

SCHEDULE 1

EXHIBIT D

BYLAWS

OF

GULF FRONT LAGOON CONDOMINIUM ASSOCIATION, INC.

A CORPORATION NOT FOR PROFIT

ARTICLE I. GENERAL

The provisions of this document constitute the Bylaws of GULF FRONT LAGOON CONDOMINIUM ASSOCIATION, INC., which Bylaws shall be utilized to govern the management and operation of the association.

ARTICLE II. DEFINITIONS

The terms used in these Bylaws shall be defined in accordance with the provisions of Section 718.103 of the Florida Statutes.

ARTICLE III. OFFICES AND AGENCY

Principal Office and Registered Agent. The principal office of the Association is at the President of the Board of Director's residence at 502/504 South Florida Avenue, Tarpon Springs, Florida 34689. The shall serve as the Registered Agent of the Association.

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ARTICLE IV. MEMBERS

1. Qualifications of Members. Those individuals, corporations, partnerships, trusts or other legal entities who own a recorded vested present fee simple interest in a Unit shall become members.
2. Manner of Admission. Each Owner designated in a deed or other instrument establishing title to a Unit duly recorded in the Public

Records of Pinellas County, Florida shall automatically become a member upon delivery to the Association of a copy of such Instrument.

3. Members' Rights. Every member shall have all the rights set forth in the Declaration and these Bylaws, including, but not limited to, the following:

(a) The right to receive notice of every meeting of the membership not less than fourteen (14) days before the meeting, unless such right is waived in writing as set forth in Article VI below.

(b) The right to attend every meeting of the membership and every meeting of the Board.

(c) The right to one (1) vote on each matter brought before the membership as set forth in Article V below.

(d) The right to receive a copy of the proposed annual budget at least thirty (30) days prior to the Board meeting at which the budget shall be considered, together with a notice of such meeting.

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(e) The right to receive annually a written summary of the accounting records of the Association as set forth at Section 4 of Article XVIII below.

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(f) The right to inspect at reasonable times the records of the Association pursuant to Section 2 of Article XVIII below.

4. Obligations of Members.

(a) Every member shall be subject to the obligations and duties set forth in the Declaration and these Bylaws, as the same are now or may hereafter be constituted, including, but not limited to, the following obligations:

(1) To conform to and abide by said Declaration, these Bylaws, and the Rules and Regulations which may be adopted in writing from time to time pursuant to these Bylaws, and to see that all persons claiming rights at the Condominium, by, through or under him do likewise.

(2) To promptly pay assessments and/or fines levied by the Association.

(3) To not use or permit the use of his Unit for any purpose other than as a single family residence.

(4) To maintain his Unit and such portions of the Common Elements as required by the Declaration, in a clean and sanitary manner and repair, and maintain and repair the fixtures therein and pay for any utilities which are separately metered to his Unit. All such maintenance, repairs and replacements shall be done without disturbing the rights of other Unit Owners.

(5) To not permit or suffer anything to be done or kept in his Unit which would increase the insurance rates of his Unit or the Common Elements, or which will obstruct or interfere with the rights of other members or annoy them with unreasonable noises or otherwise; nor shall a member commit or permit any nuisance, immoral or illegal act in his Unit or on the Common Elements.

(6) To promptly report to the Association or management company any defect or need for repairs for which the Association is responsible.

(7) To make no alteration, decoration, repair, replacement or change of the Common Elements, except as permitted by the Declaration. And, to make no alteration, decoration, repair, replacement or change of the Limited Common Elements, including windows, doors, and balconies or patios, except as permitted by the Board of Directors.

(8) To allow the Board or the agents and employees of the Association the right of access to his Unit during reasonable hours when necessary for the maintenance, repair or replacement of any Common Element, or for making emergency repairs necessary to prevent damage to the Common Elements or to another Unit.

(9) To make no repairs to any plumbing or electrical wiring within a Unit except by plumbers or electricians authorized to do such work by proper governmental authorities. Plumbing and electrical repairs within a Unit shall be paid for and be the financial obligation of the Owner of the Unit. The Association shall pay for and be responsible for plumbing repairs and electrical wiring within the Common Elements.

(b) In the event a member fails to maintain his Unit or such portions of the Common Elements as required, the Association or any other Unit Owner shall have the right to proceed in a court of equity to seek compliance, or the Association shall have the right to assess the member for the sums necessary to put the Unit in the required condition. After collection of such assessment, the Association, its employees or agents shall have the right to enter the Unit and do the necessary work.

(c) In the event of violation of the provisions of this Section, the Association or any other Unit Owner may bring appropriate action to enjoin such violator or to enforce the provisions of the documents enumerated in Subsection (a) above, or sue for damages, or file a written complaint to initiate hearing procedures under these Bylaws, or seek such other legal remedy, including arbitration, as deemed appropriate, or take all such courses of action at the same time as more fully set forth in these Bylaws.

