

**EXHIBIT C TO THE DECLARATION OF COVENANTS
AND RESTRICTIONS FOR LAGRANGE LANDING**

BY-LAWS

OF

**LAGRANGE LANDING OWNERS ASSOCIATION, INC.
a corporation not-for-profit
under the laws of the State of Florida**

1. Purpose; Definitions. These are the By-Laws of LaGrange Landing Owners Association, Inc., called "Association" in these By-Laws, a corporation not-for-profit under the laws of the State of Florida. Capitalized terms used herein shall have the same meaning as ascribed to them in the Declarations of Covenants and Restrictions for LaGrange Landing (the "Project"), and in the Articles of Incorporation of this corporation. This Association has been formed to serve as a homeowners association under applicable provisions of 720.301-.312, Florida Statutes (2005), and, more particularly, to provide an entity for the operation, management, maintenance and control of the Project, which is located in Walton County, Florida.

2. Offices. The initial office of the Association shall be at 255 East Paces Ferry Road, Suite 450, Atlanta, Georgia 30305. The Association Board of Directors may from time to time, designate a different location for the Association office.

3. Fiscal Year. The fiscal year of the Association shall be the calendar year.

4. Seal. The seal of the corporation shall bear the name of the Association, the word "Florida" and the words "corporation not-for-profit," and the year of incorporation, "2005" an impression of which is as follows:

5. Members Meetings. The annual Members meeting shall be held each year at such location within Walton County as may be designated in the notice for the meeting on a date during the months of September, October, November or December, as from time to time determined by the Board of Directors. The Members may transact at the annual members meeting any business authorized to be transacted by the Members. After the termination of the Development Period, the business of the annual Members meeting shall include election of directors.

6. Special Meetings. Special meetings must be held when called by the President or Vice President or by a majority of the Board of Directors, and must be called within sixty (60) days by such officers upon receipt of a written request from members holding ten percent (10%) of the

voting interests of the entire membership. Business conducted at a special meeting is limited to the purposes described in the notice of the meeting.

7. Notice. Notice of all members meetings stating the time and place and identifying each agenda item for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association members meeting were mailed or hand delivered in accordance with this provision, to each member at the address last furnished to the Association. Notice of meeting may be waived before the meeting. Notice may be given by electronic transmission (i.e. email), provided the member must consent in writing to receiving notice by electronic transmission.

8. Right to Petition. If 20 percent of the total voting interests petition the board to address an item of business, the board shall at its next regular board meeting or at a special meeting of the board, called not later than 60 days after the receipt of the petition, take the petitioned item up on an agenda. Other than addressing the petitioned item at the meeting, the Board is not obligated to take any other action requested by the Petition.

9. Quorum. A quorum at members meetings shall consist of persons holding one-fourth of the voting interests of the entire membership. The acts approved by a majority of the voting interests present at a meeting at which a quorum is present shall constitute the act of the members, except when approval by a greater voting interest is required by the Declaration of Covenants and Restrictions, the Articles of Incorporation of the Association or these By-Laws. In determining whether a quorum is present, proxies shall be counted as voting interests present.

10. Members Vote. At any meeting of the members, the voting interest that each Lot Owner shall be entitled to cast is one (1) vote for each Lot he owns, which shall not be cumulative. Whenever the decision of a Lot Owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by written agreement as well as by duly recorded vote and shall, in either event, be expressed by the same person who would cast the vote of the Lot Owner if in an Association meeting.

