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Rec 73.00

FIRST AMENDMENT TO WATERWOOD  
DECLARATION OF COVENANTS AND RESTRICTIONS

THIS FIRST AMENDMENT, Made and entered into this 19  
day of December 1980, by WATERWOOD, INC., a Florida corpo-  
ration, hereinafter referred to as "Developer".

W I T N E S S E T H :

WHEREAS, on the 5th day of september, 1980, Developer im-  
posed covenants and restrictions upon the following-described  
real property situate, lying and being in Lake County, Florida,  
to-wit:

All that certain real property described on the Plat  
of WATERWOOD, according to the Plat thereof as re-  
corded in Plat Book 25, Pages 29, 30 and 31, of the  
Public Records of Lake County, Florida

by virtue of that certain WATERWOOD Declaration of Covenants and  
Restrictions dated September 5, 1980, filed for recording Sep-  
tember 19, 1980, and recorded in Official Records Book 709, Page  
337 through 376, inclusive, of the Public Records of Lake County  
Florida, and being sometimes hereinafter referred to as the  
"Declaration"; and

WHEREAS, Developer is desirous of amending the said Decla-  
ration in the manner hereinafter set forth; and

WHEREAS, notice of the proposed amendment hereinbelow set  
forth has been provided to each Owner of a Lot in Waterwood af-  
fected by the Declaration, all in accordance with the requirements  
of Article XV of the Declaration; and

WHEREAS, Article XV of the said Declaration provides for  
amendment by the Owners of at least two-thirds (2/3) of the Lots  
affected by the said Declaration; and

WHEREAS, Developer is the Owner of more than two-thirds (2/3)  
of the affected Lots;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS That the  
Declaration is hereby amended to attach thereto as Exhibits "A"  
and "B", respectively, the Articles of Incorporation of Waterwood  
Community Association, Inc. and the By-Laws of Waterwood Community  
Association, Inc. It is the intent of this Amendment to the Dec-  
laration that wherever said Declaration shall refer to the Articles  
of Incorporation of Waterwood Community Association, Inc., that  
reference shall be to the said Articles of Incorporation of Water-  
wood Community Association, Inc., as set forth in Exhibit "A" at-  
tached hereto, and that wherever said Declaration shall refer to  
the By-Laws of Waterwood Community Association, Inc., such refer-  
ence shall mean and refer to the By-Laws of Waterwood Community  
Association, Inc., as set forth in Exhibit "B" attached hereto.

In all other respects, the Declaration shall remain unaffec-  
ted and in full force and effect.

THIS INSTRUMENT PREPARED BY:

Peter J. Fides, II, Esquire  
Maguire, Voorhis & Wells, P.A.  
180 Park Avenue North, Suite 2-A  
Winter Park, Florida 32789

RECORDED AND RETURNED TO  
CLERK-CIRCUIT COURT  
LAKE COUNTY, FLA.

DEC 29 4 32 PM '80

IT WITNESS WHEREOF, the Developer has hereunto set his hand and seal as of the day and year first above written.

Signed, Sealed and Delivered in the presence of:

WATERWOOD, INC.

James C. Cuckler  
Ray M. Holloway

By: Frank G. Proie  
Frank G. Proie  
President

STATE OF FLORIDA )  
                          )  
COUNTY OF LAKE )

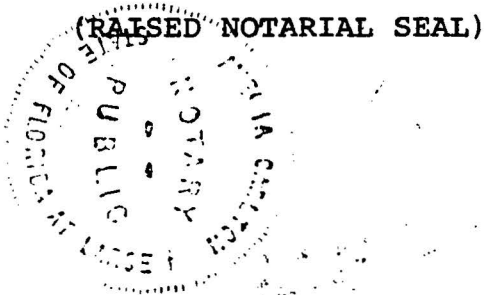
I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgements, personally appeared FRANK G. PROIE, well known to me to be the President of the Developer named in the foregoing Amendment, and that he acknowledged executing the same in the presence of two subscribing witnesses freely and voluntarily for the purposes therein expressed and with the authority, and on behalf of the said corporation.

WITNESS my hand and official seal in the County and State last aforesaid, this 18<sup>th</sup> day of December, 1980.