5. Assessments. Membership shall be assessable pursuant to Section 16 of the Declaration and Article XIV of these Bylaws.

6. Transferability of Membership. Membership in this Association may be transferred only as an incident to the transfer of the transferor's Condominium Unit, and such transfers shall be subject to the procedures set forth in the Declaration. Transfers of membership shall be made only on the books of the Association, and notice of each transfer shall be given in writing as set forth in Section 2 above.

7. Restriction of Rights. A member does not have any authority to act or speak for the Association by reason of being a member.

8. Termination of Membership. Membership in the Association shall be terminated automatically when title to the Condominium Unit supporting said membership vests in another legal entity; provided, however, any party who owned more than one (1) Unit shall remain a member of the Association so long as he shall retain title to any Unit.

ARTICLE V. VOTING

1. Voting Rights of Members. Unless otherwise provided, the record Owner or all record Owners collectively, if there is more than one, of each Unit shall be entitled to one vote on each matter brought before the membership of the Association, which vote shall be cast by the Voting Representative, designated as set forth in Section 2 below. No vote may be divided, no fractional vote shall be cast.

2. Designation of Voting Representative.

(a) If title to a Unit is vested in one individual, including title held as trustee, that individual shall automatically be designated as Voting Representative on admission to membership.

(b) If title to a Unit is vested in a husband and wife as tenants by the entirety, both persons shall be automatically jointly designated as Voting Representative on admission to membership, and either spouse may cast the Unit's one vote without further designation. If both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they will lose their right to vote on that subject at that meeting.

(c) If title to a Unit is vested in a corporation, its Board of Directors shall designate a director, officer or employee as Voting Representative in a written statement executed by an officer of the corporation and filed with the Secretary of the Association.

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(d) If title to a Unit is vested in a partnership or any other legal entity, said entity shall designate one partner as Voting Representative in a written statement executed by those persons owning not less than a majority interest in said entity and filed with the Secretary of the Association.

(e) If title to a Unit is vested in more than one Owner, said Owners shall designate one owner as Voting Representative in a written statement executed by those Owners owning not less than a majority interest in such Unit and filed with the Secretary of the Association.

(f) An administrator, executor, personal representative, guardian or conservator of the Owner of a Unit, without a transfer of title to said Unit into his name, may designate or be designated as Voting Representative in the same manner as the Owner would have been entitled to designate or be designated Voting Representative.

(g) Such designation shall be valid until revoked or until changed by a subsequent designation, or until a change in the ownership in the Unit supporting said designation.

3. Failure to Designate. If no Voting Representative is duly designated for a Unit at least five (5) days prior to a membership meeting, such failure shall result in depriving the Owners of the Unit of a vote at such meeting; unless the Board, in its discretion, fixes a later date for determination of Voting Representatives entitled to vote at the meeting. Notwithstanding anything contained herein to the contrary, a designation can be made or changed any time prior to the appointed time of a meeting called pursuant to Section 2 of Article XIII below to consider and adopt an annual budget.

4. Records of Membership. The Association shall keep a membership book containing the name and address of each member. A termination of membership shall be recorded in the membership book.

5. Proxies.

(a) Limited proxies shall be used as required under Florida Law. General proxies may be used to establish a quorum and for other matters for which limited proxies are not required and for non-substantive changes to items for which a limited proxy is required.

(b) Any proxy given shall be effective only for the specific meeting for which originally given. Every proxy is revocable at any time at the pleasure of the unit owner executing it.

(c) No proxy, limited or general shall be used in the election of board members.

6. Quorum and Voting.

(a) A majority of the Voting Representatives entitled to vote, as fixed by these Bylaws, represented in person or by proxy, shall constitute a quorum at any meeting of the membership. If, however, such quorum shall not be present, a majority of the Voting Representatives present in person or represented by proxy shall reschedule said meeting for a date not later than thirty (30) days and adjourn. Notice of the adjourned meeting shall be given as set forth in Subsection 8 of Article VI below. At said rescheduled meeting any business may be transacted which might have been transacted at the meeting originally called, however, thirty-four percent (34%) of the Voting Representatives entitled to vote, represented in person or by proxy, shall constitute a quorum.

(b) If a quorum is present, the affirmative vote of the majority of the Voting Representatives who cast their vote in person or by proxy at the meeting shall be the act of the members unless otherwise provided by law, the Declaration, the Articles of Incorporation or these Bylaws.

