

**BY-LAWS OF
WATERSIDE AT COQUINA KEY SOUTH CONDOMINIUM ASSOCIATION, INC.**

ARTICLE I: IDENTITY

WATERSIDE AT COQUINA KEY SOUTH CONDOMINIUM ASSOCIATION, INC. ("Association") is a not-for-profit corporation, organized and existing pursuant to the laws of the State of Florida for purposes of operating and administering Waterside at Coquina Key South, A Condominium located in Pinellas County, Florida ("Condominium").

Section 1. Principal Office. The principal place of business of the Corporation shall be 4927 Cobia Drive, St. Petersburg, FL 33705, or at such other place or places as may be designated by the Board of Directors of the Association.

Section 2. Definitions. As used herein, the word "Condominium Association" shall be the equivalent of "Association," as defined in the Declaration of Condominium to which these By-Laws are attached, and all other terms used herein shall have the same definitions as attributed to them in said Declaration of Condominium. As used herein, in the Declaration of Condominium, or in the Florida Condominium Act, the terms "Board of Directors" and "Board of Administration" shall be synonymous.

ARTICLE II: MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership in the Association. Membership in the Association shall be limited to Owners of Units in the Condominium. Transfer of Unit ownership, either voluntary or by operation of law, shall terminate membership in the Association, and said membership shall become vested in the transferee. If Unit ownership is vested in more than one Person, then all of the Persons so owning said Unit shall be members eligible to hold office, attend meetings, etc., but, as hereinafter indicated, the vote of a Unit shall be cast by the "voting member." If Unit ownership is vested in a corporation, said corporation may designate an individual as its "voting member."

Any application for the transfer of membership, or for a conveyance of an interest in, or to encumber or lease a Condominium Parcel, where the approval of the Board of Directors is required by these By-Laws and the Declaration shall be accompanied by application fee in an amount to be set by the Association, to cover the cost of contacting the references given by the applicant, and such other costs of investigation that may be incurred.

Section 2. Voting.

(A) The Owner(s) of each Unit shall be entitled to one vote for each Unit owned. If a Unit Owner owns more than one Unit, such individual shall be entitled to one vote for each Unit owned. The vote of a Unit shall not be divisible.

(B) A majority of the Members who are present in person or by proxy pursuant to applicable Florida law and are entitled to vote under Section 5 of this Article at a meeting at which a quorum is present shall decide any question (except the election of members of the Board of Directors which must be by written ballot or voting machine), unless the Declaration, Articles of Incorporation, By-Laws, or agreement entered into by the Association provides otherwise, in which event the voting percentage required in said documents shall control.

Section 3. Quorum. The presence in person, or by limited or general proxy pursuant to applicable Florida law, of a majority of the members entitled to vote under Section 5 hereof shall constitute a quorum.

Section 4. Proxies. Votes may be cast in person or may be cast by limited or general proxy in certain circumstances in accordance with applicable Florida law. All proxies shall be in writing and signed by the person entitled to vote (as set forth below in Section 5) and shall be filed with the secretary not less than 3 days prior to the meeting in which they are to be used. Proxies shall be valid only for the particular meeting designated therein. Where a Unit is owned jointly by a husband and wife, and if they have not designated one of them as a voting member, a proxy must be signed by both husband and wife where a third person is designated.

Section 5. Designation of Voting Member. If a Unit is owned by one Person, such Person's right to vote shall be established by the recorded title to the Unit. If a Unit is owned by more than one Person, the Person entitled to cast the vote for the Unit shall be designated in a certificate, signed by all of the recorded Owners of the Unit and filed with the secretary of the Association. If a Unit is owned by a corporation, the individual entitled to cast the vote of the Unit for the corporation shall be designated in a certificate for this purpose, signed by the president or vice president, attested to by the secretary or assistant secretary of the corporation, and filed with the secretary of the Association. The Person designated in such certificate who is entitled to cast the vote for a Unit shall be known as the "voting member." If such a certificate is required and is not filed with the secretary of the Association for a Unit owned by more than one person or by a corporation, the vote of the Unit concerned may not be cast and shall not be considered in determining the requirement for a quorum or for any purpose requiring the approval of a person entitled to cast the vote for the Unit. Unless the certificate shall otherwise provide, such certificates shall be valid until revoked or until superseded by a subsequent certificate, or until a change in the ownership of the Unit concerned. Notwithstanding the foregoing, if a Unit is owned jointly by a husband and wife, the following 3 provisions are applicable thereto:

(A) They may, but they shall not be required to, designate a voting member by certificate.

(B) If they do not designate a voting member, and if both are present at a meeting and 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.

(C) Where they do not designate a voting member, and only one is present at a meeting, the person present may cast the Unit vote, just as though he or she owned the Unit individually, and without establishing the concurrence of the absent person.

ARTICLE III: MEETINGS OF THE MEMBERSHIP

Section 1. Place. All meetings of the Association membership shall be held at such place and at such time as shall be designated by and stated in the notice of the meeting.

Section 2. Notices. It shall be the duty of the secretary to (a) mail, hand deliver or electronically transmit a written notice of each annual or special meeting, stating the time and place thereof and an identification of agenda items to each Unit Owner of record at least fourteen (14) but not more than thirty (30) days prior to such meeting, and (b) post at a conspicuous place on the property a copy of the notice of said meeting at least fourteen (14) continuous days preceding said meeting (in the alternative to posting, or as an addition to posting, the Association may, in accordance with reasonable rules promulgated in accordance with these By-Laws, post and repeatedly broadcast the notice and the agenda on a closed-circuit cable television system, in accordance with the applicable provisions of Section 718.112, Florida Statutes). Notice of any annual or special meeting shall state the purpose thereof and said meeting shall be confined to the matters stated in said notice. All notices shall be mailed, hand delivered or electronically transmitted to the address of the Unit Owner last furnished to the Association and shall be posted and/or broadcast as hereinbefore set forth. 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 meeting were mailed, hand delivered or electronically transmitted in accordance with this section, to each Unit Owner at the address last furnished to the Association. Notices of meetings of the membership may be delivered by electronic transmission to Owners who consent to receive notice in such manner.

Section 3. Annual Meeting. The annual meeting for the purpose of electing directors and transacting any other business authorized to be transacted by the members shall be held once in each calendar year at such time and on such date in each calendar year as the Board of Directors shall determine. At the annual meeting, the members shall elect, by plurality vote, a Board of Directors and shall transact such other business as may have been stated in the notice for said meeting. The election of the Board of Directors at the annual meeting shall be conducted in accordance with applicable provisions of the Florida Condominium Act. Cumulative voting shall be prohibited.

Section 4. Special Meeting. Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president, and shall be called by the president or secretary at the request in writing of a majority of the Board of Directors. Except for the purpose of removing a director governed by the provisions of Section 3 of Article IV hereof, a special meeting must be called by the president or secretary upon the request in writing of voting members representing 10% of the members' total votes, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the matters stated in the notice thereof.