Amelia Carter  
NOTARY PUBLIC

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE  
MY COMMISSION EXPIRES JULY 16 1984  
BONDED THRU GENERAL INS. UNDERWRITERS



# State of Florida

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Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of WATERWOOD COMMUNITY ASSOCIATION, INC., a corporation not for profit organized under the Laws of the State of Florida, filed on October 28, 1980, as shown by the records of this office.

The charter number for this corporation is 754851.



CER 101 Rev. 5-79

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capital, this the  
28th day of October, 1980.

A handwritten signature in cursive script, appearing to read "George Firestone".

George Firestone  
Secretary of State

EXHIBIT A

ARTICLES OF INCORPORATION  
OF  
WATERWOOD COMMUNITY ASSOCIATION, INC.

FILED

OCT 28 8 20 AM '80

SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

The undersigned, by these Articles, associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes (1979), as amended, and certify as follows:

ARTICLE I  
NAME AND ADDRESS

The name of the corporation shall be WATERWOOD COMMUNITY ASSOCIATION, INC. For convenience, the corporation shall be referred to in this instrument as the "Association", and shall have the following as its office and street address, or such other place as the Board of Directors may designate from time to time:

Waterwood Drive  
Yalaha, Florida 32797

ARTICLE II  
PURPOSE

2.1 The purpose for which the Association is organized is to promote the recreation, health, safety, and welfare of the residents within WATERWOOD development, more particularly described per the recorded Plat of WATERWOOD, as recorded in Plat Book 25, Pages 29, 30 and 31, of the Public Records of Lake County, Florida and such additions thereto as may hereafter be brought within the jurisdiction of this corporation by annexation as provided in Article VIII herein and in the covenants and restrictions hereinafter described, hereafter sometimes referred to as "The Properties".

2.2 The corporation does not contemplate pecuniary gain or profit, direct or indirect, to its members and the Association shall make no distributions of income to its members, directors or officers.

ARTICLE III  
POWERS

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

3.2 The Association shall have all of the powers, authority, and duties set forth in the WATERWOOD Declaration of Covenants and Restrictions recorded in Official Records Book 25, Pages 29, 30 and 31, inclusive, of the Public Records of Lake County, Florida, as amended from time to time, hereinafter sometimes referred to as the "Declaration", and all of the powers and duties necessary to operate and maintain the Waterwood development, including, but not limited to the power to fix and levy assessments against The Properties, which assessments shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in The Properties, and in particular for the improvement and maintenance of properties, services, and facilities devoted to the purpose and related to the use and enjoyment of the Common Properties and of the homes situated upon The Properties. Said powers, authority and duties shall include, but not be limited to:

- a. Payment of Operating Expenses of the Association;

b. Doing any thing or performing any service necessary or desirable, in the judgment of the Association, to keep the subdivision neat and attractive or to preserve or enhance the value of The Properties therein, or to eliminate fire, health or safety hazards, or, which in the judgment of the Association, may be of general benefit to the Owners or occupants of lands included in the subdivision;

c. Doing any act or thing required or permitted by Article III and any and all other provisions of the Declaration.

d. Providing maintenance, operation and repair of sewage disposal and treatment, water supply and water treatment services in accordance with Article VI of the Declaration.

#### ARTICLE IV MEMBERSHIP

4.1 Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by this Association, shall be a Member of the Association for so long as said Member shall own any said Lot, provided that any such person or entity who holds such interest merely as a security for the performance of any obligation shall not be a Member.

#### ARTICLE V VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all those Owners as defined in Article IV, with the exception of the Developer of Waterwood. Class A Members shall be entitled to one vote for each Lot in which they hold the interests required for membership by said Article IV. When more than one person holds such interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. Class B Member shall be the Developer. The Class B Member shall have the following votes, to-wit:

a. Three (3) votes for each Lot owned by said Member.

b. Ten (10) votes for every acre of land which remains undeveloped as a part of the Developer's present general plan of development. Said acreage for the purpose of determining the aforementioned vote totals 21.8 acres, exclusive of the first phase of Waterwood.

