (150) Residential Parcels have been sold by Developer to new Members, unless sooner removed by a two-thirds (2/3) vote of the Class B Members.

6.3.2 After the sale of one hundred and fifty (150) Residential Parcels, the Class A Members shall be entitled to elect a total of three (3) Members of the Board at a special election to be held for this purpose, within sixty (60) days after the conveyance of the one hundred fiftieth (150th) Residential Parcel. The Class B Member shall be entitled to appoint the remaining Members of the Board. The Directors elected by the Class A Members shall hold office for a term of one (1) year or until the next meeting of the Class A Members to elect new Directors, whichever shall first occur, unless removed by the affirmative vote of two-thirds (2/3) of the Class A Members. The Director appointed by the Class B Member shall hold the office until the Class B membership terminates unless removed or replaced in the manner described in Section 6.2 hereof.

Section 6.4 Election of Directors after Termination of Class B Membership: After the time at which the Class B membership terminated, as provided in Article V of the Articles of Incorporation, the Board of Directors shall consist of nine (9) Members who shall be elected in the following manner:.

6.4.1 The incumbent Board of Directors shall hold office until the election of their successors by the Class A Members at the first regular annual meeting of the Class A Members to be held for this purpose within sixty (60) days after the termination of the Class B membership.

6.4.2 At the first annual meeting of the Class A Members there shall be elected in the manner set forth in Article VII of these By-Laws nine (9) Directors, three (3) such Directors being elected for three (3) years, six (6) such Directors being elected for two (2) years. Upon expiration of the original terms, the vacancies thus created shall thereafter be filled for terms of two (2) years.

Section 6.5 Vacancies. Vacancies in the Board of Directors shall be filled by the majority of the remaining Directors, any such appointed Director to hold office until his successor is elected by the Class A Members or the Class B Member, as the case may be, who were entitled to elect the Director, at the next annual meeting of the Members or at any special meeting duly called for that purpose.

ARTICLE VII
ELECTION OF DIRECTORS BY CLASS A MEMBERSHIP

Section 7.1 Election of Directors. Elections to the Board of Directors by the Class A membership shall be by written ballot as hereinafter provided. At such elections, the Class A Members or their proxies may cast as many votes as there are vacancies to be filled on the Board of Directors for each Residential Parcel in which they hold any interest required for membership by Article V of the Articles of Incorporation, and such Member shall have the right to cumulate his votes and to give one candidate a number of votes equal to his vote multiplied by the number of Directors to be elected, or by distributing such votes on the same principle among any number of such candidates. The name(s) receiving the largest number of votes shall be elected.

Section 7.2 Nominations Committee. Nominations for a full slate of Directors for election to the Board of Directors by the Class A Members shall be made by the Nominations Committee. The Nominations Committee shall consist of five (5) persons appointed each year by the Board of Directors, two (2) of whom shall be directors, and three (3) of whom shall be non-directors. Members of the Nominations Committee shall be appointed each year by the Board of Directors at least sixty (60) days before the date on which the election for the members of the Board of Directors is to be held, and the slate of Directors to be nominated by the Nomination Committee shall be nominated at least sixty (60) days before the date of such election. No Member of the Nominations Committee shall be eligible for nomination for the Board of Directors by such Committee.

In addition, nominations for the Board of Directors may be made by petition signed by more than twenty (20) Members of the Association, provided that such petitions are filed with the Secretary of the Association at least thirty (30) days before the date of the meeting at which the Directors are to be elected.

Section 7.3 Ballots. All elections to the Board of Directors shall be made on a written ballot which shall: (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominations Committee for such vacancies and those nominated by petition timely filed with the Secretary of the Association; and (c) containing a space for a write-in vote by the Members for each vacancy. Such ballots shall be prepared and mailed by the Secretary of the Association to the Members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the date for the annual meeting or special meeting called for election).

Section 7.4 Voting Procedures. Each Class A Member shall receive as many ballots as he has Residential Parcels in which such Member holds an interest required for membership by Article V of the Articles of Incorporation. Each Member shall indicate next to the name of each nominee on the ballot the number of votes he casts for the election of such nominee to the Board of Directors, or shall write in the name of a person not so nominated in the space on the ballot provided for this purpose, together with the number of votes he wishes to cast for said person. All ballots shall be signed by the Member casting it and returned to the Secretary of the Association. On the date of the annual meeting, ballots shall be turned over to an Elections Committee which shall consist of five (5) Members appointed by the Board of Directors. The Elections Committee shall then adopt a procedure which shall:

7.4.1 establish that the number of ballots turned in by each Member correspond with the number of Residential Parcels owned by such Member or his proxy identified on the ballot.

7.4.2 establish that the signature of the Member or his proxy on the ballot is genuine; and

7.4.3 if the vote is by proxy, establish that a proxy has been filed with the Secretary as provided in Article XII of these By-Laws and that such proxy is valid.