11. Multiple Ownership.

a. If a Lot is owned by one (1) person or entity, the right to vote on behalf of such Lot shall be established by the record title to the lot. If a Lot is owned by more than one (1) person, the person or entity entitled to cast the vote for it shall be designated by a voting certificate signed by all of the record owners thereof and filed with the Secretary of the Association. If a Lot is owned by a corporation, the person entitled to cast the vote for it shall be designated by a certificate 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 certificates shall be valid until revoked or until superseded by a subsequent certificate or a change in the ownership

of the Lot concerned. A certificate designating a person entitled to cast the vote of a Lot may be revoked by any owner thereof. If such a certificate is not on file, the vote of such owner shall not be considered in determining the requirement for a quorum nor for any other purpose. The Association may charge a fee for changing its records to be consistent with any change in a voting certificate.

b. Notwithstanding the provisions of Subparagraph (a) of this paragraph regarding Multiple Ownership, whenever any Lot is owned by a husband and wife they may, but shall not be required to, designate a Voting Member. In the event a Voting Certificate designating a Voting Member is not filed by the husband and wife, the following provisions shall govern their right to vote.

(1) Where both husband and wife are present at a meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Lot owned by them. In the event they are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

(2) Where only one (1) spouse is present at a meeting, the spouse present may cast their Voting Interest without establishing the concurrence of the other spouse, absent any prior written notice to the contrary to the Association by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, their Voting Interest shall not be considered.

(3) Where neither spouse is present, the person designated in a proxy or Voting Certificate signed by either spouse may cast the Voting Interest, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different Voting Member by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different Voting Member by the other spouse, the Voting Interest shall not be considered.

12. Proxies. Votes may be cast in person or by proxy subject to the following provisions. A proxy may be made or revoked by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting, provided that in no event shall a proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given.

13. Lack of Quorum. If any meeting of members cannot be organized because a quorum is not present, the voting interests who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

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

- a. Election (or appointment) of chairman at meeting.
- b. Call of the roll and certifying of proxies.
- c. Proof of notice of meeting or waiver of notice.
- d. Reading and disposal of any unapproved minutes.
- e. Election of inspectors of an election.
- f. Report of officers.
- g. Report of committees.
- h. Election of directors.
- I. Unfinished business.
- j. New business.
- k. Adjournment.

15. Right to Speak and Attend. Members have the right to attend all membership meetings and to speak at any meeting with reference to all items opened for discussion or included on the agenda. Notwithstanding any provision to the contrary in the governing documents or any rules adopted by the board or by the membership, a member and a Lot Owner have the right to speak for at least three minutes on any item, provided that the member or Lot Owner submits a written request to speak prior to the meeting. The Association may adopt reasonable written rules governing the frequency, duration and other manner of member statements.

16. Reservation by Developer. During the time the majority of the directors serving on the Board of Directors are appointees of the Developer, the Developer reserves the right to chair or appoint a representative to chair meetings of members and directors.

17. Number of Directors. The affairs of the Association shall be managed by a Board of Directors.

18. Election of Directors. During the Development Period, the number of directors shall be three (3) and they shall be appointed by the Developer. The number of directors may be changed by amendment of these Bylaws. After the Development Period, directors shall be elected in the following manner:

- a. Election of directors shall be held at the annual members meeting.
- b. A nominating committee of three (3) members shall be appointed by the Board of Directors not less than ninety (90) days prior to the annual meeting. The committee shall nominate one (1) person for each director then serving. The Board of Directors may waive the use of a nominating committee if the Board determines in its sole discretion that such committee will not serve a useful purpose.
- c. The election shall be by secret ballot and by a plurality of the voting interests. The owner of each Lot shall be entitled to cast a vote for each of as many candidates as there are vacancies to be filled. There shall be no cumulative voting. Proxies shall in no event be used in

electing the Board, either in general elections or elections to fill vacancies caused by resignation or otherwise except that limited proxies may be used for elections to fill vacancies caused by recall.