(c) After a quorum has been established at a membership meeting, the subsequent withdrawal of Voting Representatives, so as to reduce the number of Voting Representatives entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof. The affirmative vote of the majority of Voting Representatives who cast their vote shall be the act of the membership unless otherwise provided by law, the Declaration, the Articles of Incorporation, or these Bylaws.

ARTICLE VI. MEMBERS' MEETING

1. Annual Meetings. The annual Members' meeting shall be held at the Tarpon Club, 500 S. Florida Ave, Tarpon Springs, FL in November on the date to be determined by the Board of Directors. The purpose of the meeting shall be to elect Directors and to transact any other business authorized to be transacted by the Members.

2. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President, the Board, or at the written request of not less than ten percent (10%) of the Voting Representatives entitled to vote. Such request shall state the purpose or purposes of the proposed meeting and the date said meeting shall be held.; No business other than that specified as the purpose in said notice shall be discussed or transacted at such special meeting.

3. Time and Place of Meetings. All meetings of the membership shall be at the Tarpon Club 500 South Florida Avenue, Tarpon Springs, Florida or at such other place as the Board may from time to time designate, on the date and hour set forth in the notice of said meeting; provided, however, no meeting shall be held on a legal holiday.

4. Notice. Written notice, including an agenda shall be mailed, hand delivered or electronically transmitted to each unit owner at least 14 days prior to the annual meeting and shall be posted in a conspicuous place on the condominium property at least 14 continuous days preceding the annual meeting.

5. Waiver of Notice. Attendance of a member or Voting Representative at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when the member or Voting Representative attends a meeting for the express purpose as stated at the beginning of the meeting, of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the membership need be specified in any written waiver of notice.

6. Recordation of Actions. The minutes of all meetings of Unit Owners shall be kept in a book available for inspection by Unit Owners or their authorized representatives at any reasonable time. The Association shall retain these minutes for a period of not less than seven years. Minutes for each meeting must be reduced to written form within thirty (30) days after the meeting date.

ARTICLE VII. DIRECTORS

1. Function. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed under the direction of, the Board; provided however, certain matters specified in the Declaration and these Bylaws shall be considered as authorized only after approval by the membership. The Board shall make appropriate delegations of authority to the officers; and, to the extent permitted by law and these Bylaws, by appropriate resolution, the Board may authorize one or more committees to act on its behalf when it is not in session.

2. Qualification of Directors. The qualifications for becoming and remaining a director of this Association are as follows: Every director shall be a member of the Association or a Voting Representative, and are competent to contract.

3. Duties of Directors.

(a) A director shall be expected to attend all meetings of the Board and of any committee of the Board to which he has been appointed.

(b) A director shall perform his duties as a director, including his duties as a member of any committee of the Board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Association, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

(c) In performing his duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(1) One or more officers or employees of the Association whom the director reasonably believes to be reliable and competent in the matters presented;

(2) Counsel, public accountants or other persons as to matters which the director reasonably believes to be to be within such person's professional or expert competence; or

(3) A committee upon which he does not serve, duly designated in accordance with a provision of these Bylaws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

(d) A director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance described above to be unwarranted.

(e) A person who performs his duties in compliance with this Section shall have no liability by reason of being or having been a director of the Association.

(f) Directors shall serve without compensation for their service in office.

4. Number, Election, and Term.

(a) The number of directors of the Association shall be five (5). These numbers may be increased or decreased from time to time by amendment to these Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director.

(b) The members of the Board shall be elected by written ballot and in no event may proxies be used in electing the Board. Procedures for the election of directors shall conform to Florida Law.

(c) At each annual meeting, directors shall ordinarily be elected to serve a term of two (2) years. It is the intention of the Association that the terms of the directors shall be staggered so that at each annual meeting only one-half (1/2) of the number of directors specified in Section 4 above, or as close to such number as possible, shall be elected; therefore, directors may be elected for a term of one (1) year wherever the circumstances dictate such abbreviated term in order to maintain the intended balance.

(d) Each director elected under this Article shall hold office for the term for which he is elected and until his successor shall have been elected and qualified or until his earlier resignation, disqualification, removal from office or death.

5. Removal of Directors.

(a) Any director, who fails to attend three (3) consecutive meetings, whether annual, regular or special, of the Board without an excused absence, may be removed from the Board by a vote of a majority of the remaining directors, though less than a quorum of the Board so long as a majority of the members consent to such removal. For purposes of this Subsection (a), the nature of an absence, whether excused or unexcused, shall be determined by the President of the Association; provided, however, any absence deemed by the President to be unexcused shall be submitted to the Board (without the affected director being entitled to a vote) for its determination of the nature of the absence, which determination shall be final and binding on all parties concerned.

(b) At a special meeting of the Board called expressly for that purpose, any director may be removed from the Board with or without cause by the unanimous vote of the remaining directors.

