

**BY-LAWS
OF
SURF CREST VILLAGE SERVICE INCORPORATED**

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SURF CREST VILLAGE SERVICE INCORPORATED

(A corporation organized not for profit under the laws of the State of Florida)

1.00 GENERAL

1.01 Identity. These are the By-Laws of SURF CREST VILLAGE SERVICE INCORPORATED, a corporation organized not for profit under the laws of the State of Florida, hereinafter referred to as the "Association".

1.02 Office. The office of the Association shall be at 1050 ALA South, St. Augustine, Florida, 32084, or such other place as the Board of Directors may determine from time to time.

1.03 Fiscal Year. The fiscal year of the corporation shall be September 1 through August 31.

1.04 Seal. The seal of the corporation shall bear the name of the corporation, the word "Florida", the words "corporation not for profit", and the year of incorporation.

2.00 MEMBERSHIP

2.01 Qualifications. The members of the Association shall consist of all of the following:

Class A--Every owner of each and every of the lots of SURF CREST VILLAGE, A Planned Single Family Development, according to map or plat thereof at Map Book 13, Pages 11 through 13, Public Records of St. Johns County, Florida is a Class A member, whether such person or corporation has acquired the ownership by purchase, gift, conveyance or transfer by operation of law, or otherwise. Class A members are bound by the Certificate of Incorporation, the By-Laws of this corporation, and the Deed Restrictions. Each lot owner, upon acquiring title, automatically becomes a Class A member of this corporation and his Class A membership shall cease and terminate upon the sale, transfer, or disposition of the member's lot. Upon becoming qualified to vote, as established by the next paragraph, each member shall have one vote and where lots are owned by more than one member, the total number of votes to be cast shall not exceed, among all the owners, one vote per lot.

Class B--Class B members are the signers to these By-Laws and the Articles of Incorporation. The Class B members shall be the only voting members of the corporation until eighty per cent (80%) of the lots in SURF CREST VILLAGE, a Planned Single Family Development, according to map or plat thereof recorded in Map Book 13, Pages 11 through 13, Public Records of St. Johns County, Florida, are sold and conveyed as evidenced by the public records of St. Johns County, Florida, or such prior time as the Class B members shall determine, in their sole judgment, as evidenced by an amendment to the By-Laws of this corporation, at which time the Class A members shall become voting members of the corporation. At that time Class B membership shall terminate.

2.02 Change of Membership. Change of membership in the Association shall be established by recording in the public records a deed or other instrument establishing a record title to a lot in SURF CREST VILLAGE, A Planned Single Family Development, according to map or plat thereof recorded in Map Book 13, Pages 11 through 13, Public Records of St. Johns County, Florida and the delivery to the Association of a certified copy of such instrument. The owner designated by such instrument thereby shall become a member of the Association and the membership of the prior owner shall be thereby terminated.

2.03 Voting Rights. Each lot owner may cast one vote on any matter regarding the SURF CREST VILLAGE, A Planned Single Family Development, according to map or plat thereof recorded in Map Book 13, Pages 11 through 13, Public Records of St. Johns County, Florida, the By-Laws, the Articles of Incorporation, and the Declaration of Restrictions. When a lot is owned by more than one person or corporation, the entire number of such owners of a lot, together, may cast only one vote per lot, provided, however, no person or corporation holding Class A membership shall be entitled to vote until eighty per cent (80%) of the lots in SURF CREST VILLAGE, A Planned Single Family Development, according to map or plat thereof recorded in Map Book 13, Pages 11 through 13, Public Records of St. Johns County, Florida, are sold and conveyed as evidenced by the Public Records of St. Johns County, Florida.

2.04 Designation of Voting Representative. If a unit is owned by one person, his right to vote shall be established by the record title to his lot. If a lot is owned by more than one person, the person entitled to cast the vote for the lot shall be designated by a certificate signed by all of the record owners of the lot and filed with the Secretary of the Association. If a lot is owned by a corporation, the person entitled to cast the vote for the corporation for the lot shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the lot concerned. A certificate designating the person entitled to cast the vote of a lot may be revoked by any owner thereof.

2.05 Approval or Disapproval of Matters. Whenever the decision of a lot owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if at an Association meeting, unless the joinder of all owners is specifically required by the Declaration of Restrictions, the Articles of Incorporation, or these By-Laws.