Section 5. Waiver and Consent. Any approval by Unit Owners called for by the Florida Condominium Act, the Declaration or these By-Laws shall be made at a duly noticed meeting of Unit Owners and shall be subject to all requirements of the Florida Condominium Act or the Declaration relating to Unit Owner decision making, except that Unit Owners may take action by written agreement, without meetings, on any matters for which the vote of members at a meeting is required or permitted by any provision of these By-Laws, or on matters for which action by written agreement without meeting is expressly allowed by the Declaration, or any Florida statute which provides for Unit Owner action.

Section 6. Adjourned Meeting. If any meeting of members cannot be organized because a quorum of voting members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

Section 7. Approval or Disapproval by Unit Owners. Approval or disapproval of a Unit Owner upon any matter, whether or not the subject of an Association meeting, shall be by the voting members for that Unit; provided, however, that where a Unit is owned jointly by a husband and wife, and they have not designated one of them as a voting member, their joint approval or disapproval shall be required where they are both present, or in the event only one is present, the person present may cast the vote without establishing the concurrence of the absent person.

ARTICLE IV: DIRECTORS

Section 1. Number, Term and Qualifications. The affairs of the Association shall be governed by a Board of Directors, serving without compensation, composed of not less than 3 nor more than 9 directors. There shall never be less than 3 directors. The term of each director's service shall extend until the next annual meeting of the members, and thereafter until his successor is duly elected and qualified, or until he is removed in the manner provided in Section 3 below. All directors shall be members of the Association; provided, however, that all directors that the Developer is entitled to elect or designate need not be members. All officers of a corporation owning a Unit shall be deemed to be members of the Association so as to qualify each to become a director hereof.

Section 2. First Board of Directors. The first Board of Directors named in the Articles of Incorporation shall hold office and serve until their successors have been elected and qualified.

Section 3. Removal of Directors. Any removal of a director or directors of the Board by recall shall be done in accordance with the provisions of Section 718.112(2)(j), Florida Statutes, or the rules promulgated thereunder, or in accordance with any other applicable provisions of the Florida Condominium Act.

Section 4. Vacancies on Directorate. If the office of any director or directors becomes vacant by reason of death, resignation, retirement, disqualification or otherwise or should a vacancy be created by an enlargement of the Board or should a director be removed by the procedure of Section 3 of this Article and a successor not be elected at the meeting, a majority of the remaining directors, though less than a quorum, shall choose a successor or successors, who shall hold office until the next regularly scheduled election of directors. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors. Notwithstanding the above, only the Developer may elect to fill a vacancy on the Board previously occupied by a Board member elected or appointed by the Developer, in which case a quorum for purposes of that election shall consist of a majority of Units owned by the Developer. Only Unit Owners other than the Developer may elect to fill a vacancy on the Board previously occupied by a Board member elected or appointed by Unit Owners other than the Developer.

Section 5. Disqualification and Resignation of Directors. Any director may resign at any time by sending a written notice of such resignation to the secretary of the Association. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the secretary. Commencing with the directors elected by the Unit owners other than the Developer, the transfer of title of the Unit owned by a director shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

Section 6. Regular Meetings. The Board of Directors may establish a schedule of regular meetings to be held at such time and place as the Board of Directors may designate. Notice of such regular meetings (which shall specifically incorporate an identification of agenda items) shall, nevertheless, be given to each director personally or by mail, telephone or telegraph at least 5 days prior to the day named for such meeting and shall be posted in accordance with the procedures of Section 718.112, Florida Statutes.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the president, and in his absence, by the vice president or secretary, or by a majority of the members of the Board of Directors, by giving 5 days' notice, in writing which shall specifically incorporate an identification of agenda items, to all of the members of the Board of Directors of the time and place of said meeting and shall be posted in accordance with the procedures of Section 718.112, Florida Statutes. All notices of special meetings shall state the purpose of the meeting.

Section 8. Directors' Waiver of Notice. Before or at any meeting of the Board of Directors, any director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all of the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. Owners shall be given proper notice pursuant to applicable Florida law.

Section 9. Quorum. At all meetings of the Board of Directors, a majority of the directors constitute a quorum for the transaction of business, and the acts of the majority of the directors present at such meetings at which a quorum is present, shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn

the meeting from time to time. At such adjourned meeting, and provided a quorum is then present, any business may be transacted which might have been transacted at the meeting as originally called. Proper notice of any adjourned meeting shall be given in accordance with applicable Florida law.

Section 10. Notice of Board Meetings. All Board meetings, regular or special, shall be properly noticed pursuant to applicable Florida law.

Section 11. Notice to Developer. Until the earlier of December 31, 2010, or when Developer no longer owns any Units in the Condominium, the Developer shall be entitled to attend the director's meetings and it may designate such person(s) as it desires to attend such meetings on its behalf. Such notice may be cancelled by Developer by delivering written notice to the Association.

Section 12. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by the Declaration, or these By-Laws, directed to be exercised and done by Unit Owners. These powers shall specifically include, but shall not be limited to, the following:

(A) To exercise all powers specifically set forth in the Declaration, the Articles of Incorporation, these By-Laws, and in the Florida Condominium Act, and all powers incidental thereto.

(B) To adopt a budget and make and collect Assessments, including Special Assessments, enforce a lien for nonpayment thereof, and use and expend the Assessments to carry out the purposes and powers of the Association, subject to the provisions of the Declaration to which these By-Laws are attached and, where applicable, recognizing obligations of the Association contained in the provisions of the Declaration. The Board of Directors shall also have the power to levy a fine against the Owner of a Unit for the purposes specified in the Declaration.

(C) To employ, dismiss and control the personnel necessary for the maintenance and operation of the Condominium, including the right and power to employ attorneys, accountants, contractors, and other professionals, as the need arises, subject to any applicable provisions of the Declaration.

(D) To make and amend rules and regulations respecting the operation and use of the Common Elements and Condominium Property and facilities, and the use and maintenance of the Units therein.

(E) To contract for the management and maintenance of the Condominium Property and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments and other sums due from Unit Owners, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Elements with funds as shall be made available by the Association for such purposes. The Association, its directors and officers shall, however, retain at all times the powers and duties granted by the Condominium documents and the Florida Condominium Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.

(F) To enter into agreements acquiring leaseholds, memberships or other possessory or use interests regarding recreation area(s) and facilities for the use and enjoyment of the members of the Association as provided for in the Declaration.

(G) To further improve of the Condominium Property, both real and personal, and the right to purchase realty and items of furniture, furnishings, fixtures and equipment for the foregoing, and the

right to acquire and enter into agreements pursuant to the Florida Condominium Act, subject to the provisions of the Declaration and these By-Laws.

(H) To enter into such agreements or arrangements, as deemed appropriate, with such firms or companies as it may deem for and on behalf of the Unit Owners to provide certain services and/or maintenance otherwise the individual responsibility of the Unit Owners and to increase the assessments due or otherwise charge each Unit Owner a share of the amount charged for said maintenance and service.

(I) To designate one or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management and affairs and business of the Association. Such committee shall consist of at least 3 members of the Association. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular minutes of their proceedings and report the same to the Board of Directors, as required. No committee meetings shall be required to be noticed to the membership unless (a) the committee is undertaking action to bind the Association, based upon a specific grant of authority by the Board, (b) the committee is undertaking discussion and recommendations concerning the levying of Assessments by the Board, or (c) the committee is undertaking action specifically designated and stated under the Act as requiring prior notice to the Association membership.