The Class B Membership shall cease and become converted to Class A Membership and entitled to vote as such on the happening of any of the following events, whichever occurs earlier:

a. When the total votes outstanding in the Class A Membership equals or exceeds the total votes outstanding in the Class B Membership; or

b. At the expiration of ten (10) years after the date of recording of the Declaration; provided, however, that if a Supplemental Declaration is recorded annexing Additions to Existing Property pursuant to Article II of the Declaration at any time or times prior to expiration of said ten (10) year period (as the same may have been extended by the filing of any Supplemental Declaration) such period shall be extended each time until the expiration of five (5) years from the date of recording of the last such Supplemental Declaration.

From and after the happening of these events, whichever occurs earlier, the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Lot in which it holds the interests required for membership under Article IV.

For so long as the Developer is the owner of five percent (5%) or more of the Lots developed or intended to be developed within the Existing and all future Additions to Existing Properties, as described in the Declaration, no vote, decision, or action which requires an approval or a vote of two-thirds (2/3) or more of the Members of the Association voting on said matter, irrespective of Class, shall be effective or implemented until Developer has approved of or consented to same in writing directed to the Board of Directors of the Association. For the purposes of this paragraph, in computing the number of Lots owned by Developer from time to time, any unplatted land now or hereafter owned by Developer and lying adjacent to the Existing or Additions to Existing Property, as defined in the Declaration, shall be considered to contain the maximum number of Lots allowable under the density provisions of the applicable zoning ordinance, as such provisions exist at the time of such computation.

The vote or votes for each Lot must be cast as a single vote, and fractional votes shall not be allowed. In the event that joint or multiple Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a certain Lot, it shall thereafter be conclusively presumed for all purposes that he was or they were acting with the authority and consent of all other Owners of the same Lot. In the event more than one vote is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

In the event that more than one person shall at any time be the Owner of any Lot, all such persons shall be Members and the vote for each such Lot shall, subject to the provisions of the foregoing paragraph, be exercised as such persons among themselves shall determine. In no event shall more than one Class A vote be cast with respect to any Lot. For purposes of determining the votes allowed under this Article, no tenant or lessee of a Lot shall be entitled to any voting rights in the Association.

#### ARTICLE VI DIRECTORS

6.1 The affairs of the Association shall be managed by a Board of Directors consisting of no less than three (3) Directors, nor more than seven (7); however, the Board shall consist of an odd number. The initial Board of Directors shall consist of three (3) Directors who shall hold office until the election of their successors as specified in the By-Laws. The Directors shall be required to be either (1) Members of the Association, or (2) agents, representatives or employees of the Developer.

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

Frank G. Proie	Sunset Drive Yalaha, Florida 32797
Robert Zahradnik	Sunset Drive Yalaha, Florida 32797
Carrie Zahradnik	Sunset Drive Yalaha, Florida 32797

Replacement Directors shall be elected at the times and in the manner set forth in the By-Laws of the Association.

6.3 The Developer of Waterwood shall be entitled to elect to the Board of Directors a majority of the members thereof until such time as Developer has sold ninety-five percent (95%) of the Lots within both the Existing and all potential Additions to the Existing Properties, as defined in the Declaration.

For the purposes hereof, in computing the number of Lots owned by Developer from time to time, any unplatted land now or hereafter owned by Developer and lying adjacent to the Existing or Additions to Existing Property, as defined in the Declaration, shall be considered to contain the maximum number of Lots allowable under the density provisions of the applicable zoning ordinance, as such provisions exist at the time of such computation.

#### ARTICLE VII OFFICERS

The Affairs of the Association shall be administered by the officers as designated in the By-Laws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association, and they shall serve at the pleasure of the Board of Directors. The officers shall be required to be either (1) Members of the Association, or (2) agents, representatives, or employees of the Developer. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

President:	Frank G. Proie	Sunset Drive Yalaha, Florida 32797
Vice President:	Robert Zahradnik	Sunset Drive Yalaha, Florida 32797
Secretary/Treasurer:	Carrie Zahradnik	Sunset Drive Yalaha, Florida 32797

#### ARTICLE VIII ADDITIONS TO PROPERTIES AND MEMBERSHIP

Additions to The Properties described in Article II may be made only in accordance with the provisions of the Declaration. Such additions, when properly made under the applicable covenants, shall extend the jurisdiction, functions, duties, and membership of this Association to such properties.

