

BY-LAWS
OF
GRANT'S MILL OWNERS ASSOCIATION, INC.
A Not-for-Profit Corporation

ARTICLE 1 - PURPOSE AND SCOPE OF BY-LAWS

1. The purpose of these By-Laws is to provide a framework of procedures to be followed and utilized by the Members of the Grant's Mill Owners Association, Inc., ("OA") in the management of its affairs.

2. To some measure, many of the provisions hereof have been set forth in the Declaration of Restrictions, Covenants and Conditions of Grant's Mill (herein "Declaration") and in the event of any conflict between this document and the Declaration, the latter document shall prevail if not contrary to the law.

3. Matters not addressed hereby shall be governed by the provisions of Chapter 617, Florida Statutes.

ARTICLE II - MEETINGS

1. **Annual Meeting.** There shall be an annual meeting of the members of the OA on the second Monday of November of each year, commencing with the year of 2004, at a time and place declared for such purposes by the Board of Directors, in Washington County, Florida. The annual meeting shall be preceded by thirty (30) days' notice before the date of the meeting. The meeting shall be held after 5:00 P. M. prevailing time.

2. **Special Meetings.** A special meeting of the members may be called for any purpose at any time by the President, by Resolution of the Board of Directors and by Petition of not less than one-third of the Members of the Association owning one-third (1/3) of the Lots in the Subdivision who are entitled to vote. Notice of a special meeting shall comply with the notice requirements for an annual meeting.

3. **Notice and Waiver.** Notice of a meeting of the Members shall be given in written form by the Secretary of the

MA to every Member or Lot Owner at least thirty (30) days before the date of the meeting, by mailing a copy of the notice to the last known address reflected on the books of the MA, postage prepaid, or by posting a copy of the notice of the meeting on the front door of the dwelling of a Lot Owner, provided the Owner resides in the dwelling, and if he does not, notice of meeting shall be furnished by mail service. Notice shall be deemed to have been given upon the deposit of the notice into a mailing depository of the United States Postal Service. The notice must state the purpose of the meeting and the date, time and place thereof. The notice shall be sufficient for that meeting and any adjournment thereof. Any member may waive notice of any meeting either before or after the meeting. Each Owner of a Lot appoints any other Owner of the same Lot as his agent to receive notice of any Member meeting and notice of any meeting to an Owner of a Lot shall be notice to all Owners of a Lot.

4. **Quorum.**

(a) A quorum shall consist of one-third (1/3) of the Lot Owners entitled to vote who are present at the meeting or who appear by proxy. A majority vote of those present shall control in all instances except as hereinafter provided.

(b) A majority vote (51%) of the Lot Owners entitled to vote shall be required to modify the Declaration (except for the Protective Covenants which cannot be changed); to terminate the Declaration (but only after the initial twenty-five (25) year term); to increase the annual assessment by more than ten percent (10%); to impose a special assessment, and to change these By-Laws. Other matters requiring a like vote is any merger, consolidation, etc.

5. **Voting.** Every person having an interest in a Lot shall be a Member of the OA. There cannot be more than one vote per Lot. All Owners of a Lot must agree to the vote on behalf of a Lot in those instances where a Lot is owned by more than one person; otherwise, the vote will be invalid and will not count. Any person having an interest in a Lot may give his proxy to any other Owner of the same Lot for voting purposes or to any third person. If a proxy is given for a particular meeting, the proxy is good for all matters that might come before that meeting unless restricted and for any reconvened meeting following an adjournment of that meeting. All persons voting by proxy must register the right to vote

their proxy with the recording secretary of the meeting. The recording secretary shall make a record of who is entitled to vote on behalf of another member.

6. Proxy.

(a) The following form of Proxy shall be used for Member voting:

I hereby represent that I am the Owner or have an ownership interest in Lot No. _____ of Grant's Mill Phase I, as per plat on file in the Official Records of Bay County, Florida. As an Owner, I hereby appoint _____

of _____ (Name and Address) to be my Proxy to attend the meeting of the Members of Grant's Mill Owners Association, Inc., to be held between the dates of _____ and _____

and to any continuation thereof, with full power to vote and act for me in my name and place, in the same manner, to the same extent and with the same effect as I might vote if I were present at said meeting or meetings, with full power of substitution and revocation.

Dated this _____ day of _____.

Member

(b) Any other proxy form other than the one in (a) above may be used to designate a proxy for a particular meeting, a single issue or all issues presented at such meeting or for any and all meetings during the calendar year in which the proxy was executed.

ARTICLE III - DIRECTORS

1. Board of Directors. The business and affairs of the

MA shall be managed by a Board of Directors. The Board of Directors shall be elected at each annual meeting of the members for a term of one (1) year, and shall serve until the election and acceptance of their successors. Vacancies in the Board of Directors shall be filled by the remaining Board of Directors.

2. **Regular Meeting.** A regular meeting of the Board of Directors shall be held immediately following the annual meeting each year and at such other times as the Board may declare or so fix.

3. **Special Meetings.** Special meetings of the Board of Directors may be called at any time and place by the President or by a Member of the Board of Directors on at least five (5) days notice before the date of the meeting or at any time and place by unanimous written consent of all directors or by the presence of members of the Board of Directors at such meeting if those not present have waived notice of the meeting at any time. Notice of the meeting shall be given in the same manner as such notice is given for a meeting of the Members, i.e., mailing or posting.

4. **Quorum.** A quorum at a meeting shall consist of a majority of the Board. A majority of such quorum shall decide any questions that may come before the meeting. If any meeting has less than a quorum present, the Directors who are present or a majority of them may adjourn the meeting to another time and place. Members shall be deemed present at the meeting if a conference telephone or similar communication equipment is used by which all persons participating in the meeting can hear each other.