Section 13. Proviso. The validity of any delegation of power and/or duty by the Board of Directors, as hereinbefore provided, shall not affect the remainder of said delegations, or the other provisions of these By-Laws or the condominium documents and its exhibits.

ARTICLE V: OFFICERS

Section 1. Elective Officers. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors and shall serve without compensation. The President and Vice President shall be members of the Board of Directors. Notwithstanding the foregoing, the restriction as to one person holding only one of the aforementioned offices or the President and Vice President being members of the Board of Directors shall not apply until control of the Association shall be transferred to the Unit Owners other than the Developer.

Section 2. Election. The officers of the Association designated in Section 1 above shall be elected annually by the Board of Directors at the organizational meeting of each new Board following the meeting of the members. Officers may be elected by secret ballot pursuant to applicable Florida law.

Section 3. Appointive Officers. The Board may appoint assistant secretaries and assistant treasurers, and such other officers as the Board of Directors deems necessary.

Section 4. Term. The officers of the Association shall hold office until their successors are chosen and qualified in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors; provided, however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Unit Owners and of the Board of Directors. He shall have executive powers and general supervision over the affairs of the Association and other officers. He shall sign all written contracts to perform all of the duties incident to his office and which may be delegated to him from time to time by the Board of Directors.

Section 6. The Vice President. The Vice President shall perform all of the duties of the President in his absence and such other duties as may be required of him from time to time by the Board of Directors.

Section 7. The Secretary. The Secretary shall issue notices of all Board of Directors, meetings and all meetings of the Unit owners; he shall attend and keep the minutes of same; he shall have charge of all of the Association's books, records and papers, including roster of members and mortgagees except those kept by the Treasurer. If appointed, an assistant secretary shall perform the duties of the Secretary when the Secretary is absent.

Section 8. The Treasurer.

(A) The Treasurer shall have custody of the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association in such depositories as may be designated from time to time by the Board of Directors. The books shall reflect an account for each Unit which shall designate the name and current mailing address of the Unit Owner, the amount of each Assessment, the dates and amounts in which the Assessment came due, the amount paid upon the account and the balance due.

(B) The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as the Treasurer and of the financial condition of the Association.

(C) The Treasurer shall collect the Assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors and, when requested, to the Developer or other entity designated by the Board of Directors.

(D) The Treasurer shall give status reports to potential transferees on which reports the transferees may rely.

(E) If appointed, an assistant treasurer shall perform the duties of the Treasurer when the Treasurer is absent.

Section 9. Proviso. Notwithstanding any provisions to the contrary in these By-Laws, the Association shall maintain separate accounting records for this Association, shall keep such records according to good accounting practices, shall open such records for inspection by Unit Owners or their authorized representatives at reasonable times and shall supply written summaries of such records at least annually to the Unit Owners or their authorized representatives. In the event the Board of Directors designates a Management Firm to operate the Condominium on behalf of the Association, said Management Firm shall be required to follow the aforesaid provisions.

ARTICLE VI: FINANCES AND ASSESSMENTS

Section 1. Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time upon resolutions approved by the Board of Directors and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board of Directors. Obligations of the Association shall be signed by at least 2 officers of the Association; provided, however, that the provisions of any Management Agreement, entered into by the Association and a Management Firm

designated by the Association to operate the Condominium, relative to the subject matter in this Section 1 shall supersede the provisions hereof. The foregoing is further subject to the applicable provisions under the Declaration.

Section 2. Fidelity Bonds. The President, Secretary, Treasurer and all other officers who are authorized to sign checks, and all officers and employees of the Association who control or disburse funds of the Association, and any contractor handling or responsible for Association funds, shall be bonded. The amount of the bond shall be determined by the Board of Directors, but in no manner shall be less than the amount of the maximum funds that will be in the custody of the Association or its management agent at any one time. The premiums on such bonds shall be paid by the Association. The cost of bonding an employee of an Association-designated management firm may be reimbursed by the Association. Notwithstanding the foregoing, the Association and/or any management firm shall not be obligated to obtain fidelity bonding of any persons in excess of any amounts stated in the Florida Condominium Act.

Section 3. Fiscal or Calendar Year. The Association shall be on a fiscal year basis beginning on the first day of September of a particular year and ending on the last day of August of the next subsequent year. Notwithstanding the foregoing, the Board of Directors is authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America as such time as the Board of Directors deems it advisable. The setting of a fiscal year, as provided herein, shall not affect the applicable provisions of Article III, Section 3, of these By-Laws requiring an annual meeting in each calendar year.

Section 4. Determination of Assessments.

(A) The Board of Directors shall fix and determine from time to time the sum or sums necessary and adequate for the Common Expenses. Common Expenses shall include expenses for the operation, maintenance, repair or replacement of the Common Elements and the Limited Common Elements, cost of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance and extended coverage, obligations of the Association pursuant to the Declaration, water and sewer and any other expenses designated as Common Expenses from time to time by the Board of Directors, or under the provisions of the Declaration. The Board of Directors is specifically empowered, on behalf of the Association, to make and collect Assessments and to lease, maintain, repair and replace the Common Elements and Limited Common Elements; provided, however, the Association shall not charge any fee against a Unit Owner for the use of Common Elements or Association Property unless such use is the subject of a lease between the Association and the Unit Owner. Funds for the payment of Common Expenses shall be assessed against the Unit Owners in the proportions or percentages of sharing Common Expenses as provided in the Declaration and exhibits attached thereto. Said Assessments shall be payable monthly in advance and shall be due on the first (1st) day of each month in advance unless otherwise ordered by the Board of Directors. Special Assessments, should such be required by the Board of Directors, shall be levied in the same manner as hereinbefore provided for regular Assessments and shall be payable in the manner determined by the Board of Directors.

(B) All funds due from Unit Owners not as Common Expenses, including sums due as users of cable television service or pursuant to other applicable agreements or arrangements pertaining to all or substantially all Units, may be collected by the Association, or its agents.

(C) An annual budget and level of Assessment for Common Expenses sufficient to fund such budget shall be proposed and adopted by the Board of Directors. The Board shall mail, or cause to be mailed, to each Unit Owner a notice of the Board of Directors meeting at which the budget will be considered not less than 14 days prior to said meeting. Such notice shall include a copy of the proposed annual budget and Assessment as well as the time and place for the meeting which shall be open to the Unit Owners. If the Association shall fail for any reason to adopt a budget and authorize an Assessment

prior to the beginning of the new fiscal year, the budget and assessment for the previous year shall be increased by 15% and shall continue in effect until changed by the Association.

If the adopted budget requires an assessment against the Unit Owners in any fiscal year exceeding 115% of the assessments for the preceding year, the Board, upon written application of 10% of the Unit Owners to the Board, shall call a special meeting of the Unit Owners within 21 days of such written application, and the Board shall provide not less than 14 days' written notice to each Unit Owner of such special meeting. At this special meeting (which shall be conducted within 60 days after adoption of the annual budget), Unit Owners shall consider and enact a budget upon the vote of the members representing a majority of all Units. If a special meeting of the Unit Owners has been called pursuant to this section and a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board shall go into effect as scheduled. In determining whether Assessments exceed 115% of similar Assessments in the preceding year, any authorized provisions for reasonable reserves for repair or replacement of the Condominium Property, anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the Condominium Property shall be excluded from the computation. However, as long as the Developer is in control of the Board of Directors, the Board shall not impose an assessment for any year greater than 115% of the prior fiscal year's Assessment without prior approval of the members representing a majority of all Units.