d. Not less than sixty (60) days before a scheduled election, the Association shall mail, deliver or electronically transmit, whether by separate association mailing or included in another association mailing, delivery or transmission, including regularly published newsletters, to each Lot Owner entitled to a vote, a first notice of the date of the election; such first notice shall include the slate nominated by the nominating committee when a nominating committee has been appointed. Any Lot Owner or other eligible person desiring to be a candidate for the Board of Directors, if not already nominated by the nominating committee, shall give written notice to the Association not less than 40 days before a scheduled election. Together with the written notice and agenda as set forth in paragraph 14, the Association shall then mail, deliver or electronically transmit a second notice of the election meeting no less than 14 days and no more than 34 days prior to the election to all Lot Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8 ½ inches by 11 inches which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing, delivery or transmission of the ballot, with the costs of mailing, delivery or electronic transmission and copying to be borne by the Association. However, the Association has no liability for the contents of the information sheets prepared by the candidates. In order to reduce costs, the Association may print or duplicate the information sheets on both sides of the paper. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors. No Lot Owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. A Lot Owner who needs assistance in casting the ballot for the reasons stated in Section 101.051 Florida Statutes, may obtain assistance in casting the ballot. Any Lot Owner violating this provision may be fined by the Association. The regular election shall occur on the date of the annual meeting. Notwithstanding the provisions of this Subparagraph, an election and balloting are not required unless more candidates are nominated and/or file notices of intent to run than vacancies exist on the Board of Directors.

e. Any member of the board of administration may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the Lot Owners to recall a member or members of the board of administration may be called by ten (10%) percent of the voting interest giving notice of the meeting as required for a meeting of Lot Owners, and the notice shall state the purpose of the meeting. If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall shall be effective as provided herein.

f. Elections of directors must be conducted in accordance with the procedures set forth in the governing documents of the Association. All members of the Association shall be eligible to serve on the board of directors, and a member may nominate himself or herself as a candidate for the board at a meeting where the election is to be held. Except as otherwise provided

in the governing documents, boards of directors must be elected by a plurality of the votes cast by eligible voters.

g. Provided, however, that notwithstanding the provision in these By-Laws for the election of directors and the provisions for directors terms, nothing herein shall serve to eliminate the Developer's reserved right to retain control of the Association after a majority of the Lots are sold.

h. Except as to vacancies provided by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of the members shall be filled by the remaining directors, or by election at the next annual meeting, in the sole discretion of the Board of Directors.

19. Director's Term. The terms of each director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

20. Director's Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be affixed by the directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

21. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegraph, at least two (2) days prior to the day named for such meeting. Notice may be given by electronic transmission (i.e. email), provided the member must consent in writing to receiving notice by electronic transmission.

22. Special Meeting. Special meetings of the directors may be called by the President and must be called by the Secretary at the written request of one-fourth (1/4) of the directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Notice may be given by electronic transmission (i.e. email), provided the member must consent in writing to receiving notice by electronic transmission.

23. Open Meetings of the Board of Directors. Meetings of the Board of Directors shall be open to all Lot Owners. Minutes of all meetings of the members or the Board of Directors shall be kept in a book available for inspection by Lot Owners or their authorized representatives, and Board members at any reasonable time. Said minutes shall be retained for a period of not less than seven (7) years. Director meeting may be conducted telephonically provided that a means of participation by any Lot Owner is provided, such as use of a speaker phone at a location where Lot Owners may attend.

24. Voting At Meetings of the Board of Directors. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers. This provision also applies to the meetings of any committee or other similar body, including any body vested with the power to approve or disapprove architectural decisions with respect to a specific Lot owned by a member of the Association.

25. Waiver of Notice. Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

26. Quorum. A quorum at director's meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors as required by the Declaration of Covenants and restrictions, the Articles of Incorporation of the Association or these Bylaws.

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

28. Director Action.

a. Joinder in Meeting by Approval of Minutes. The joinder of a director in the action of a meeting by signing or otherwise concurring in the minutes of that meeting shall constitute the presence of such director at such meeting; however, it shall not constitute the presence of such director for the purpose of determining a quorum.

b. Presumption of Consent. A director of the Association who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. A vote or abstention for each member present shall be recorded in the minutes.

c. Action by Directors Without a Meeting. Action required or permitted pursuant to Chapter 617 of the Florida Statutes or these governing documents provided the Action is taken by all Members of the Board. The action must be evidenced by one or more written consents describing the action and signed by all Directors. Action taken under the section is effective when last Director signs the consent, unless the consent specifies another date. A signed consent has the effect of a meeting vote.