#### ARTICLE IX MERGERS AND CONSOLIDATIONS

Subject to the provisions of the Declaration, and to the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation 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 this purpose, written notice of which shall be mailed to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

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ARTICLE X  
DEDICATION OF PROPERTIES OR  
TRANSFER OF FUNCTION TO PUBLIC AGENCY OR UTILITY

The Association shall have power to dispose of its real properties only as authorized under the Declaration.

ARTICLE XI  
INDEMNIFICATION

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

ARTICLE XII  
BY-LAWS

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

ARTICLE XIII  
AMENDMENTS

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

13.1 Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

13.2 A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by two-thirds (2/3) of the Members of the Association. Directors and members not present in person or by proxy at the meeting to consider the amendment may express their approval in writing, provided such approval is delivered to the Secretary prior to such meeting. A resolution adopting a proposed amendment must bear the approval of not less than a majority of the Board of Directors and not less than two-thirds (2/3) of the Members of the Association, irrespective of class.

13.3 In the alternative, an amendment may be made by an agreement signed and acknowledged by all Members of the Association, in the manner required for the execution of a Deed.

13.4 No amendment shall make any changes in, or be effective to impair or dilute any rights of Members that are governed by the Declaration, as, for example, qualification for membership and voting rights of Members, which are part of the property interests created thereby.

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



ARTICLE XIV  
DURATION

The term of the Association shall be perpetual, unless otherwise sooner terminated.

ARTICLE XV  
REGISTERED AGENT

Until resignation or replacement, the registered agent of the Association for purposes of service of process pursuant to Section 617.023, Florida Statutes, shall be Frank G. Proie, Sunset Drive, Yalaha, Florida 32797.

ARTICLE XVI  
SUBSCRIBERS

The name and address of the subscribers to these Articles of Incorporation are as follows:

Frank G. Proie	Sunset Drive Yalaha, Florida 32797
Robert Zahradnik	Sunset Drive Yalaha, Florida 32797
Carrie Zahradnik	Sunset Drive Yalaha, Florida 32797

IN WITNESS WHEREOF the subscribers have hereunto affixed their signatures on the 20<sup>th</sup> day of August, 1980.

\_\_\_\_\_  
FRANK G. PROIE

\_\_\_\_\_  
ROBERT ZAHRADNIK

\_\_\_\_\_  
CARRIE ZAHRADNIK

STATE OF FLORIDA    )  
                          ) SS:  
COUNTY OF ORANGE    )

BEFORE ME, the undersigned authority, on this day personally appeared FRANK G. PROIE, ROBERT ZAHRADNIK and CARRIE ZAHRADNIK, who being duly sworn, acknowledged the execution of the foregoing Articles of Incorporation of Waterwood Community Association, Inc. for the purposes expressed in such Articles.

WITNESS my hand and official seal in the County and State named above, this \_\_\_\_\_ day of \_\_\_\_\_, 1980.

(NOTARIAL SEAL)

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA AT LAKE  
MY COMMISSION EXPIRES APR. 2 1983  
BONDED THRU GENERAL INK UNDERWRITERS

BY-LAWS  
OF  
WATERWOOD COMMUNITY ASSOCIATION, INC.

ARTICLE I. DEFINITIONS

Section 1. "Association" shall mean and refer to the WATERWOOD COMMUNITY ASSOCIATION, INC., a corporation not for profit organized and existing under Chapter 617, Florida Statutes (1979), as amended.

Section 2. The "Declaration" shall mean and refer to that certain Waterwood Declaration of Covenants and Restrictions dated September 5, 1980, filed for recording September 19, 1980, and recorded in Official Records Book 709, Pages 337 through 376, inclusive, of the Public Records of Lake County, Florida.

Section 3. "The Properties" shall mean and refer to the lands situated in the WATERWOOD DEVELOPMENT, more particularly described per the recorded plat of WATERWOOD, as recorded in Plat Book 25, Pages 29, 30 and 31, of the Public Records of Lake County, Florida, and such additions thereto as may hereafter be brought within the jurisdiction of this corporation by annexation as provided in Article VI, Section 3 herein, and in Article II of the Declaration.