(D) All Assessments shall be paid to the Association and delivered to the Treasurer of the Association, subject, however, to the provisions of a Management Agreement for as long as it shall remain in effect providing for collection of such Assessments directly by an Association-designated Management Firm, and also subject to any specific applicable provisions in the Declaration.

Section 5. Application of Payments and Commingling of Funds. Reserve and operating funds collected by the Association, or by an Association-designated Management Firm as long as a Management Agreement shall be in effect, may not be commingled in a single fund for purposes of investment unless otherwise permitted by the Florida Condominium Act, in which event any decision to commingle funds must be made by the Association or such Management Firm as long as the Management Agreement remains in effect, or thereafter as the Board of Directors determines in its sole discretion. All Assessment payments collected shall be applied (1) pursuant to the applicable provisions of the Declaration, or (2) as provided by a Management Agreement as long as the Management Agreement remains in effect, or thereafter, as the Board of Directors determines in its sole discretion. All funds shall be maintained in a separate account in the name of the Association. If so designated by the Board, a Management Firm shall maintain separate accounting records for each condominium it manages pursuant to the provisions of such Management Agreement and the Florida Condominium Act.

Section 6. Acceleration of Assessment Installments upon Default. If a Unit Owner shall be in default in the payment of an installment upon any Assessment, an Association-designated Management Firm or the Board of Directors may accelerate the monthly installment for the next 3 months upon notice thereof to the Unit Owner and, thereupon, the unpaid installments of the Assessment for the remainder of the fiscal year shall become due upon the date stated in the notice, but not less than 14 days after delivery of or the mailing of such notice to the Unit Owner. The acceleration of installments may be repeated at the end of each 3 month period thereafter if at the end of such period there remains any sums due and unpaid.

ARTICLE VII: FINANCIAL REPORTING REQUIREMENTS

The Association shall provide financial reporting to its Members in accordance with the Act.

ARTICLE VIII: COMPLIANCE AND DEFAULT

Section 1. Violations. In the event of a violation (other than the non-payment of an Assessment) by the Unit owner in any of the provisions of the Declaration, of these By-Laws, or of the applicable portions of the Florida Condominium Act, the Association, by direction of its Board of Directors, may notify the Unit Owner by written notice of said breach, transmitted by mail or delivered in person. If such violation shall continue for a period of 30 days from the date of the notice in the case of violations involving alterations and structural changes to the Unit and 5 days from the date of the notice in the case of all other violations, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Declaration, of the By-Laws, or of the pertinent provisions of the Florida Condominium Act, and the Association may then, at its option, have the following elections:

- (A) An action at law to recover for its damage on behalf of the Association or on behalf of the other Unit Owners;
- (B) An action in equity to enforce performance on the part of the Unit Owner; or
- (C) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.

Failure on the part of the Association to maintain such action at law or in equity within 30 days from date of a written request, signed by a Unit Owner, sent to the Board of Directors, shall authorize any Unit Owner to bring an action in equity or suit at law on account of the violation in the manner provided for in the Florida Condominium Act.

Section 2. Fines. In addition to the remedies as identified in Section 1 above, the Association may levy a fine not to exceed the maximum amount allowed by the Florida Condominium Act against any owner, resident, guest or invitee, for failure to abide by any provisions of the Declaration, these By-Laws or the rules of the Association. No fine will become a lien against a Unit. A fine may be levied on the basis of a continuing violation, with a single notice and an opportunity for a hearing, provided that no such fine shall exceed the maximum aggregate amount allowed under the Florida Condominium Act. No fine may be levied except after giving reasonable notice and an opportunity for a hearing, to be held not less than 14 days after reasonable notice, to the Owner, resident, guest or invitee. Reasonable notice shall include: a statement of the date, time and place of the hearing; a statement as to the provisions of the Declaration, these By-Laws or the rules of the Association which have allegedly been violated; and a short and plain statement of the matters asserted by the Association.

A hearing shall be held before a committee of other Unit Owners. At the sole discretion of the Board of Directors, this committee may be either a standing committee appointed by the Board of Directors for the purpose of addressing all fine situations, or a committee appointed by the Board of Directors for the particular hearing. At such hearing, the party against whom the fine may be levied shall have the opportunity to respond to, to present evidence relating to, and to provide written and oral argument on all issues involved, and shall have an opportunity to review, challenge and respond to any material considered by the committee. A fine may not be levied if more than 75% of the members of the committee disagree with such fine. The notice and hearing procedures shall also satisfy any other requirements of the Florida Condominium Act or the regulations promulgated thereunder.

Section 3. Negligence or Carelessness of Unit Owner, Etc. Any Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association.

Nothing herein contained, however, shall be construed so as to modify any waiver by insurance company of rights of subrogation.

Section 4. Costs and Attorneys' Fees. In any proceeding brought by the Association pursuant to this Article, the Association, if it is the prevailing party, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the court.

Section 5. No Waiver of Rights. The failure of the Association or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium documents shall not constitute a waiver of the right of the Association or Unit Owner to enforce such right, provision, covenant or condition in the future.

Section 6. Election of Remedies. All rights, remedies and privileges granted to the Association or Unit Owner pursuant to any terms, provisions, covenants or conditions of the Condominium documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such other party by condominium documents, or at law or in equity.

ARTICLE IX: ACQUISITION OF UNITS

At any foreclosure sale of a Unit, the Board of Directors may, with the authorization and approval by the affirmative vote of voting members casting not less than 75% of the total votes of the members present at any regular or special meeting of the members wherein said matter is voted upon, acquire in the name of the Association or its designee a Condominium Parcel being foreclosed. The term "foreclosure," as used in this section, shall mean and include any foreclosure of any lien, excluding the Association's lien for assessments. The power of the Board of Directors to acquire a Condominium Parcel at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the Board of Directors or of the Association to do so at any foreclosure sale. The provisions hereof are permissive in nature and for the purpose of setting forth the power in the Board of Directors to do so should the requisite approval of the voting members be obtained. Once general authority to purchase a Unit at a foreclosure sale is obtained, the Board of Directors shall not be required to obtain the specific approval of Unit Owners regarding the sum the Board of Directors determines to bid at such foreclosure sale unless the limit of such authority has been established in the original authorization.

ARTICLE X: AMENDMENTS TO THE BY-LAWS

The By-Laws may be altered, amended or added to at any duly called meeting of the Unit owners, provided:

- (A) Notice of the meeting shall contain a statement of the proposed amendment.
- (B) If the amendment has received the unanimous approval of the full Board of Directors, then it shall be approved upon the affirmative vote of two thirds ($\frac{2}{3}$) of the total voting interests in the Association, as such votes shall be cast at a meeting called for such purpose.
- (C) If the amendment has not been approved by the unanimous vote of the Board of Directors, then the amendment shall be approved by the affirmative vote of three-fourths ($\frac{3}{4}$) of the total voting interests in the Association, as such votes shall be cast at a meeting called for such purpose.
- (D) Said amendment shall be recorded and certified as required by the Florida Condominium Act.