3.00 MEMBERS MEETINGS

3.01 Annual Members Meetings. The annual members meeting shall be held at the office of the Association at 2:00 P.M., Eastern Standard Time, on the last Sunday in August, of each year, commencing in 1978, for the purpose of electing Directors and for the transaction of such other business authorized to be transferred by the members. If the day fixed for the annual meeting shall be a legal holiday, the meeting shall be held at the same hour on the next succeeding business day which is not a holiday. The annual meeting may be waived by unanimous agreement, in writing, of the members.

3.02 Special Members Meeting. Special members meetings may be called by the President, the Board of Directors, or written requests of members entitled to cast 50% of the votes of the entire membership.

3.03 Notice of All Members Meetings. Notice of all members meetings stating the time and place and the objects for which the meeting is called shall be given to all persons entitled to vote, unless waived in writing. Such notice shall be in writing and furnished to all persons entitled to vote at his address as it appears on the books of the corporation and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by affidavit of the persons giving the notice. Notice of meetings may be waived before or after meetings.

3.04 Quorum. A quorum at members meetings shall consist of persons entitled to cast a majority of votes of the Association. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the members, except where approval by a greater number of members is required by the Declaration of Restrictions, the Articles of Incorporation, or these By-Laws. The joinder of the members in the action of the meeting by signing and concurring in the Minutes thereof shall constitute the presence of such member for the purpose of determining a quorum.

3.05 Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote, shall be valid only for the particular meeting designated therein, and must be filed with the Secretary before the appointed time of the meeting or any adjournment thereof.

3.06 Adjourned Meetings. If any meeting of the members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

3.07 Order of Business. The order of business at annual meetings and as far as practical at all other members meetings shall be:

- (1) Calling of the roll and certifying of proxies;
- (2) proof of notice of the meeting or waiver of notice;
- (3) reading and disposal of any unapproved minutes;
- (4) reports of officers;
- (5) reports of committees;
- (6) election of directors;
- (7) unfinished business;
- (8) new business;
- (9) adjournment.

4.00 BOARD OF DIRECTORS

4.01 Membership. The affairs of the Association shall be managed by a Board of five Directors. Each Director shall be a person entitled to cast a vote in the Association.

4.02 Election. Election of the Directors shall be conducted in the following manner:

- (1) Election of Directors shall be held at the annual members meetings.
- (2) Nominations shall be from the floor.
- (3) The election shall be by ballot, (unless dispensed by unanimous consent), and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.
- (4) Except as to vacancies provided by removal of Directors by members, vacancies on the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.
- (5) Any Director may be removed by concurrence of two-thirds of the votes of the entire membership at a special meeting of the membership called for that purpose. The vacancy on the Board of Directors so created shall be filled by the members of the Association at the same meeting.

4.03 Powers and Duties of the Board of Directors. All of the powers and duties of the Association existing under the State of Florida, Articles of Incorporation, Declaration of Restrictions, and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors, or employees, subject only to approval by lot owners when such approval is specifically required, including, but not limited to:

- (a) Assessments. To make and collect assessments against members to defray the costs and expenses of SURF CREST VILLAGE, A Planned Single Family Development, according to map or plat thereof recorded in Map Book 13, Pages 11 through 13, Public Records of St.

Johns County, Florida.

(b) Disbursements. To use the proceeds of the assessments in the exercise of its power and duties.

(c) Maintenance. To maintain, repair, replace and operate the SURF CREST VILLAGE, A Planned Single Family Development, according to map or plat thereof recorded in Map Book 13, Pages 11 through 13, Public Records of St. Johns County, Florida.

(d) Insurance. To purchase insurance upon the SURF CREST VILLAGE, A Planned Single Family Development, according to map or plat thereof, recorded in Map Book 13, Pages 11 through 13, Public Records of St. Johns County, Florida, property and insurance for the protection of the Association and its members.

(e) Reconstruction. To reconstruct improvements after casualty and further improve SURF CREST VILLAGE, A Planned Single Family Development, according to map or plat thereof, recorded in Map Book 13, Pages 11 through 13, Public Records of St. Johns County, Florida.

(f) Regulation. To make and amend reasonable rules and regulations respecting the use of the property in the SURF CREST VILLAGE, A Planned Single Family Development, according to map or plat thereof, recorded in Map Book 13, Pages 11 through 13, Public Records of St. Johns County, Florida.