Section 4. "Common Properties" shall mean and refer to those areas of land, open spaces, green belts, and all streets located thereon, shown on any recorded subdivision plat of the Existing Property or Additions to Existing Property, as defined in the Declaration, and intended to be devoted to the common use and enjoyment of the Owners of all Lots in The Properties. Except when shown on the plat of any Additions to Existing Properties as "Limited Common Properties", all streets depicted on any plat of The Properties shall be included in the definition of "Common Properties".

Section 5. "Lot" shall mean and refer to any plot of land set aside for purposes of improvement as a residential homesite, intended to be subject to exclusive ownership and possession, and shown upon any recorded subdivision plat of The Properties.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon The Properties, including the Developer with respect to an unsold Lot, but, notwithstanding any applicable theory of the law of mortgages, "Owner" shall not mean or refer to the mortgagee of any Lot unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. Every Owner shall be treated for all purposes as a single Owner for each Lot held, irrespective of whether such ownership is joint, in common or tenancy by the entirety.

EXHIBIT B

Section 7. "Member" shall mean and refer to each Owner who is a member of the Association as provided in Article III, Section 1, hereof.

Section 8. "Developer" shall mean and refer to Waterwood, Inc., a Florida corporation, its successors and assigns.

ARTICLE II. LOCATION

Section 1. The principal office of the Association shall be located at Waterwood Drive, Yalaha, Florida 32797.

ARTICLE III. MEMBERSHIP

Section 1. Every person or entity whose is a record Owner of a fee or undivided fee interest in any Lot which is subject to assessment by the Association shall be a Member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of any obligation shall not be a Member.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each Owner of and becomes a lien upon the property against which such assessments are made as provided by Article VI of the Declaration.

Section 3. The manner of collection of annual and special assessments described in Section 2 hereof, and the effect of non-payment of same shall be as provided for in the Declaration.

ARTICLE IV. VOTING RIGHTS

Section 1. The Association shall have two (2) classes of voting membership:

Class A.

Class A Members shall be all those Owners as defined in Article III, Section 1 herein, with the exception of the Developer. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article III, Section 1. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B.

Class B Member shall be the Developer. The Class B Member shall have the following votes, to-wit:

a. Three (3) votes for each Lot owned by the Developer.

b. Ten (10) votes for every acre of land which remains undeveloped as a part of the Developer's present or future general plan of development. Said acreage for the purpose of determining the aforementioned vote totals approximately 21.8 acres, exclusive of the Existing Property, as defined in the Declaration.

The Class B Membership shall cease and become converted to Class A Membership and entitled to vote as such on the happening of any of the following events, whichever occurs earlier:

a. When the total votes outstanding in the Class A Membership equals or exceeds the total votes outstanding in the Class B Membership; or

b. At the expiration of ten (10) years after the date of recording of the Declaration; provided, however, that if a Supplemental Declaration is recorded annexing Additions to Existing Property pursuant to Article II of the Declaration at any time or times prior to expiration of said ten (10) year period (as the same may have been extended by the filing of any Supplemental Declaration) such period shall be extended each time until the expiration of five (5) years from the date of recording of the last such Supplemental Declaration.

From and after the happening of these events, whichever occurs earlier, the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Lot in which it holds the interests required for membership under Article III.

For so long as the Developer is the owner of five percent (5%) or more of the Lots developed or intended to be developed within the Existing and all future Additions to Existing Properties, as defined in the Declaration, no vote, decision or action which requires an approval or a vote of two-thirds (2/3) or more of the Members of the Association voting on said matter, irrespective of Class, shall be effective or implemented until Developer has approved of or consented to same in writing directed to the Board of Directors of the Association. For the purposes of this paragraph, in computing the number of Lots owned by Developer from time to time, any unplatted land now or hereafter owned by Developer and lying adjacent to the Existing or Additions to Existing Property, as defined in the Declaration, shall be considered to contain the maximum number of Lots allowable under the density provisions of the applicable zoning

ordinance, as such provisions exist at the time of such computation.

The vote or votes for each Lot must be cast as a single vote, and fractional votes shall not be allowed. In the event that joint or multiple Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a certain Lot, it shall thereafter be conclusively presumed for all purposes that he was or they were acting with the authority and consent of all other Owners of the same Lot. In the event more than one vote is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

In the event that more than one person shall at any time be the Owner of any Lot, all such persons shall be Members and the vote for each such Lot shall, subject to the provisions of the foregoing paragraph, be exercised as such persons among themselves shall determine. In no event shall more than one Class A vote be cast with respect to any Lot. For purposes of determining the votes allowed under this Article, no tenant or lessee of a Lot shall be entitled to any voting rights in the Association.