If any ballot is found to contain more than the number of votes which the Member signing such ballot is entitled to cast, all votes on such ballot shall be disqualified and shall not be counted. After the announcement of the

results by the Elections Committee, unless a review of the procedure is demanded by two-thirds (2/3) of the Members casting ballots in the election within ten (10) days after election, the ballots shall be destroyed.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 8.1 Powers. The Board of Directors shall have the powers:

8.1.1 To call special meetings of the Members whenever it deems necessary, and it shall call a meeting at any time upon written requests of one-fourth (1/4) of the voting membership, as provided in Section 12.2.

8.1.2 To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, officer or Director of the Association in any capacity whatsoever.

8.1.3 To establish, levy, assess and collect the assessments and charges set forth in Article III.

8.1.4 To adopt and publish rules and regulations governing the use of the Common Areas and the facilities, and the person conduct of the Members and their guests thereon.

8.1.5 To exercise for the Association all powers, duties and authorities vested in or delegated to the Association, except those reserved to Members in the Declaration, or in the Articles of Incorporation, or elsewhere in these By-Laws.

8.1.6 To appoint such committees as it deems in the best interest of the Association to carry out the functions and duties of the Board of Directors.

Section 8.2 Director Absences. In the event that any member of the Board of Directors of the Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant, and the provisions relating to the filing of a vacancy of the Board of Directors as set forth in Article VI shall become operative.

Section 8.3 Duties. It shall be the duty of the Board of Directors:

8.3.1 To cause to be kept a complete record of all its acts and corporate affairs and to present the statement thereof to the voting Members at the annual meeting of the voting Members as provided in Article XII(2).

8.3.2 To supervise all officers, agents and employees of the Association, and to insure that their duties are properly performed.

8.3.3 As more fully provided in Articles III of the Declaration and Articles III of the By-Laws, to fix the amount of the assessment against each Parcel owned by a Member at least thirty (30) days in advance of the date of any payment or such assessment is due.

8.3.4 To prepare a roster of the Parcels and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member thereof, and to send written notice of each assessment to every Member subject thereto.

8.3.5 To issue, or cause an appropriate officer to issue upon written demand by any person deemed by the Board or its designee to have a valid reason for so demanding, a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

8.3.6 To obtain and maintain a liability insurance policy for the protection of the Association covering the Common Areas and covering such risks and with such deductible amount as the Board of Directors shall determine.

ARTICLE IX
DIRECTORS MEETINGS

Section 9.1 Time and Place. Meetings of the Board of directors may be held at any place within or without the State of Florida. The Board of Directors shall meet immediately following the close of the annual meeting of the Members and at the place thereof, or the Board of Directors may hold such

meeting at such place and time as shall be fixed by the consent in writing of all the Directors. Regular meetings of the Board of Directors may be held at such time and place (within or without the State of Florida) as shall from time to time be determined by the Board of Directors.

Section 9.2 Notice. Notice of regular meetings of the Board of Directors is hereby dispensed with. If the day for a regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first given day following which is not a holiday, and no notice thereof needs to be given.

Section 9.3 Special Meetings. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) Directors after not less than three (3) days' notice to each Director.

Section 9.4 Waivers, Consents and Approvals. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and shall be made a part of the minutes of the meeting.

Section 9.5 Quorum. The majority of the Board of Directors shall constitute a quorum thereof.

Section 9.6 Adjourned Meetings. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business that might have been transacted as originally called may be transacted without further notice.

ARTICLE X OFFICERS

Section 10.1 Officers. The officers shall be a President, a Vice President, a Secretary, and a Treasurer and such other Vice Presidents, Assistant Secretaries or Assistant Treasurers as the Board shall determine from time to time. The President and the Vice President shall be Members of the Board of Directors.

Section 10.2 Majority Vote. The officers shall be chosen by majority vote of the Directors.

Section 10.3 Term. All officers shall hold office during the pleasure of the Board of Directors.

Section 10.4 President. The President shall preside at all meetings of the Board of Directors, and shall see that orders and resolutions of the Board of Directors are carried out, and sign all notices, checks, leases, mortgages, deeds and all other written instruments as may be incidental to the orders and resolutions of the Board of Directors.

Section 10.5 Vice President. The Vice President shall perform all the duties of the President in his absence.

Section 10.6 Secretary. The Secretary shall be "ex officio" the Secretary of the Board of Directors, and shall record the vote and keep the minutes of all proceedings in a book to be kept for such purpose. He shall keep the records of the Association. He shall record in a book kept for such purpose the names of all Members of the Association together with their addresses as registered by such Members.

Section 10.7 Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President or the Vice President in his absence.