(g) Approval. To approve or disapprove the transfer, mortgage and ownership of lots in the manner provided by the Declaration.

(h) Acquire Interest. To acquire and enter into agreements whereby it acquires leaseholds, memberships and other possessory or use interests in lands for facilities whether or not contiguous to the lands of SURF CREST VILLAGE, A Planned Single Family Development, according to map or plat thereof, recorded in Map Book 13, Pages 11 through 13, Public Records of St. Johns County, Florida, intended to provide for the enjoyment, recreation or other use and benefit of the lot owners and to declare expenses in connection therewith to be common expenses.

(i) Enforcement. To enforce by legal means the provisions of the Declaration of Restrictions, the Articles of Incorporation, the By-Laws and the regulations for the use of the property of SURF CREST VILLAGE, A Planned Single Family Development, according to map or plat thereof, recorded at Map Book 13, Pages 11 through 13, Public Records of St. Johns County, Florida.

(j) Purchase Lots. To purchase lots in SURF CREST VILLAGE, A Planned Single Family Development, according to map or plat thereof, recorded in Map Book 13, Pages 11 through 13, Public Records of St. Johns County, Florida, subject to the provisions of the Declaration of Restrictions.

5.00 OFFICERS

5.01 Officers and Election. The executive officers of the Association shall be a President, a Secretary, a Treasurer and Vice President, all of whom shall be elected annually by the Board of Directors and who may be removed by a vote of the Directors at any meeting. The President shall not also be the Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.02 President. The President shall be the chief executive officer of the Association. He shall have all the powers and duties which are usually vested in the office of the President from an Association, including but not limited to, the power to appoint committees from among the members from time to time as he may at this discretion determine appropriate; to assist in the conduct of the affairs of the Association. He shall serve as Chairman of all members meetings.

5.03 Secretary. The Secretary shall keep the minutes of all proceedings of the members. He shall attend to the giving and serving of all notice to the members and Directors and other notices required by law. He shall keep the records of the Association, and shall perform all other duties incident to the office of Secretary of an association as may be required by the Directors or the President.

5.04 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

5.05 Vice President. The Vice President shall assist the President of the Association. He shall perform all duties incident to the office of Vice President of an association as may be required by the Directors or the President. The Vice President shall perform as required by the President.

5.06 Compensation. The compensation of all officers shall be fixed by the members at their annual meeting. No officer who is a designate of the developer shall receive any compensation for his services as such.

5.07 Indemnification of Directors and Officers. Every Director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed by him in connection with 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, or any settlement thereof, 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 shall apply only when the Board of Directors approve such settlement and reimbursement as being for the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all of the rights to which such Director or officer may be entitled.

6.00 FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration shall be supplemented by the following provisions:

6.01 Accounts. The funds and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate.

(a) Current Expenses. Current expenses shall include all funds and expenditures to be made within the year for which the funds are budgeted and may include a reasonable allowance for contingencies and working funds. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expenses for the succeeding year or to reserves.

(b) Reserves for Deferred Maintenance and Replacement. Reserves for deferred maintenance and replacement shall include funds for maintenance items which occur less frequently than annually and for repair or replacement required because of damage, depreciation or obsolescence.

6.02 Budget. The Board of Directors shall adopt a budget for each fiscal year which shall include the estimated funds required to defray the current expenses and may provide funds for the foregoing reserve.

6.03 Assessments. Assessments against the lot owners for their shares of the items of the budget shall be made for the fiscal year annually in advance on or at the annual meeting for which assessments are made. Such assessments shall be due in twelve (12) equal monthly payments, one of which shall come due on the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly payments thereon shall be due upon the first day of each month until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments therefor may be amended at any time by the Board of Directors. The unpaid assessments for the remaining portion of the fiscal year for which the amended assessment is made shall be due on the first day of the month next succeeding the month in which such amended assessment is made or is otherwise provided by the Board of Directors.

6.04 Depository. The depository of the Association will be such banks and/or savings and loan association as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawals of monies from such accounts shall be only by check signed by persons authorized by the Directors.

6.05 Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors of all persons handling or responsible for Association funds. The amounts of such bonds shall be determined by the Directors. The premiums on such bonds shall be paid by the Association.

7.00 PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Restrictions, Articles of Incorporation, or these By-Laws.

8.00 AMENDMENT

The By-Laws may be amended in the manner set forth in the Articles of Incorporation.