(E) Notwithstanding the foregoing, these By-Laws may only be amended with the written approval when required of the parties specified in Section 6 of the Declaration to which these By-Laws are attached.

(F) No amendment to these By-Laws shall be made which affects any of the rights and privileges provided to the Developer in the Condominium documents without the written consent of the Developer.

ARTICLE XI: NOTICES

Whatever notices are required to be sent hereunder shall be posted, delivered or sent in accordance with the applicable provisions as to same as set forth in the Declaration to which these By-Laws and other exhibits attached to said Declaration.

ARTICLE XII: INDEMNIFICATION

The Association shall indemnify every director and every officer, his heirs, executors and administrators, against all loss, cost and expense reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association, including reasonable counsel fees, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE XIII: LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Condominium shall not relieve or release any such former owner or member from any liability or obligations incurred under or in any connected with the Condominium during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former owner and member arising out of or in any connected with such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XIV: LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable for injury or damage by a latent condition in the Condominium Property, nor for injury or damage caused by the elements or by other owners or persons.

ARTICLE XV: PARLIAMENTARY RULES

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

ARTICLE XVI: MORTGAGE REGISTER

The Association, or its agents, may maintain a register of all mortgages and at the request of a mortgagee, the Association shall forward copies of all notices for unpaid Assessments or violations served upon a Unit Owner to said mortgagee. If a register is maintained, the Association, or its agent, maintaining same may make such charge as it deems appropriate against the applicable Unit for supplying the information provided herein.

ARTICLE XVII: ARBITRATION

All issues or disputes which are recognized by the Act or by administrative rules promulgated under the Act as being appropriate or required for mediation or arbitration shall be submitted to such alternative resolution procedures prior to institution of civil litigation proceedings.

ARTICLE XVIII: EMERGENCY POWERS

The following shall apply to the extent not viewed to be in conflict with the Act:

Section 1. In anticipation of or during any emergency defined in Section 6 below, the Board of Directors may:

(A) Name as assistant officers persons who are not Board members, which assistant officers shall have the same authority as the executive officers to whom they are assistant, during the period of the emergency, to accommodate the incapacity of any officer of the Association; and

(B) Relocate the principal office or designate alternative principal offices or authorize the officers to do so.

Section 2. During any emergency defined in Section 6 below:

(A) Notice of a meeting of the Board of Directors need be given only to those Directors whom it is practicable to reach and may be given in any practicable manner, including by publication and radio; and

(B) The Director or Directors in attendance at a meeting shall constitute a quorum.

Section 3. Corporate action taken in good faith during an emergency under this Section to further the ordinary affairs of the Association:

(A) Binds the Association; and

(B) Shall have the presumption of being reasonable and necessary.

Section 4. An officer, director, or employee of the Association acting in accordance with these emergency provisions is only liable for willful misconduct.

Section 5. These emergency provisions shall supersede any inconsistent or contrary provisions of the By-Laws for the period of the emergency.

Section 6. An emergency exists for purposes of this Article XVIII if a quorum of the Association's Directors cannot readily be assembled because of some catastrophic event.

ARTICLE XIX: CERTIFICATE OF COMPLIANCE

A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Board as evidence of compliance of the Units to the applicable fire and life safety code.

EXHIBIT NO. 4 TO DECLARATION OF CONDOMINIUM

Not for Resale

INITIAL RULES AND REGULATIONS

Unless otherwise defined in this document, all defined terms shall have the same meaning as used in the Declaration of Condominium.

A. GENERAL RULES

1. Passenger automobiles, sport/utility vehicles, mini-trucks, vans, golf carts and motorcycles (used for personal transportation and not commercially) that do not exceed the size of one parking space may be parked in the areas provided for that purpose. Commercial vehicles, trucks, campers, motor homes, trailers, boats and boat trailers are prohibited. Bicycles and mopeds shall be parked only in areas as may be designated by the Board. Vehicle maintenance is not permitted on the Condominium Property. All vehicles must be currently licensed and no inoperable or unsightly vehicles may be kept on the Condominium Property. Notwithstanding the foregoing, the Developer shall be exempt from this regulation for vehicles which are engaged in any activity relating to construction, maintenance or marketing of Units, as are commercial vehicles used by vendors of the Association while engaged in work at the Condominium.

2. No exterior radio, television or data reception antenna or any exterior wiring for any purpose may be installed without the written consent of the Board.

3. To maintain harmony of the exterior appearance of the Buildings, no one shall make any changes to, place anything upon, affix anything to or exhibit anything from any part of the Condominium Property or Association Property visible from the exterior of the Buildings or from the Common Elements without the prior written consent of the Board. Balcony tile and floor covering material and colors must be approved by the Board.

4. All Common Elements (including the Limited Common Elements) will be used for their designated purposes only, and nothing belonging to Unit Owners, their family, tenants or guests shall be kept therein or thereon without the approval of the Board or unless otherwise permitted under the Declaration, and such areas shall at all times be kept free of obstruction. Owners are financially responsible to the Association for damage to the Common Elements caused by themselves, their tenants, guests and family members.

5. The following are the pet restrictions for the Condominium:

a. Two dogs, or two cats and no more than two birds, tropical fish and other customary non-exotic (snakes are prohibited), quiet and inoffensive household pets not being kept or raised for commercial purposes shall be permitted. However, individuals who were tenants of the apartments prior to creation of the Condominium and who have purchased a Unit shall be entitled to retain the pet(s) they owned prior to purchasing the Unit, but upon the death of the pet(s), the Unit Owner shall not be permitted to replace the pet unless the Unit Owner is able to satisfy the specific pet restrictions contained in the first sentence of this paragraph.

b. On all portions of the Common Elements (other than the Limited Common Elements appurtenant to a Unit), pets shall be under hand-held leash or carried at all times.

c. Messes made by pets must be removed by Unit Owners or handlers immediately.

d. Dobermans, German Shepherds, Pit Bulls and Rottweilers are specifically prohibited in the Condominium, as are like animals of like or similar temperament. In addition, any pets that are vicious, noisy or otherwise unpleasant will not be permitted in the Condominium. In the event that a pet has become a nuisance or unreasonably disturbing in the opinion of the Board, written notice shall be given to the Unit Owner or other person responsible for the pet and the pet must be removed from the Condominium Property within three (3) days.

e. Guests and tenants are not permitted to have pets.

f. The Board of Directors has the authority and discretion to make exceptions to the limitations in this regulation in individual cases and to impose conditions concerning the exceptions.

6. Disposition of garbage and trash shall be only by use of receptacles approved by the Association or by use of garbage disposal units.

7. Loud and disturbing noises are prohibited. All radios, televisions, tape machines, compact disc players, stereos, singing and playing of musical instruments, etc. shall be regulated to sound levels that will not disturb others. No vocal or instrumental practice is permitted after 9:00 p.m. or before 9:00 a.m.