(c) Any director or the entire Board may be recalled and removed from office with or without cause, by a majority of the members; provided, however, the question of removal shall be divided so that the removal of each director is considered separately. A special meeting of the membership to recall a director or directors may be called by ten percent (10%) of the Voting Representatives giving notice of the meeting as required for a meeting of the membership, and the notice shall state the purpose of the meeting. If the majority of the members vote to recall one or more directors, the procedures provided under Florida Law shall be followed.

6. Resignation of Directors. A director may resign from the Board by providing written notification of such resignation to the President of the Association, and such resignation shall become effective immediately upon receipt by the President of said written notification or at such later date as may be specified in the notification.

7. Vacancies. Any vacancy occurring in the membership of the Board, other than by removal, including any vacancy created by reason of an increase in the number of directors, may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board. A director so elected shall hold office for the term for which he is elected or for the remainder of the unexpired term of the director he is replacing. Any vacancy resulting from the removal of a director by the membership shall be governed by the provisions of Florida Law

8. Directors' Conflict of Interest.

(a) No contract or other transaction between this Association and one or more of its directors or any other corporation, firm, association or entity in which one or more of the directors are directors or officers or are financially interested shall be either void or voidable because of such relationship or interest or because such director or directors, are present at the meeting of the Board or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purpose, if:

(1) The fact of such relationship or interest is disclosed or known to the Board or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or

(2) The fact of such relationship or interest is disclosed or known to the Voting Representatives entitled to vote, and they authorize, approve or ratify such contract or transaction by vote or written consent; or

(3) The contract or transaction is fair and reasonable as to the Association at the time it is authorized by the Board, a committee or the members.

(b) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies such contract or transaction.

ARTICLE VIII. DIRECTORS' MEETINGS

1. Annual Meetings. The annual meeting of the Board shall be held without notice immediately after the adjournment of the annual meeting of the members, provided a quorum shall then be present. If a quorum is not present, said annual meeting shall be held as soon thereafter as may be practicable on notice as provided at Section 7 below.

2. Regular Meetings. The Board may, by resolution duly adopted, establish regular meetings, which shall thereafter be held without further notice until subsequent resolution altering same.

3. Special Meetings. Special meetings of the Board may be called by the President or on the written request of any two (2) directors.

4. Annual Budget Meetings. An Annual Budget Meeting shall be held during the last month of each accounting year or at such time as the Board shall direct for the purpose of adopting an annual budget for the Association for the coming accounting year. Written notice stating the place, day and hour of the meeting shall be delivered personally by US mail to the address last furnished by the members or electronically transmitted at least fourteen (14) days before the meeting. Notice shall be given each Unit Owner pursuant to Section 7 of Article XIII below.

5. Place of Meetings. Meetings of the Board shall be held at the Tarpon Club or at such other place as the directors may from time to time designate.

6. Open Meetings. Meetings of the Board shall be open to all members and Voting Representatives.

(a) Members or Voting Representatives shall have the right to speak on each agenda item up to three (3) minutes without prior written notice.

(b) Members or Voting Representatives must submit prior written notice to speak on an agenda item for a duration greater than three (3) minutes to a maximum of ten (10) minutes.

7. Notice of Meetings.

(a) Unless otherwise provided, sufficient notice stating the place, day and hour of any meeting of the Board must be given to each director not less than five (5) nor more than thirty (30) days before the directors' meeting, by or at the direction of the President, the Secretary or other persons calling the meeting; provided, however, in the case of an emergency, only such notice as is reasonable under the circumstances need be given.

(b) Additionally, notice of every meeting of the Board, stating the place and time thereof, shall be posted conspicuously on the Condominium Property at least forty-eight (48) hours prior to any such meeting to call the members attention thereto; provided, however, in the event of an emergency such notice shall not be required.

(c) Notice of any meeting in which Non-emergency Assessments against Unit Owners are to be considered for any reason, or bylaws or rule amendments shall be considered shall specifically contain a statement of these considerations and the nature of any changes or assessments. Notice of such meeting shall be mailed, delivered or electronically transmitted to the unit owners and posted conspicuously on condominium property no less than 14 days prior to the meeting.

8. Quorum. A majority of the number of directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board.

9. Voting.

(a) Each director present at any meeting of the Board shall be entitled to one vote on each matter submitted to a vote of the directors. Proxy voting shall not be permitted.

(b) A majority vote by the directors present at a meeting of the Board at which a quorum is present shall be the act of the Board.

(c) A director may join by written concurrence in any action taken at a meeting of the Board, but such concurrence may not be used for the purposes of creating a quorum.

10. Meeting By Communications Equipment. Any action required or which may be taken at a meeting of the Board at which a proper notice or a waiver thereof has been given pursuant hereto may be taken by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

When a telephone conference is used, a telephone speaker shall be attached so that any members or Voting Representative present may hear the discussion.