5. **Number of Directors.** The Board of Directors shall consist of not less than three (3) members and not more than five (5) members.

6. **Election of Officers.** Officers of the MA shall be elected by the Board of Directors. If any office becomes vacant, the Board of Directors shall fill the vacancy. Any officer elected or appointed may be removed with or without cause by a majority of the Board of Directors.

**ARTICLE IV - OFFICERS OF THE
MAINTENANCE ASSOCIATION**

1. **Officers.** The officers of the OA shall be a President, Vice President, Secretary and Treasurer, all of whom shall be a Director. The Directors may also create additional offices and elect such additional and assistant officers as deemed necessary. The additional officers need not be directors. All officers shall be elected annually at the regular meeting of the Board of Directors following the annual meeting of the Members. All officers shall be elected for a term of one (1) year unless sooner removed by the Board of Directors, and shall hold office until a successor is elected and accepted the responsibility of the office. A Member of the Board of Directors may serve as more than one officer with the exception of the President who cannot serve as Vice President.

(a) **President.** The President shall be the chief executive officer of the OA. The President shall preside as chairman of all meetings of the Board of Directors and meetings of the Members and be responsible for the general supervision of the affairs of the MA, make reports to the Board of Directors and the members of the OA, execute all documents in the name of the MA and inscribe the seal where necessary or requested. He shall perform such other duties incidental to his or her office or which are properly required of him or her by the Board of Directors.

(b) **Vice President.** In the absence of the President, the Vice President shall act in his place and stead, unless his powers are otherwise limited by the Board of Directors.

(c) **Secretary.** The secretary of the OA shall have custody of and shall maintain all corporate records, with the exception of the financial records. He or she shall serve as recorder of the Minutes of all meetings of the Members and the Board of Directors, send out all notices of meetings, attest the seal of the Corporation where necessary or required, and perform such other duties as may be prescribed by the Board of Directors. Notwithstanding the provisions hereof, someone other than the elected secretary may be designated to serve as recording secretary of any meeting. The elected Secretary

shall serve as the Assistant Treasurer when the Treasurer is absent or unavailable.

(d) Treasurer. The Treasurer shall have custody of all corporate funds and financial records, and shall keep an accurate account of receipts and disbursements and render an accounting thereof at the annual meeting of the Members, and perform such other tasks as prescribed by the Board of Directors. The elected Treasurer shall also serve as an Assistant Secretary when the Secretary is absent or unavailable.

2. Removal of Officers. All officers may be removed from office with or without cause by a vote of not less than a majority of the whole membership of the Board of Directors at any regular or special meeting.

ARTICLE V - BANK ACCOUNTS AND INSURANCE

1. Bank Accounts. The Bank Account of the OA shall require the signature of the President and the Treasurer. If the President is absent or not available, the Vice President shall sign in place of the President and if the Treasurer is absent or unavailable, the Secretary shall sign in place of the Treasurer.

That portion of the budget allocated to road maintenance shall be placed in an interest-bearing trust account and allowed to accumulate until such time as the road of the OA is in need of substantial repairs or replacement. The Road Reserve Account is based on the initial cost of \$100,000.00 for the construction and its replacement at the end of twenty (20) years. This fund cannot be used for ordinary, usual and recurring maintenance costs and expenses and is to be treated as a trust fund.

2. Insurance. The OA shall, to the extent the insurance is available, secure and maintain commercial general liability insurance coverage on all common properties; officers and directors liability insurance; employee fidelity coverage in an amount not less than the sum of all annual dues plus accumulated funds on deposit, and such other insurance coverages required by law and in amounts deemed acceptable to the Board of Directors where the minimum amount of coverage is

not provided for.

ARTICLE VI - SEAL

The seal of the MA shall consist of a flat faced circular disc with the name of the OA and the word "SEAL" inscribed thereon and may be facsimile, engraved, printed, or an impression seal. Irrespective of the above, the MA, by and through its executing officers of a particular document, may adopt any other form of seal on behalf of the MA which includes the word "SEAL", which shall have the same force and effect of the adopted seal, or alternatively, the MA may waive the use of any seal.

ARTICLE VII - AMENDMENTS

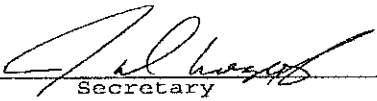
1. **Amendment by Board of Directors.** The Board of Directors may amend these By-Laws consistent with any By-Laws adopted by the Members or any part thereof or that has not been adopted by the Members, and may repeal any provision of the By-Laws that was not proposed or adopted by the Members, at any Directors' meeting, by majority vote of the Board of Directors if the notice of proposed action was included in the notice of the meeting or if waived in writing by a majority of the Directors.

2. **Amendment by Members.** The members of the OA may amend, repeal or alter these By-Laws, in whole or in part, at any meeting, regular or special, by a majority vote of all Lot Owners (51%) entitled to vote, if the proposed Amendment or change was included in the notice of the membership meeting. In the absence of any waiver of the notice of the meeting or by written document signed by fifty-one percent (51%) of the Lot Owners entitled to vote.

3. **Limitations.** The Board of Directors may not change a By-Law or an Amendment to the By-Laws or repeal any By-Law adopted by the Members (51% of the Lot Owners). Any amendment or addition to or repeal of any By-Law by the Members can be changed only by the Members (51% of the Lot Owners).

OR BK 2435 PG 1178

THE FOREGOING BY-LAWS were adopted and approved at the organizational meeting of the Members of GRANT'S MILL OWNERS ASSOCIATION, INC., held on the April 9, day of _____, 2004.


Secretary