Section 10.8 Bookkeeping. The Treasurer shall keep proper books of account and cause an annual audit of the Association's books to be made by a certified public accountant at the completion of each fiscal year. He shall prepare the annual budgets and an annual balance sheet statement and the budget and balance sheet statement shall be prepared to the membership at its regular annual meeting.

ARTICLE XI COMMITTEES

Section 11.1 Standing Committees. Until the time at which the Class B membership terminates, there shall be no requirement of standing committees of the Association.

Unless otherwise provided herein, each committee shall consist of a Chairman, and two (2) or more Members and shall include a Member of the Board of Directors. The committees shall be appointed by the Board of Directors immediately after each annual meeting to serve until the close of

the next annual meeting. The Board of Directors may appoint such other committees as it is deemed desirable.

Section 11.2 Subcommittees. Each Committee shall have the power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions set forth in this Article XI, and as delegated by the Board of Directors.

Section 11.3 Review of Complaints. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties and activities in its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Director or officer of the Association as is further concerned with the matter presented.

ARTICLE XII MEETINGS OF MEMBERS

Section 12.1 Annual Meeting. Until the time at which the Class B membership terminates, as provided in Article V of the Articles of Incorporation, the regular annual meeting of the Class B Member shall be on the anniversary date of the date of incorporation of the Association, or within two (2) weeks thereafter, at a time and place to be agreed upon by the Class B Member, or at such other time as may be determined by the Board.

Until the time at which the Class B membership terminates, there shall be no annual or regular meeting of the Class A membership except that special meetings of the Class membership may be held for the purpose of electing Directors as provided in Article 6.3.

The first annual meeting of the Class A Members shall be held within sixty (60) days after the termination of the Class B membership. Thereafter, the regular annual meeting of the Members shall be held at 8:00 O'clock P.M. on the last Friday in September of each year beginning the year in which said meeting date is more than twelve months following the initial meeting), provided, however, if the day is a legal holiday, the meeting shall be held at the same hour on the following Friday. The place of the annual meetings shall be determined by the Board of Directors.

Section 12.2 Special Meetings. Special meetings of either class of membership for any purpose may be called at any time by the President, the Vice President, the Secretary or the Treasurer, or by any two (2) or more members of the Board of Directors. In addition, special meetings of the voting membership must be called upon the written request of the Members who have a right to vote one-fourth (1/4) of the total votes entitled to be cast under the provisions of Article V of the Articles of Incorporation at the time such written request is made.

Section 12.3 Notice. Notice of any meetings of a class of membership shall be given to the Members designed to receive the same of that class by the Secretary. Notice may be given to the designate Members either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid, to the person designated to receive notices at the address appearing on the books of the Association. Each Member designated to receive notices shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any regular or special meeting shall be mailed at least six (6) days in advance of the meeting, and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve an election governed by Article VII, notice of such meeting shall be given or sent as therein provided. The owners of President Parcels who fail to designate a Member to receive notices shall not be entitled to notice.

Section 12.4 Quorum. The presence at the meetings of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10th) of the vote of the class membership so meeting shall constitute a quorum for any actions governed by these By-Laws unless its is provided otherwise in the Declaration or the Articles of Incorporation, or elsewhere in these By-Laws.

ARTICLE XIII
PROXIES

Section 13.1 Form of Vote. At all meetings of Members, each Member entitled to vote may vote in person or by proxy.

Section 13.2 Proxies. All proxies shall be in writing filed with the Secretary of the Association. No proxy shall extend beyond a period of twelve (12) months, and every proxy shall automatically cease upon the sale by the Member of his parcel or other interest in the Members' Property.

ARTICLE XIV
INSPECTION OF BOOKS AND PAPERS

Section 14.1 The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Member.

ARTICLE XV
PARLIAMENTARY RULE

Section 15.1 Roberts Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with the By-Laws, the Declaration or the Articles of Incorporation.

**ARTICLE XVI
AMENDMENTS**

Section 16.1 Until the time at which the Class B membership terminates and the Class A membership is entitled to full voting privileges, as provided for in Article 6.4 of these By-Laws, these By-Laws may be amended upon a majority vote of the Board of Directors in any respect. After such time as the Class A Members shall be entitled to full voting privileges, these By-Laws may be amended in any respect upon recommendation of the Board of Directors and subsequent approval at a regular or special meeting of the Members of a two-thirds (2/3) vote of the total vote of the Members, present in person or by proxy; provided, however, that those provisions of these By-Laws which are governed by the Articles of Incorporation may not be amended except as provided therein or except as provided by applicable law; and provided further, that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

**ARTICLE XVII
CONFLICTS**

Section 17.1 In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

IN WITNESS WHEREOF, being all of the Directors of the Seascape Properties, Inc., have heretofore set our hands, this 1st day of March, 1985.