#### ARTICLE V. PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

Section 1. Each Member shall be entitled to the use and enjoyment of the Common Properties and facilities as provided by Article IV, of the Declaration applicable to The Properties.

Section 2. Any Member may delegate his rights and enjoyment in the Common Properties and facilities to the members of his family who reside upon The Properties, to any of his tenants who reside thereon under a leasehold interest, or to his guests, licensees or invitees for the duration of their visit; provided, however, such use shall at all times be consistent with the requirements of the Declaration, the Association Articles of Incorporation, these By-Laws, and the Rules and Regulations of the Association.

#### ARTICLE VI. ASSOCIATION PURPOSES AND POWERS

Section 1. The purpose for which the Association is organized is to promote the recreation, health, safety, and welfare of the residents within the WATERWOOD DEVELOPMENT, and such additions thereto as may hereafter be brought within the jurisdiction of this corporation by annexation or merger.

Section 2. The corporation does not contemplate pecuniary gain or profit, direct or indirect, to its Members and the Association shall make no distributions of income to its Members, directors or officers.

Section 3. Additions to Properties and Membership. Additions to The Properties described in Article I, Section 3 may be made only in accordance with provisions of the Declaration. Such additions, when properly made under the applicable covenants, shall extend the jurisdiction, functions, duties and membership of this corporation to such properties.

Section 4. Mergers and Consolidations. Subject to the provisions of the Declaration, and to the extent permitted by law, the corporation may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that such merger or consolidation shall have the assent of two-thirds (2/3) vote of the Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 5. Dedication, Conveyance or Encumbrance of Properties. The corporation shall have power to convey, dedicate, or encumber its real properties only as authorized in the Declaration.

ARTICLE VII. BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be managed by a Board of Directors consisting of no less than three (3) directors, nor more than seven (7); however, the Board shall consist of an odd number. The initial Board of Directors shall consist of three (3) directors who shall hold office until the election of their successors as specified in Article VIII herein.

Section 2. The names and addresses of the members of the first Board of Directors, who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

Frank G. Proie	Sunset Drive Yalaha, Florida 32797
Robert Zahradnik	Sunset Drive Yalaha, Florida 32797
Carrie Zahradnik	Sunset Drive Yalaha, Florida 32797

Subject to the provisions hereof and of the Declaration and Association Articles of Incorporation, vacancies in the Board of Directors shall be filled by appointment by the remaining directors, any such appointed director to hold office until his successor is elected by the Members, who may make such election at the next annual meeting of the Members or at any special meeting duly called for that purpose.

Section 3. Anything in these By-Laws to the contrary notwithstanding, the Developer shall be entitled to elect to the Board of Directors a majority of the members thereof until such time as Developer has sold ninety-five percent (95%) of the Lots within both the Existing and all potential Additions to Existing Properties.

For the purposes hereof, in computing the number of Lots owned by Developer from time to time, any unplatted land now or hereafter owned by Developer and lying adjacent to the Existing or Additions to Existing Property, as defined in the Declaration, shall be considered to contain the maximum number of Lots allowable under the density provisions of the applicable zoning ordinance, as such provisions exist at the time of such computation.

ARTICLE VIII. ELECTION OF DIRECTORS: NOMINATING  
COMMITTEE: ELECTION COMMITTEE

Section 1. Election to the Board of Directors shall be by written ballot as hereinafter provided. At any election, the Members or their proxies may cast, in respect of each vacancy for which those Members are entitled to vote, as many votes as they are entitled to exercise under the provisions of the Declaration and these By-Laws. The persons receiving the largest number of votes shall be elected.

Section 2. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the Standing Committees of the Association.

Section 3. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more other persons who shall be either (1) Members of the Association, or (2) agents, representatives, or employees of the Developer. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting.

Section 4. The Nominating Committee shall make as many nominations for the election to the Board of Directors as it shall in

its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members of the committee as the committee in its discretion shall determine. Nominations shall be placed on a written ballot as provided in Section 5 and shall be made available in advance of the time fixed in Section 5 for the mailing of such ballots to Members.