11. Recordation of Actions. All actions of the Board shall be recorded in minutes. Upon request, such minutes shall be made available for inspection by members, or their authorized representatives, and directors, at any reasonable time.

ARTICLE IX. COMMITTEES

1. Function. Except where specifically delegated authority to act, committees shall serve in an advisory capacity to the Board and the membership, and shall make specific recommendations to the Board and the members regarding those aspects of the business and affairs of the Association to which they have been delegated responsibility.

2. Types of Committees. The Board, by resolution adopted by a majority of the full Board, may appoint such Standing Committees or Ad Hoc Committees as it deems necessary from time to time, including, but not limited to, an Architectural Control Committee.

3. Committee Powers. Any committee shall have and may exercise all the authority granted to it by the Board, except that no committee shall have the authority to:

- (a) Fill vacancies on the Board or any committee thereof;
- (b) Adopt, amend or repeal the Bylaws;
- (c) Amend or repeal any resolution of the Board;
- (d) Act on matters committed by Bylaws or resolution of the Board to another committee of the Board.

4. Appointment. The Board shall appoint committee members of other than purely advisory committees from among the directors or members, of the Association, and shall designate a chairman and a secretary for each committee, which positions may be filled by one or more members. The membership of purely advisory committees may be appointed by the President.

5. Term. The members and officers of each non-advisory committee shall be initially appointed at any meeting of the Board, and, thereafter shall be appointed at the annual meeting of the Board. Said appointees shall take office on the day of such Board meeting and shall hold office until the next annual meeting of the Board and until a successor shall have been appointed, or until his earlier resignation, disqualification, removal from office, death, or until such committee shall terminate, whichever first occurs.

6. Removal of Committee Members. Any committee member may be removed from office at any time, with or without cause, by the Board.

7. Resignation of Committee Members. Any committee member may re-sign there from by providing sufficient notification of such resignation to the President of the Association, and any such resignation shall become effective immediately upon receipt by the President of said written notification or at such later date as may be specified in the notification.

8. Non-advisory Committee Vacancies. Any vacancy occurring in the membership of any committee and any membership thereon to be filled by reason of -an increase in the number of members of a committee shall be filled by the Board'.

ARTICLE X. COMMITTEE MEETINGS

1. Notice of Non-advisory Committee Meetings. Notice for such meetings shall be posted conspicuously on the condominium property at least 48 continuous hours preceding the meeting. Notice of the meeting of any committee created for the purpose of considering the association budget, bylaws, rules and special assessments shall be mailed, delivered, or electronically transmitted to the unit owners and posted at least 14 days prior to the meeting.

2. Quorum. A majority of the number of members of a non-advisory committee shall constitute a quorum for the transaction of business at any committee meeting. Any action required or which may be taken at a committee meeting may be taken by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

3. Non-advisory Committee Voting.

(a) Each committee member present at any meeting of a committee shall be entitled to one (1) vote on each matter submitted to a vote of the committee members; provided, however, proxy voting shall not (shall) be permitted.

(b) A majority vote by the committee members present at a committee meeting at which a quorum is present shall be the act of the committee, unless a greater number is required by resolution of the Board.

ARTICLE XI. OFFICERS

1. Designation. The officers of this Association shall consist of a president, one or more vice-presidents (as determined necessary by the Board), a secretary and a treasurer. The Association shall also have such other officers, assistant officers and agents as may be deemed necessary or appropriate by the Board from time to time.

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2. Duties. The officers of this Association shall have the following duties:

(a) President. The President shall be the chief executive officer of the Association, having general overall supervision of all the business and officers of the Association, subject to the directions of the Board. He shall preside at all meetings of the members and Board, and shall be an ex officio member of all standing committees. He shall execute with the Secretary or any other officer authorized by the Board, any deeds, mortgages, bonds, contracts or other instruments which are duly authorized to be executed, except where the same is required or permitted by law to be otherwise signed and executed, and except where the execution thereof shall be expressly delegated by the Board to some other officer or agent of the Association. He shall perform any and all other duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

(b) Vice-President. In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such duties as from time to time may be assigned to him by the President or by the Board.

(c) Secretary. The Secretary shall maintain and have custody of all of the corporate records except the financial records; shall record the minutes of all meetings of the membership and of the Board, shall send out all notices of meetings, and shall perform any and all other duties incident to the office of Secretary and such other duties as from time to time may be prescribed by the Board or the President.

(d) Treasurer.