29. Presiding Officer. The presiding officer of directors meetings shall be the chairman of the board if such an officer has been elected; and if none, the President shall preside; and if neither

a chairman of the board, nor the President is present, then the Vice President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

30. Order of Business. The order of business at a Directors meeting shall be:

- a. Calling of roll.
- b. Proof of due notice of meeting.
- c. Agenda approval
- d. Reading and disposal of any unapproved minutes.
- e. Report of officers and committees.
- f. Election of officers.
- g. Unfinished business.
- h. New business.
- I. Adjournment.

Provided however, agenda item f. will only be applicable in the case of an organizational meeting of directors following an annual meeting of members.

31. Directors Compensation. Director fees or other compensation, if any, shall be determined by a majority of the voting interests.

32. Powers and Duties of the Board of Directors. All of the powers and duties of the Association existing under applicable law, the Declaration of Covenants and Restrictions for the Project, the Articles of Incorporation of the Association and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees subject only to the approval by the voting interests when such approval is specifically required.

33. Officers. The executive officers of the Association shall be a President, who shall be a director, a Vice President, who shall be director, a Treasurer, a Secretary, and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be the Secretary or an Assistant Secretary. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be necessary or convenient to manage the affairs of the Association.

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

35. Vice President. The Vice President in the absence or disability of the President shall exercise the powers and perform the duties of the President. He also shall assist the President generally and exercise such other powers and perform such other duties as shall be prescribed by the directors.

36. Secretary. The Secretary shall keep the minutes of all proceedings of the directors and the members in a businesslike manner and available for inspection by owners and directors at all reasonable times. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

37. Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; they shall submit treasurer's reports to the Board of Directors at reasonable intervals; they shall make the treasurer's records available for inspection by directors or members at reasonable times; and they shall perform all other duties incident to the office of treasurer.

38. Officer Compensation. The compensation of all officers and employees of the Association shall be fixed by the Board of Directors. The provision that directors fees shall be determined by voting interests shall not preclude the Board of Directors from employing a director as an employee of the Association nor preclude the contracting with a director for management of the Association or any portions of Association property.

39. Fiscal Management. Provisions for fiscal management of the Association, as set forth in the Declaration of Covenants and Restrictions for the Project, in the Articles of Incorporation and these By-Laws shall be supplemented by the following provisions:

a. Budgets. The Board of Directors shall adopt a budget for each fiscal year that shall include the estimated receipts and expenditures arising out of the use, ownership, operation and maintenance of the Community Property. All budgets adopted by the Board of Directors shall include the estimated funds required to defray the common expenses and to provide and maintain funds according to good accounting practices by accounts and expense classifications including, if applicable, but not limited to the following:

- (1) Administration of the Association
- (2) Management fee
- (3) Maintenance
- (4) Community Property expenses for recreational and other commonly used facilities
- (5) Taxes upon Community Property
- (6) Insurance
- (7) Security provisions
- (8) Other expenses
- (9) Operating Capital
- (10) Reserves
- (11) Betterments (Betterments shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be a part of the Community Property of the Association.)

b. Adoption of Budgets. The annual budget shall be adopted by the Board of Directors in an amount not less than required to provide funds in advance for payment of all the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred.

c. Assessments. By adopting the annual budget, the Board of Directors will be making regular periodic assessments against each Lot for its share of the items of such budget. The assessments shall be made for the fiscal year by adoption of an annual budget and shall be due in equal, quarterly installments on the first day of each quarter of the year for which the assessments are made, or may be ordered paid monthly or annually, in the discretion of the Board of Directors. If an annual budget is not made as required, a budget shall be presumed to have been made in the amount of the last prior assessment and quarterly installments of such assessments shall be due on the first day of each quarter of the year until a new annual budget is adopted. In the event the regular assessment shall be insufficient in the judgment of the Board of Directors, the Board of Directors shall amend the budget and shall make amended assessments for the balance of the year in sufficient amounts to meet the anticipated expenses for the year.