Section 5. All elections to the Board of Directors shall be made on written ballot which shall: (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominating Committee for such vacancies; and (c) contain a space for write-in vote by the Members for each vacancy. Such ballots shall be prepared and mailed by the Secretary 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 day before the annual meeting or special meeting called for the elections).

Section 6. Each Member shall receive as many ballots as he has votes. Notwithstanding the fact that a Member may be entitled to several votes, he shall exercise on any one ballot only one vote for each vacancy shown thereon. The completed ballot shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot, and the Members shall be advised that because of the verification procedures of Section 7, the inclusion of more than one ballot in any one "Ballot" shall disqualify the return. Such "Ballot" envelope, or envelopes (if a Member or his proxy is exercising more than one vote), shall be placed in another sealed envelope which shall bear on its face the name and signature of the Member or his proxy, the number of ballots being returned, and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary at the following address:

Post Office Box 337  
Yalaha, Florida 32797

Section 7. Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set for the annual or other special meeting in which the elections are to be held. On that day the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to an Election Committee which shall consist of five (5) members appointed by the Board of Directors. The Election Committee shall then adopt a procedure which shall: (a) establish that the number of envelopes marked "Ballot" corresponds to the number of votes allowed to the Member or his proxy identified on the outside envelope containing them; and (b) verify that the signature of the Member or his proxy on the outside envelope is genuine;



and (c) if the vote is by proxy that a proxy has been filed with the Secretary as provided in Article XIV, Section 2, and that such proxy is valid. Such procedure shall be designed and carried out in such manner that the vote of any Member or his proxy shall not be disclosed to anyone, even the Election Committee.

The outside envelopes shall thereupon be placed in a safe or other locked place and the Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one "Ballot", all such ballots shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is demanded by the Members present, the ballots and the outside envelopes shall be destroyed.

ARTICLE IX. POWERS AND DUTIES OF THE  
BOARD OF DIRECTORS

Section 1. A Board of Directors shall have power:

(a) To call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article XIII, Section 2 herein.

(b) 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.

(c) To establish, levy and assess, and collect the assessments or charges referred to in Article III, Section 2, herein, and in Article VII of the Declaration.

(d) To adopt and publish Rules and Regulations governing the use of the Common Properties and facilities and the personal conduct of the Members and their guests or tenants thereon.

(e) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, by the Declaration, the Articles of Incorporation and these By-Laws; subject, however, to the limitations therein and herein contained.

(f) In the event that any member of the Board of Directors of this 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.

Section 2. It shall be the duty of the Board of Directors:

(a) To cause to be kept a complete record of all of 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 is requested in writing by one-fourth (1/4) of the voting membership, as provided in Article XIII, Section 2.

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

(c) As more fully provided in Article VII of the Declaration:

(1) To fix the amount of the assessment against each Lot for each assessment period;

(2) To prepare a roster of the Properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member, and;

(3) To send written notice of each assessment to every Owner subject thereto.

(d) To issue, or to cause an appropriate officer to issue, upon demand by any person a recordable certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

(e) To act as an Architectural Review Board pursuant to the provisions of Article VIII of the Declaration.

ARTICLE X. DIRECTORS' MEETING

Section 1. A regular meeting of the Board of Directors shall be held on the 5th day of each month at 12:00 o'clock noon, provided that the Board of Directors may, by resolution, change the day and hour of holding such regular meeting.

Section 2. Notice of such regular meeting is hereby dispensed with. If the day for the regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need be given.

Section 3. 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 4. A transaction of any business at any meeting of the Board of Directors, however called and noticed, or whenever held, shall be 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 a holding of such meeting, or approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made part of the minutes of the meeting.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof.

#### ARTICLE XI. OFFICERS

Section 1. The officers shall be a President, a Vice President, a Secretary, and a Treasurer. The President and Vice President shall be members of the Board of Directors.

Section 2. The officers shall be chosen by the majority of the Board of Directors.

Section 3. All officers shall hold office during the pleasure of the Board of Directors.

Section 4. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and sign all notes, checks, leases, mortgages, deeds and all other written instruments.