(1) The Treasurer shall be responsible for: (a) charge and custody of all corporate funds and financial records, (b) maintaining full and accurate accounts of receipts and disbursements and rendering accounts thereof at the annual meetings of the Board and the membership and whenever else required by the Board or the President, (c) depositing all monies and other valuable effects in the name of and to the credit of the Association in such depositories as may be designated from time to time by the Board, (d) and performing any and all other duties incident to the office of Treasurer and such other duties as may be prescribed by the Board or the President. The Treasurer shall be bonded by the Association.

(2) He shall be responsible for collection of the assessments and shall be responsible for the prompt reporting of the status of collections and of all delinquencies to the Board.

(e) Delegation. The Board of Directors may delegate any or all of the functions of the Secretary or Treasurer, or both, to a management agent or employee, provided that the Secretary or Treasurer shall in such instance be ultimately responsible and shall generally supervise the performance of the agent or employee in the performance of such functions.

3. Election and Term.

(a) At the each annual meeting of the Board, a majority of the directors then in office shall elect the officers of the Association for the ensuing year.

(b) Each officer shall hold office for the term of one (1) year and until his successor shall have been elected and qualified, or until his earlier resignation, disqualification, removal from office or death.

4. Removal of Officers. Any officer or agent elected or appointed by the Board may be removed by the Board, with or without cause whenever in its judgment the best interests of the Association will be served thereby.

5. Resignation of Officers. Any officer or agent elected or appointed by the Board may resign such office by providing written notification of such resignation to the President or to the Secretary of the Association, and such resignation shall become effective immediately upon receipt of said notification or at such later date as may be specified in the notification.

6. Vacancies. Any vacancy, however occurring, in any office, may be filled by the Board. Any officer so elected shall hold office for the unexpired term of the officer he is replacing.

7. Compensation. Officers shall serve without compensation for their service in office.

ARTICLE XII. INDEMNIFICATION OF OFFICERS
AND DIRECTORS

1. Indemnification for Actions, Suits or Proceedings.

(a) The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe this conduct was unlawful. The adverse termination of any action, suit or proceeding by judgment, order, settlement, conviction, or a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner in which he reasonably believed to be in, or not opposed to, the best interests of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association; provided, however, that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Association.

(c) To the extent that a director or officer, of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Subsections (a) and (b), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under Subsections (a) or (b) (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Subsections (a) or (b). Such determination shall be made:

(1) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or

(2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs by independent legal counsel in a written opinion; or

(3) by the members.

(e) Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Subsection (d) upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Section.

2. Other Indemnification. The Indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of the members or disinterested directors, or otherwise, both as to actions in his official capacity and as to actions in another capacity while holding such position and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

3. Liability Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a director or officer of the Association, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association shall have indemnified him against such liability under the provisions of this Article XII.

ARTICLE XIII. ANNUAL BUDGET

1. Adoption by Board. The proposed annual budget for Common Expenses for the Condominium shall be adopted by the Board. Said budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications as required by Florida Law. In addition to annual operating

expenses, unless otherwise waived by the Association pursuant to the Florida Law, the budget shall include reserve accounts for capital expenditures and deferred maintenance. A copy of the proposed annual budget of Common Expenses shall be mailed, by regular mail, to the Unit Owners not less than thirty (30) days prior to the meeting at which the budget shall be considered together with a notice of such meeting. Such meeting shall be open to the Unit Owners and Voting Representatives.

2. Excessive Assessments and Determination of Increase. In the event the adopted budget requires Assessments against Unit Owners in any accounting year exceeding one hundred fifteen percent (115%) of such Assessments for the preceding year, the Board, upon written application of at least ten percent (10%) of the Unit Owners to said Board, shall follow Florida Law. The purpose of the special meeting shall be to consider and enact a budget. The Board may propose a revised budget to the members at such membership meeting, or in writing prior to said meeting.

ARTICLE XIV. ASSESSMENTS

1. Determination and Payment. After adoption of a budget, a determination of the annual Assessment per Unit shall be made by apportioning the total sum of said budget among the Unit Owners according to the percentages for sharing Common Expenses set forth in the Declaration. The Board shall promptly deliver or mail to each Unit Owner or other person designated, in writing, to receive such notice, a statement setting forth the amount of each monthly installment and the dates on which payment is due. Such payments shall be due and payable regardless of whether or not members are sent or actually receive a written notice.

2. Failure to Adopt a Budget. If an annual budget has not been adopted for the accounting year at the start of said year, an Assessment in the amount of the last prior annual Assessment shall continue in force until changed by an amended Assessment.

3. Excess Income. If for any reason, the budget provides income in excess of the Association's needs, such over-assessments shall be retained by the Association in its account to be applied to the next ensuing year's expenses or rebated to the members, at the direction of the Board.

4. Amended Budget. Subject to the requirements of Article XIII above, in the event the annual Assessments proves to be insufficient, the budget and Assessments may be amended at any time by the Board.