8. Illegal and immoral practices are prohibited.

9. Other than plants, trees or shrubs contained within a Limited Common Element appurtenant to a Unit, lawns, shrubbery or other exterior plantings shall not be altered, moved or added to without permission of the Association. No plants, trees or shrubs shall be permitted within a Limited Common Element area except as permitted by the Board.

10. Laundry, bathing apparel, beach and porch accessories shall not be maintained in a manner that is exposed to view to other Units.

11. No nuisance of any type or kind shall be maintained upon the Condominium Property.

12. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Buildings or contents thereof or upon any portion of the Condominium Property, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the Building, or contents thereof, or which would be in violation of any law or building code.

13. Repair, construction, decorating or re-modeling work shall only be carried on Mondays through Fridays between the hours of 8:00 A.M. and 5:00 P.M. and Saturday between the hours of 8:00 A.M. and 12:00 P.M.

14. No "for sale" or "for rent" signs shall be permitted upon the Condominium Property (either upon the Common Elements or in any portion of a Unit that is visible from its exterior), it being the intent of the Association and the Developer to ensure an attractive and consistent appearance of the Condominium.

15. These Rules and Regulations shall apply equally to Unit Owners, their families, guests, staff, invitees and lessees.

16. The Board may impose a fine for each violation of these Rules and Regulations or any of the Condominium documents, the amount of such fine to be set by the Board in accordance with the provisions of Chapter 718, Florida Statutes.

17. The Condominium and management staff are not permitted to do private work for Unit Owners, their families, tenants or guests while on duty. If both parties are agreeable, staff may assist such persons privately when off duty.

18. These Rules and Regulations do not purport to constitute all of the restrictions affecting the Condominium Property. Reference should be made to the Condominium documents and the Declaration.

B. RULES FOR OWNER PARTICIPATION IN BOARD OF DIRECTORS MEETINGS, A BUDGET COMMITTEE MEETING AND A MEETING OF ANY COMMITTEE AUTHORIZED TO TAKE ACTION ON BEHALF OF THE BOARD; AND OF THE LOCATION FOR POSTING NOTICES OF MEETINGS

I. THE RIGHT TO SPEAK:

1. To the maximum extent practical, the posted Board meeting agenda for each meeting shall list the substance of the matters and actions to be considered by the Board.

2. Roberts Rules of Order (latest edition) shall govern the conduct of the Association meeting when not in conflict with the Declaration of Condominium, the Articles of Incorporation or the By-Laws.

3. After each motion is made and seconded by the Board members the meeting Chairperson will permit Unit Owner participation regarding the motion on the floor, which time may be limited depending on the complexity and effect on the Association.

4. Unit Owner participation will not be permitted after reports of officers or committees unless a motion is made to act upon the report, or the Chair determines that it is appropriate or is in the best interest of the Association.

5. A Unit Owner wishing to speak must first raise his or her hand and wait to be recognized by the Chair.

6. While a Unit Owner is speaking, he or she must address only the Chair; no one else is permitted to speak at the same time.

7. A Unit Owner may speak only once for not more than three (3) minutes and only on the subject or motion on the floor.

8. The Chair may, by asking if there be any objection and hearing none, permit a Unit Owner to speak for longer than three (3) minutes, or to speak more than once on the same subject. The objection, if any, may be that of a Board member only and if there is an objection then the question will be decided by a vote of the Board.

9. The Chair will have the sole authority and responsibility to see to it that all Unit Owner participation is relevant to the subject or motion on the floor.

II. THE RIGHT TO VIDEOTAPE OR AUDIOTAPE:

1. The audio and video equipment and devices which Unit Owners are authorized to utilize at any such meeting must not produce distracting sound or light emissions.

2. Audio or video equipment shall be assembled and placed in position in advance of the commencement of the meeting in a location that is acceptable to the Board or the Committee.

3. Anyone videotaping or recording a meeting shall not be permitted to move about the meeting room in order to facilitate the recording.

4. At least 24 hours' advance written notice shall be given to the Board by any Unit Owner desiring to utilize any audio and/or video equipment to record a meeting.

III. ALL NOTICES OF MEMBERSHIP, DIRECTORS AND COMMITTEE MEETINGS AT WHICH OWNERS ARE ENTITLED TO PARTICIPATE WILL BE POSTED ON THE CONDOMINIUM PROPERTY.

**EXHIBIT NO. 4 TO DECLARATION OF CONDOMINIUM FOR
WATERSIDE AT COQUINA KEY SOUTH, A CONDOMINIUM**

INITIAL RULES AND REGULATIONS

Unless otherwise defined in this document, all defined terms shall have the same meaning as used in the Declaration of Condominium.

A. GENERAL RULES

1. Passenger automobiles, sport/utility vehicles, mini-trucks, vans, golf carts and motorcycles (used for personal transportation and not commercially) that do not exceed the size of one parking space may be parked in the areas provided for that purpose. Commercial vehicles, trucks, campers, motor homes, trailers, boats and boat trailers are prohibited. Bicycles and mopeds shall be parked only in areas as may be designated by the Board. Vehicle maintenance is not permitted on the Condominium Property. All vehicles must be currently licensed and no inoperable or unsightly vehicles may be kept on the Condominium Property. Notwithstanding the foregoing, the Developer shall be exempt from this regulation for vehicles which are engaged in any activity relating to construction, maintenance or marketing of Units, as are commercial vehicles used by vendors of the Association while engaged in work at the Condominium.

2. No exterior radio, television or data reception antenna or any exterior wiring for any purpose may be installed without the written consent of the Board.

3. To maintain harmony of the exterior appearance of the Buildings, no one shall make any changes to, place anything upon, affix anything to or exhibit anything from any part of the Condominium Property or Association Property visible from the exterior of the Buildings or from the Common Elements without the prior written consent of the Board. Balcony tile and floor covering material and colors must be approved by the Board.

4. All Common Elements (including the Limited Common Elements) will be used for their designated purposes only, and nothing belonging to Unit Owners, their family, tenants or guests shall be kept therein or thereon without the approval of the Board or unless otherwise permitted under the Declaration, and such areas shall at all times be kept free of obstruction. Owners are financially responsible to the Association for damage to the Common Elements caused by themselves, their tenants, guests and family members.

5. The following are the pet restrictions for the Condominium:

a. Two dogs, or two cats and no more than two birds, tropical fish and other customary non-exotic (snakes are prohibited), quiet and inoffensive household pets not being kept or raised for commercial purposes shall be permitted. However, individuals who were tenants of the apartments prior to creation of the Condominium and who have purchased a Unit shall be entitled to retain the pet(s) they owned prior to purchasing the Unit, but upon the death of the pet(s), the Unit Owner shall not be permitted to replace the pet unless the Unit Owner is able to satisfy the specific pet restrictions contained in the first sentence of this paragraph.

b. On all portions of the Common Elements (other than the Limited Common Elements appurtenant to a Unit), pets shall be under hand-held leash or carried at all times.

c. Messes made by pets must be removed by Unit Owners or handlers immediately.

d. Dobermans, German Shepherds, Pit Bulls and Rottweilers are specifically prohibited in the Condominium, as are like animals of like or similar temperament. In addition, any pets that are vicious, noisy or otherwise unpleasant will not be permitted in the Condominium. In the event that a

pet has become a nuisance or unreasonably disturbing in the opinion of the Board, written notice shall be given to the Unit Owner or other person responsible for the pet and the pet must be removed from the Condominium Property within three (3) days.

e. Guests and tenants are not permitted to have pets.

f. The Board of Directors has the authority and discretion to make exceptions to the limitations in this regulation in individual cases and to impose conditions concerning the exceptions.