d. Competitive Bidding. Any contract that is not to be fully performed within 1 year after the making thereof for the purchase, lease, or renting of materials or equipment to be used by the Association in accomplishing its purposes under the governing documents, and all contracts for the provision of services, shall be in writing. If a contract for the purchase, lease, or renting of materials or equipment, or for the provision of services, requires payment by the Association that exceeds ten (10%) percent of the total annual budget of the Association, including reserves, the Association must obtain competitive bids for the materials, equipment, or services. Nothing contained in this section shall be construed to require the Association to accept the lowest bid. Further, contracts with employees of the Association, and contracts for attorney, accountant, architect, community association manager, engineering and landscape architect services are not subject to the provisions of this section.

40. Special Assessments. Assessments for common expenses that cannot be paid from the regular periodic assessment for common expenses shall be made only after notice of the need for such is given to the Lot Owners. After such notice, Special Assessments may be made in one of two ways, depending on the purpose of the Special Assessment. When the purpose of the Special Assessment is limited to the payment of costs of reconstruction and repair, it may be made by the Board of Directors, without approval of the Lot Owners or their mortgagees, upon a majority vote of the directors, a quorum being present. Such assessment shall be effective and paid as determined by the Board of Directors and indicated in the notice of assessment. All other Special Assessments must be approved in writing by a majority of the Lot Owners and thereupon the Special Assessment shall become effective, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of assessment. An assessment may not be levied at a board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessments. Written notice of any meeting at which special assessments will be considered or at which amendments to rules regarding Lot use will be considered must be mailed, delivered, or electronically transmitted to the members and Lot Owners and posted conspicuously on the property or broadcast on closed-circuit cable television not less than 14 days before the meeting.

41. Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the monies from such accounts shall be withdrawn only by checks signed by such persons as are authorized by the directors.

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

43. Official Records:

a. The Association shall maintain each of the following items, when applicable, which constitute the official records of the Association:

(1) Copies of any plans, permits and warranties related to improvements constructed on the Community Property or other property that the Association is obligated to maintain, repair, or replace;

(2) A copy of the recorded By-Laws of the Association and each amendment to the By-Laws;

(3) A copy of the Articles of Incorporation of the Association and of each amendment thereto;

(4) A copy of the recorded Declaration of Covenants and Restrictions for the Project, and of each amendment thereto;

(5) A copy of the current rules of the Association;

(6) The minutes of all meetings of the Board of Directors and the members, which minutes shall be retained for a period of not less than seven (7) years;

(7) A current roster of all members and their mailing addresses and Lot identifications. The Association shall also maintain the electronic mailing addresses and the numbers designated by members for receiving notice sent by electronic transmission of those members consenting to receive notice by electronic transmission. The electronic mailing addresses and numbers provided by members to receive notice by electronic transmission shall be removed from Association records when consent to receive notice by electronic transmission is revoked. However, the Association is not liable for an erroneous disclosure of the electronic mail address or the number for receiving electronic transmission of notices.

(8) All of the Association's insurance policies or a copy thereof, which policies must be kept for a period of at least seven (7) years;

(9) A current copy of all contracts to which the Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Association has an obligation or responsibility. Bids received by the Association for work to be performed must also be considered official records and must be kept for a period of one (1) year;

(10) Bills of sale or deeds for all property owned by the Association;

(11) The financial and accounting records for the Association kept according to good accounting practices. All financial and accounting records shall be maintained for a period of not less than seven (7) years. The accounting records must include:

(i) Accurate, itemized, and detailed records of all receipts and expenditures.

(ii) A current account and a periodic statement of the account for each member designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.

(iii) All tax returns, financial statements, and financial reports of the Association.

(iv) All other records that identify, measure, record, or communicate financial information.

(12) Ballots, sign-in sheets, voting proxies, and all other papers relating to elections, which shall be maintained for a period of one (1) year from the date of the election, vote, or meeting to which the document relates.