5. Special Assessments. The Board shall have power to levy special Assessments as necessary for actual economic needs of the Association with the consent of the members.

ARTICLE XV. RULES AND REGULATIONS

1. Purpose. The Rules and Regulations of the Association shall be a list of certain reasonable restrictions on, and requirements for, the use, maintenance, and appearance of the Condominium Property or portions thereof and any land or facilities subject to the Association powers pursuant to Section 13 of the Declaration. Such Rules and Regulations shall be in addition to all other requirements of the Declaration and the Articles of Incorporation and the Bylaws of the Association.

2. Modification. Rules and Regulations may be modified, amended or repealed and new restrictions and requirements may be adopted from time to time by the majority vote of the Board.

3. Application. Every Unit Owner, occupant, guest and invitee shall be subject to the Rules and Regulations. Current copies shall be furnished to all Unit Owners and occupants on request.

4. Exceptions. The Board may, under special circumstances, waive or vary specific restrictions or requirements in individual cases upon a vote by a supermajority of the entire Board. The Board may impose conditions on any waiver or variance.

ARTICLE XVI. REMEDIES FOR VIOLATION AND DISPUTES

1. Levying Fines. The Board of Directors may levy fines against Unit Owners in accordance with law, for violations of the rules and regulations established by the Association to govern the conduct of occupants of the Condominiums. The Board of Directors may levy a fine against a Unit Owner, not to exceed the maximum amount permitted by law, for each violation by the owner, or his or her tenants, guests or visitors, of the Declarations, Articles, By-Laws, or rules and regulations, and a separate fine for each repeat or continued violation, provided, however, written notice of the nature of the violation and an opportunity to attend a hearing shall be given prior to the levy of the initial fine. No written notice or hearing shall be necessary for the levy of a separate fine for repeat or continued violations if substantially similar to the initial violation for which notice and a hearing was provided. The Board of Directors shall have the authority to adopt rules, regulations and policies to fully implement its fining authority.

2. Notice and Opportunity. The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:

- (a) A statement of the date, time and place of the hearing;
- (b) A statement of the provisions of the Declaration, Association Bylaws, or Association Rules which have allegedly been violated; and
- (c) A short and plain statement of the matters asserted by the Association.

3. Hearing. The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. The hearing shall be conducted before a panel of three (3) Unit Owners appointed by the Board, at least one of which will not be a serving Director of the Board. If the panel, by majority vote which may be taken by secret ballot, does not agree with the fine, it may not be levied.

4. Dispute Resolution by Arbitration. The party against whom the fine is levied may avail themselves of the arbitration procedures set forth in Florida Law.

ARTICLE XVII. INSURANCE, BONDING

1. Insurance. The Board shall obtain and maintain such insurance as is required under Florida Law. The Board may obtain such other insurance as the Board shall determine from time to time to be desirable.

2. Insurance on Units. Each Unit Owner shall be solely responsible for purchasing, at his own expense, liability insurance to cover accidents occurring within his Unit, and for purchasing insurance upon his personal property, including but not limited to the floor coverings, wall coverings and ceiling coverings, and for living expenses. Such policies shall provide that the coverage afforded by such policies is excess over the amount recoverable under any other policy covering the same property without rights of subrogation against the Association.

3. Association's Power to Compromise Claim. The Association is hereby irrevocably appointed agent for each Unit Owner, for the purpose of compromising and settling claims arising under insurance policies purchased

by the Association, and to execute and deliver releases therefore, upon the payment of claims.

4. Institutional Mortgagee's Right to Advance Premium. Should the association fail to pay insurance premiums required hereunder when due, or should the Association fail to comply with other insurance requirements of the Mortgagee(s), said Mortgagee(s) shall have the right, at its option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance, and to the extent of the money so advanced, said Mortgagee shall be subrogated to the Assessment and lien rights of the Association as against the Unit Owners for the payment of such Item of Common Expense.

5. Unit Owners Liability. Anything in this Article XVII to the contrary notwithstanding, each individual Unit Owner shall be responsible for payment of any deductible from insurance proceeds required by the Association's insurance policies in force under the terms of this Article, for any claim arising as a result of the Unit Owner's act or omission, or that of any guest, invitee or lessee of the Unit Owner. The Association shall have the power to assess any Unit Owner for such deductible.

6. Miscellaneous. Premiums for all insurance coverage obtained by the Association, and other expenses in connection with such insurance, shall be paid by the Association and be charged as a Common Expense. All such insurance shall be placed with good and responsible companies, authorized to do business in Florida.

7. Fidelity Bonds. The Association shall provide adequate insurance or fidelity bonding for all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its Management Agent at any one time.