6. Disposition of garbage and trash shall be only by use of receptacles approved by the Association or by use of garbage disposal units.

7. Loud and disturbing noises are prohibited. All radios, televisions, tape machines, compact disc players, stereos, singing and playing of musical instruments, etc. shall be regulated to sound levels that will not disturb others. No vocal or instrumental practice is permitted after 9:00 p.m. or before 9:00 a.m.

8. Illegal and immoral practices are prohibited.

9. Other than plants, trees or shrubs contained within a Limited Common Element appurtenant to a Unit, lawns, shrubbery or other exterior plantings shall not be altered, moved or added to without permission of the Association. No plants, trees or shrubs shall be permitted within a Limited Common Element area except as permitted by the Board.

10. Laundry, bathing apparel, beach and porch accessories shall not be maintained in a manner that is exposed to view to other Units.

11. No nuisance of any type or kind shall be maintained upon the Condominium Property.

12. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Buildings or contents thereof or upon any portion of the Condominium Property, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the Building, or contents thereof, or which would be in violation of any law or building code.

13. Repair, construction, decorating or re-modeling work shall only be carried on Mondays through Fridays between the hours of 8:00 A.M. and 5:00 P.M. and Saturday between the hours of 8:00 A.M. and 12:00 P.M.

14. No "for sale" or "for rent" signs shall be permitted upon the Condominium Property (either upon the Common Elements or in any portion of a Unit that is visible from its exterior), it being the intent of the Association and the Developer to ensure an attractive and consistent appearance of the Condominium.

15. These Rules and Regulations shall apply equally to Unit Owners, their families, guests, staff, invitees and lessees.

16. The Board may impose a fine for each violation of these Rules and Regulations or any of the Condominium documents, the amount of such fine to be set by the Board in accordance with the provisions of Chapter 718, Florida Statutes.

17. The Condominium and management staff are not permitted to do private work for Unit Owners, their families, tenants or guests while on duty. If both parties are agreeable, staff may assist such persons privately when off duty.

18. These Rules and Regulations do not purport to constitute all of the restrictions affecting the Condominium Property. Reference should be made to the Condominium documents and the Declaration.

B. RULES FOR OWNER PARTICIPATION IN BOARD OF DIRECTORS MEETINGS, A BUDGET COMMITTEE MEETING AND A MEETING OF ANY COMMITTEE AUTHORIZED TO TAKE ACTION ON BEHALF OF THE BOARD; AND OF THE LOCATION FOR POSTING NOTICES OF MEETINGS

I. THE RIGHT TO SPEAK:

1. To the maximum extent practical, the posted Board meeting agenda for each meeting shall list the substance of the matters and actions to be considered by the Board.

2. Roberts Rules of Order (latest edition) shall govern the conduct of the Association meeting when not in conflict with the Declaration of Condominium, the Articles of Incorporation or the By-Laws.

3. After each motion is made and seconded by the Board members the meeting Chairperson will permit Unit Owner participation regarding the motion on the floor, which time may be limited depending on the complexity and effect on the Association.

4. Unit Owner participation will not be permitted after reports of officers or committees unless a motion is made to act upon the report, or the Chair determines that it is appropriate or is in the best interest of the Association.

5. A Unit Owner wishing to speak must first raise his or her hand and wait to be recognized by the Chair.

6. While a Unit Owner is speaking, he or she must address only the Chair; no one else is permitted to speak at the same time.

7. A Unit Owner may speak only once for not more than three (3) minutes and only on the subject or motion on the floor.

8. The Chair may, by asking if there be any objection and hearing none, permit a Unit Owner to speak for longer than three (3) minutes, or to speak more than once on the same subject. The objection, if any, may be that of a Board member only and if there is an objection then the question will be decided by a vote of the Board.

9. The Chair will have the sole authority and responsibility to see to it that all Unit Owner participation is relevant to the subject or motion on the floor.

II. THE RIGHT TO VIDEOTAPE OR AUDIOTAPE:

1. The audio and video equipment and devices which Unit Owners are authorized to utilize at any such meeting must not produce distracting sound or light emissions.

2. Audio or video equipment shall be assembled and placed in position in advance of the commencement of the meeting in a location that is acceptable to the Board or the Committee.

3. Anyone videotaping or recording a meeting shall not be permitted to move about the meeting room in order to facilitate the recording.

4. At least 24 hours' advance written notice shall be given to the Board by any Unit Owner desiring to utilize any audio and/or video equipment to record a meeting.

III. ALL NOTICES OF MEMBERSHIP, DIRECTORS AND COMMITTEE MEETINGS AT WHICH OWNERS ARE ENTITLED TO PARTICIPATE WILL BE POSTED ON THE CONDOMINIUM PROPERTY.

EXHIBIT NO. 5 TO DECLARATION OF CONDOMINIUM

Not for Resale

**SENTRY MANAGEMENT, INC.
MANAGEMENT SERVICES AGREEMENT**

THIS AGREEMENT, entered into as of the 9th day of Nov, 2005, by and between WATERSIDE AT COQUINA KEY SOUTH CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, located in Pinellas County, Florida, hereinafter referred to as "Association," and SENTRY MANAGEMENT, INC., a Florida corporation, hereinafter referred to as "Agent."

The Board of Directors of the Association (the "Board"), on behalf of the Association, hereby appoints Agent to manage the Property and Agent accepts appointment to manage the Association property. Management shall be in accordance with Association's recorded governing documents and applicable statutes. Association shall provide to Agent copies of all recorded plats, governing documents and amendments thereto.

TERM OF AGREEMENT - Association hereby employs Agent exclusively to manage Association for an initial period of one year, and thereafter for periods of one year unless this Agreement is terminated. Either party may terminate this Agreement without cause and without payment of a termination fee upon ninety (90) days written notice.

SERVICES OF AGENT - Agent shall perform the following services in the name of and on behalf of the Association and the Association hereby gives Agent the authority and powers required to perform these services.