(13) All rental records when the Association is acting as a rental manager of any property included within the Project.

(14) A copy of the disclosure summary described in § 720.401(1).

(15) All other written records of the Association not specifically included in the foregoing which are related to the operation of the Association.

(16) Any other documents or records specified by Florida Statutes § 720.303(4) and not already identified herein.

(b) Inspection and copying of records. The official records shall be maintained within the state and must be open to inspection and available for photocopying by members or their authorized agents at reasonable times and places within 10 business days after receipt of a written request for access. This subsection may be complied with by having a copy of the official records available for inspection or copying in the community. If the Association has a photocopy machine available where the records are maintained, it must provide Lot Owners with copies on request during the inspection if the entire request is limited to no more than 25 pages.

(1) The failure of an Association to provide access to the records within 10 business days after receipt of a written request creates a rebuttable presumption that the Association willfully failed to comply with this subsection.

(2) A member who is denied access to official records is entitled to the actual damages or minimum damages for the Association's willful failure to comply with this subsection. The minimum damages are to be \$50 per calendar day up to 10 days, the calculation to begin on the 11th business day after receipt of the written request.

(3) The Association may adopt reasonable written rules governing the frequency, time, location, notice, records to be inspected, and manner of inspections, but may not impose a requirement that a Lot Owner demonstrate any proper purpose for the inspection, state any reason for the inspection, or limit a Lot Owner's right to inspect records to less than one 8-hour business day per month. The Association may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying. The Association may charge up to 50 cents per page for copies made on the Association's photocopier. If the Association does not have a photocopy machine available where the records are kept, or if the records requested to be copied exceed 25 pages in length, the Association may have copies made by an outside vendor and may charge the actual cost of copying. The Association shall maintain an adequate number of copies of the recorded governing documents, to ensure their availability to members and prospective members. Notwithstanding the provisions of this paragraph, the following records shall not be accessible to members or Lot Owners:

(i) Any record protected by the lawyer-client privilege as described in § 90.502 and any record protected by the work-product privilege, including, but not limited to, any record prepared by an Association attorney or prepared at the attorney's express direction which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the Association and was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings or which was prepared in anticipation of imminent civil or criminal litigation or imminent adversarial administrative proceedings until the conclusion of the litigation or adversarial administrative proceedings.

(ii) Information obtained by an Association in connection with the approval of the lease, sale, or other transfer of a lot.

(iii) Disciplinary, health, insurance, and personnel records of the Association's employees.

(iv) Medical records of Lot Owners or community residents.

44. Annual Financial Report. The Association shall prepare an annual financial report within sixty (60) days after the close of the fiscal year, and within such time (or if a request is made for a copy thereof, then within the time provided for the Association's response to a request for inspection or copying an Official Record) the Association shall provide each member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the member. The financial report must consist of either:

a. Financial statements presented in conformity with generally accepted accounting principles; or

b. A financial report of actual receipts and expenditures, cash basis, which report must show:

(1) The amount of receipts and expenditures by classification; and

(2) The beginning and ending cash balances of the Association.

c. If 20 percent of the Lot Owners petition the board for a level of financial reporting higher than that required by this section, the Association shall duly notice and hold a meeting of members within 30 days of receipt of the petition for the purpose of voting on raising the level of reporting for that fiscal year. Upon approval of a majority of the total voting interests of the Lot Owners, the Association shall prepare or cause to be prepared, shall amend the budget or adopt a special assessment to pay for the financial report regardless of any provision to the contrary in the governing documents, and shall provide within 90 days of the meeting or the end of the fiscal year, whichever occurs later:

(1) Compiled, reviewed, or audited financial statements, if the Association is otherwise required to prepare a report of cash receipts and expenditures;

(2) Reviewed or audited financial statements, if the Association is otherwise required to prepare compiled financial statements; or

(3) Audited financial statements if the Association is otherwise required to prepare reviewed financial statements.