ARTICLE XVIII. BOOKS, RECORDS AND FINANCES

1. Fiscal Year. The fiscal year of the Association shall begin the first day of January in each year. The Board is expressly authorized to change this fiscal year by resolution at any time for the convenience of the Association.

2. Books and Records.

(a) From the inception of the Association, the Association shall maintain a copy of all official records as required by Florida Law

(b) The Association shall maintain on the premises no less than 5 copies of the following official records and their amendments:

1. Declaration
2. Articles of Incorporation
3. Bylaws
4. Rules

Deleted: 5. Minutes of Meetings for a period of 2 years.

(c) The Association shall also maintain on the premises an adequate number of the Question and Answer sheets provided for under Florida Law and year end financial information.

(d) Copies shall be provided at cost to unit owners and prospective purchasers.

3. Funds.

(a) All funds of the Association shall be deposited from time to time to the credit of the Association in one or more such banks, trust companies or other depositories as the Board may from time to time designate, upon such terms and conditions as shall be fixed by the Board. The Board may from time to time authorize the opening and keeping, with any such depository as it may designate, of general and special bank accounts and may make such special rules and regulations with respect thereto, not inconsistent with the provisions of these Bylaws, as it may deem necessary.

(b) The authorized signers on all depository accounts shall be the President, Vice-President, Secretary, Treasurer, or other persons as the Board may from time to time designate. All Checks must be signed by two authorized signers, one of whom must be an officer of the Association. Checks shall be issued only for bills within the provisions of the budget adopted by the Board or pursuant to special appropriations made by the Board.

Deleted: over \$100.00

Deleted: ion; checks for less than \$100.00 may be signed by any one of the authorized signers.

(c) Drafts or other orders for the payment of money, excepting depository accounts, and all notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officers or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the

Board. In the absence of such determination by the Board, such Instruments shall be signed by the Treasurer or an Assistant Treasurer, if any, and countersigned by the President.

4. Financial Information. Within three (3) months following the end of the accounting year of the Association, the Board shall mail or furnish by personal delivery to each Unit Owner a complete financial report of actual receipts and expenditures for the previous accounting year as required under Florida Law.

ARTICLE XIX. EMINENT DOMAIN

1. The Association shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with any condemning authority for acquisition of the common elements, or part thereof.

2. In the event of a taking or acquisition of part or all of the Common Elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association for the use and benefit of the Unit Owners and their mortgagees as their interest may appear. Any such taking or acquisition shall be deemed to be a loss and any award payable as a result of such taking or acquisition shall be distributed or used in accordance in accordance with Article XVII.

ARTICLE XX. NON-PROFIT OPERATIONS

This Association shall not authorize nor issue shares of stock. No dividend will be paid, and no part of the income of this Association will be distributed to its members, directors or officers.

ARTICLE XXII. MODIFICATION OF BYLAWS

These Bylaws may be revised, amended or repealed, at any meeting of the Board by majority vote or of the Membership by a majority vote, as provided for under Florida Law. No amendment to said bylaws shall be adopted that would affect or impair the validity or priority of any mortgage covering any condominium parcel.

ARTICLE XXIII. MISCELLANEOUS

1. Articles and Other Headings. The Articles and other headings contained in these Bylaws are for reference purposes only and shall not affect the meaning or interpretation of these Bylaws.

2. Gender and Number. Whenever the context requires, the gender of all words used herein shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural thereof.

3. Members and Owners. By the terms of the Declaration, all Unit Owners shall be Members and all Members must be Unit Owners; therefore, said designation shall be deemed synonymous.

4. Revocability of Authorizations. No authorization, assignment, referral or delegation of authority by the Board to any committee, officer, agent or other official of the Association shall preclude the Board from exercising the authority required to meet its responsibility for the Operation of the Condominium. The Board shall retain the right to rescind any such authorization, assignment, referral or delegation in its sole discretion.

5. Validity. Should any of the covenants herein imposed be void or become unenforceable at law or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force and effect. Defects or omissions in the Bylaws shall not affect the validity of the Condominium or the title to Condominium Units.

SECRETARY'S CERTIFICATE

THIS IS TO CERTIFY that I am the Secretary of GULF FRONT LAGOON CONDOMINIUM ASSOCIATION, INC., and that the foregoing Bylaws of said Association were duly adopted by the board of Directors of the Association at the meeting of said directors held on JUNE 10th, 2007.

HISTORY OF BYLAWS

The initial Bylaws of GULF FRONT LAGOON CONDOMINIUM ASSOCIATION, INC. were adopted on March 10, 1988. They were significantly amended on JUNE 10th, 2007.

THOMAS J ANNAS
Thomas Annas PRESIDENT
GULFRONT LAGOON CONDO ASSOCIATION.