Section 5. The Vice President shall perform all duties of the President in his absence.

Section 6. The Secretary shall be the ex-officio Secretary to the Board of Directors, and shall record the votes and keep minutes of all proceedings in a book to be kept for that purpose. He shall sign all certificates of membership. He shall keep the records of the Association. He shall record in a book kept for that purpose the names of all Members of the Association together with their addresses as registered by such Members.

Section 7. The Treasurer shall receive and deposit in an appropriate bank account all moneys of the Association and shall disburse all 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.

Section 8. The Treasurer shall keep proper books of account and cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

#### ARTICLE XII. COMMITTEES

Section 1. The Standing Committees of the Association shall be: the Nominations Committee, the Recreation Committee, the Maintenance Committee, the Publicity Committee and the Audit Committee.

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 for Board contact. Committees shall be appointed by the Board of Directors prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting. The Board of Directors may appoint such other committees as it deems desirable.

Section 2. The Nominations Committee shall have the duties and functions described in Article VIII herein.

Section 3. The Recreation Committee shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines.

Section 4. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Properties and facilities of the Association, and shall perform such other functions as the Board, in its discretion, determines.

Section 5. The Publicity Committee shall inform the Members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association.

Section 6. The Audit Committee shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting as provided in Article XI, Section 8. The Treasurer shall be an ex-officio member of the committee.

Section 7. With the exception of the Nominations Committee, each committee shall have power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

Section 8. It shall be the duty of each committee to receive complaints from Members about any matter involving Association functions, duties, and activities within 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. All such actions or decisions shall be subject to review by the Board of Directors.

### ARTICLE XIII. MEETINGS OF MEMBERS

Section 1. The regular annual meeting of membership shall be held on the third Saturday of the month of June in each year, at the hour of 12:00 o'clock, noon. If the day for the annual meeting of the members shall fall upon a holiday, the meeting will be held on the same hour on the first day following which is not a holiday.

Section 2. Special meetings of the Members for any purpose may be called at any time by the President, the Vice President, the Secretary or Treasurer, or by any two (2) or more Members of the Board of Directors, or upon written request of the Members who have a right to vote one-fourth (1/4) of all the votes of the entire membership or who have a right to vote one-fourth (1/4) of the votes of the Class "A" membership.

Section 3. Notice of any meetings shall be given to the Members by the Secretary. Notice may be given to the Member either personally or by sending a copy of the notice through the mails, postage thereon fully prepaid, to his address appearing on the books of the corporation. Each Member shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any meeting, regular or special, 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 VIII herein or any action governed by the Articles of Incorporation or by the Declaration applicable to The Properties, notice of such meeting shall be given or sent as therein provided.

Section 4. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action governed by these By-Laws. Any action governed by these By-Laws, the Articles of Incorporation or by the Declaration shall require a quorum as therein provided.

ARTICLE XIV. PROXIES

Section 1. At all corporate meetings of Members, each Member shall vote either in person or by proxy in order for such vote to be effective.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond the meeting for which it was given, and any adjournments thereof. Every proxy shall automatically cease upon sale by the Member of his home, Lot, or other interest in The Properties.

ARTICLE XV. BOOKS AND PAPERS

Section 1. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection by any Member.

ARTICLE XVI. CORPORATE SEAL

Section 1. The Association shall have a seal in circular form having within its circumference the words: Waterwood Community Association, Inc.

ARTICLE XVII. AMENDMENT

Section 1. These By-Laws may be amended, at any regular or special meeting of the Members, by a vote of two-thirds (2/3) of the Members present in person or by proxy, provided that those provisions of these By-Laws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or 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.

Section 2. In the case of any conflict between the Articles of Incorporation or the Declaration and these By-Laws, the Articles or Declaration shall control; and in the case of any

conflict between the Declaration and these By-Laws or the said Articles, the Declaration shall control.

IN WITNESS WHEREOF, the undersigned, being all of the Directors of Waterwood Community Association, Inc., have hereunto set their hands this 20<sup>th</sup> day of August, 1980.

Frank G. Proie  
FRANK G. PROIE

Robert Zahradnik  
ROBERT ZAHRADNIK

Carrie Zahradnik  
CARRIE ZAHRADNIK