45. Commingling. All Association funds held by the Developer shall be maintained separately in the Association's name. Reserve and operating funds of the Association shall not be commingled prior to turnover except the Association may jointly invest reserve funds; however, such jointly invested funds must be accounted for separately.

46. Suspensions and Fines. The Board of Directors of the Association, upon reasonable notice of not less than 14 days and an opportunity for hearing, may suspend, for a reasonable time, the rights of a member or a member's tenants, guests, or invitees, or both, to use Community Property and facilities and may levy reasonable fines not to exceed \$100.00 per violation against any member, tenant, guest, or invitee, where the violation is of one or more provisions of the Declaration of Covenants and Restrictions for the Project, the Association Articles or By-Laws or reasonable written rules and regulations of the Association. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000.00. No suspension or fine may be levied except after giving reasonable notice and opportunity for a hearing to the owner and, if applicable, his tenant, guest or invitee. The hearing must be held before a committee of at least three (3) members appointed by the Board who are not officers, directors, or employees of the Association, or the spouse, parent, guardian, child, brother, or sister of an officer, director, or employee; neither shall

such committee members be a spouse, parent, guardian, child, brother or sister of the person alleged to have committed the violation that is under consideration by the committee. If the committee, by majority vote, does not approve a proposed fine, it may not be imposed. The Notice shall include the following:

- a. Statement of date, time and place of hearing.
- b. Statement of provisions allegedly violated (Declaration of Covenants and Restrictions, Articles, By-Laws, Rules) and
- c. Short and plain statement of the matters asserted by the Association.

The party against whom the suspension or fine may be levied shall have an opportunity to respond, to present evidence and to provide written or 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 committee. If the committee approves the proposed suspension or fine, the Board of Directors shall receive the report of the committee and if the Board approves the recommendation of the committee, the Board may levy the suspension or fine. Fines shall be the personal obligation of the person or entity fined. Provided, however, suspension of Community Property or amenity use rights shall not impair the right of an owner or tenant of a Lot to have vehicular and pedestrian ingress to and egress from his lot, including, but not limited to, the right to park.

Pursuant to Chapter 720 of the Florida Statutes, the Association may not file a lien on any lot or its improvements to enforce a fine imposed under this section.

47. Transfer Fee. No fee shall be charged by the Association in connection with a transfer, lease, sale or sublease of a Lot which is subject to approval of the Association or its Board of Directors, in excess of the expenditures reasonably required for the transfer or sale, and this expense shall not exceed Fifty dollars, (\$50.00). No charge shall be made in connection with an extension or renewal of a lease.

48. Stormwater Management System. The Association shall operate and maintain the Stormwater Management System serving the development as exempted or permitted by applicable regulatory authority. Such operation and maintenance shall include future as well as present requirements of applicable regulatory authority, so long as they are lawful.

49. Amendments. In addition to any other method provided under the Declaration or Articles of Incorporation, these By-Laws may be amended, including as to matters involving vested rights, in the following manner:

- a. 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.

b. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the voting interests of the Association. Directors and voting interests not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

(1) Not less than a majority of the voting interests of the entire membership of the Association, except that where any voting interest requirement in these Bylaws is set at a level which exceeds a majority of the voting interest, the vote to change such requirement must equal or exceed such higher voting level; or

(2) Until the transfer of control from the Developer to owners other than the Developer, by a majority of the directors.

c. No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text underlined, and the words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlying and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language:

"Substantial rewording of By-Law. See By-Law for present text."

Non-material errors or omissions in the By-Law process shall not invalidate an otherwise promulgated amendment.

50. Execution and Recording. A copy of each amendment shall be attached to or incorporated in a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and By-Laws, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be valid and effective when such certificate, with a copy of the amendment attached thereto or incorporated therein, is recorded in the public records of Walton County, Florida.

The foregoing was adopted as the By-Laws of LaGrange Landing Owners Association, Inc., a corporation under the laws of the State of Florida, at the first meeting of the Board of Directors on the ___ day of _____, 2005.

Jeffrey S. Tucker, President