- A. ACCOUNTING** - If a financial report, including a statement of balances, is not available for the period immediately preceding this Agreement, Association shall pay to Agent a fee of \$150.00 to research financial records and prepare the necessary financial report.
1. Agent warrants that all Agent's employees who handle or are responsible for the safekeeping of any Association monies shall be covered by a fidelity bond, at Agent's cost, in a minimum amount of \$100,000 with a company determined by Agent.
 2. Agent shall receive, deposit, disburse and account for all Association funds. Deposits and disbursements shall be made weekly and funds collected shall be deposited in a custodial account in a state or national bank where deposits are insured by the Federal Deposit Insurance Corporation, separate and apart from Agent's own funds. Assessments shall be initially deposited via Agent's lockbox payment center to ensure daily deposit of Association funds.
 3. Agent shall have printed and distribute scheduled assessment coupon notices and payment envelopes to all members at the address provided by the member for billing purposes. If no such address is provided, mailing will be to the street address of the lot or living unit.
 4. Agent shall charge interest and/or late fees to member accounts, as outlined in Association's Declaration of Covenants and Restrictions, and Agent shall mail delinquency coupon notices to all members who are past-due in payment of assessments, on a monthly basis.
 5. Agent shall at all times maintain individual account statements for each member on which are posted all debits and credits to include monthly computations of interest and/or late charges due on past-due or delinquent accounts.
 6. Agent shall maintain a separate Accounts Receivable file for Special Assessments levied by Association for an additional fee of \$1.50 per assessment per lot or living unit.
 7. Agent shall review invoices and charges to Association by vendors and contractors on a weekly basis. Such charges will be coded by account to Association's general ledger for payment in accordance with Accounts Payable schedule as follows: Invoices provided for payment by Monday of each week shall be paid on Monday of the following week.
 8. Agent shall require that contractors are fully licensed and insured, including workers' compensation insurance if contractor's employees are working on Association property. Agent shall review insurance policy expiration dates to ensure that contractors maintain insurance policies required to execute original contract. Should Association choose to contract with an entity which does not meet Agent's requirements for licensing and insurance coverage, Association shall execute Agent's standard waiver of liability prior to commencement of work. All contractors and vendors must complete IRS W-9 forms and Agent shall furnish Federal 1099 Forms to non-incorporated vendors and contractors in accordance with Federal tax laws.
 9. Agent shall arrange for Agent's attorney to file Notices of Commencement per Florida Statute 713 on behalf of Association and will require lien waivers prior to payment being issued to contractor in order to protect Association from Construction Lien Law Liability. A fee of \$25.00 will be charged for each Notice of Commencement prepared.
 10. Agent shall prepare monthly financial reports for Association utilizing the accrual method of accounting, including an income and expense statement, a statement of balances, a check register, an itemized listing of accounts receivable and a disbursements journal by the 25th day of the following month.
 11. Agent shall arrange for an annual audit or review of Association financial records to include filing of all required tax forms as directed by a Certified Public Accountant of Association's choice. An Engagement Letter will be provided from Association's current CPA for the Board's review no later than the first day of the last month of Association's fiscal year. Additional Engagement Letters will be solicited if the Board of Directors so requests. Agent shall not be responsible for fines and penalties imposed due to Association's failure to make a timely decision regarding engagement of CPA or CPA's failure to meet mandated dates.

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12. Agent shall assist Directors in preparation of Association's annual budget. Preliminary budget figures shall be submitted to Association Board of Directors no later than October 1st of each year. Within thirty (30) days of receipt of the preliminary budget, the Board shall either approve the budget as submitted or provide Agent with written notice setting forth those items which are unacceptable to the Board or provide Agent with written notice advising what additional information is required. Upon approval, Agent shall be authorized to operate and manage Association in accordance with the Annual Budget.

B. COLLECTIONS

1. Agent shall advise individual members of Association's authority and notice of intent to file liens against member's property, should member's account become delinquent, to protect Association's financial interest. A charge of \$10.00 will be levied against the member's account for such notice. A charge of \$10.00 will be levied against a member's account upon receipt of a check which has been returned from Association's bank due to non-sufficient funds to offset Agent's expenses to process the check.
2. As directed by Association, Agent shall arrange for Agent's attorney to prepare liens for delinquent assessments and, when appropriate, prepare satisfactions of lien. A fee of \$105.00 will be levied against the account of the property owner as a cost of collection concurrent with lien preparation. Said lien fee shall include preparation of a satisfaction of lien prepared by Agent's attorney. Agent shall charge Association a fee of \$25.00 to prepare a satisfaction of lien if said lien was not originally prepared by Agent's attorney.
3. As directed by Association, Agent will forward necessary documentation to attorney of Association's choice for legal collection and/or foreclosure action. Agent will act as liaison between attorney and Association. As Registered Agent, Agent will accept service of summons and complaints on behalf of Association and forward same to attorney of Association's choice for answer within the time frame dictated by law to ensure Association's interest in the lawsuit is protected.

C. CLOSINGS

1. Upon request or notification by a closing agent or attorney, of a pending sale or refinance, and upon receipt of required Association approvals, if any, Agent will review the property account status and prepare a notarized certificate stating the total amount of maintenance fees, special assessments, late fees, transfer fees, etc. due to be collected at closing of the loan. After closing is held, Agent will collect and deposit funds received from closing agent and update Association's files and financial records with new owner information.
2. Additionally, Agent shall provide an information package to new owners which package will include notification of Agent's contract with Association, emergency telephone numbers, payment coupons, return envelopes and the name and phone number of the Association's property manager. A computerized roster of closings completed each month shall be included with the monthly financial report. Agent shall receive \$10.00 per notarized certificate and \$50.00 per closing to offset expenses of processing the information required by closing agent; said fees to be charged to the property owner's account. Agent shall not be held liable for closings which occur of which Agent has not been properly notified.
3. If Association's governing documents provide for Association approval of sale, Agent shall provide Notice of Intent-to-Sell form to closing agent for completion and provide to Association Board of Directors for approval process. Agent shall receive a fee of \$25.00 per approval. Agent, at Association's cost, shall arrange for screening services to include credit investigation, criminal history and/or resident history as determined by the Board of Directors. Such screening documentation shall become the property of Association.

D. ADMINISTRATION

1. Agent shall, at all times, maintain a roster of all lot or unit owners complete with mailing address as required by Florida Statutes. Additionally, Agent shall maintain current official records for Association including correspondence files, minute books, insurance policies, contracts, financial records, etc. Agent shall arrange for a repository, if necessary, for additional Association inactive official records for the period of time dictated by Florida Statutes. Association to retain ownership of all records. Should Association choose to retain records beyond statutory requirements, Association shall notify Agent of such choice. Association shall pay Agent a monthly fee of \$1.00 per box stored. Association shall reimburse Agent for costs to retrieve inactive records from storage should Association or Association members request to review inactive records.
2. If required by Association's recorded governing documents, Agent will handle lease approval paperwork, and arrange for screening services and credit investigation at Association's cost. Agent shall receive a fee of \$25.00 per lease.

E. PROPERTY MANAGEMENT

1. Agent shall employ one Community Association Manager, at Agent's expense, which Manager shall be designated to manage the affairs of the Association and carry out Agent's duties under this Agreement. Said Manager shall be licensed in accordance with Florida Statute 468.431 with the Department of Business and Professional Regulation in accordance with Chapter 61-B, Florida Administrative Code. Such management shall be in accordance with Association's governing Articles of Incorporation, By-Laws and recorded Covenants and Restrictions, as well as applicable State statutes. Said Manager shall make weekly visits to the property.
2. Agent shall attend one regular meeting of the Board each month and the annual meeting of the Association. Upon not less than 72 hours notice, Agent shall attend additional meetings of the Board or of the Association as requested, provided that the Association shall pay Agent \$25 per hour for that individual's attendance at each meeting.
3. Agent shall assist Association directors in enforcement of Association's recorded governing documents, as needed, to include two written notifications per incident or issue to member in violation and, if directed by the Board of Directors, arrange for legal enforcement of said violations utilizing an attorney of Association's choice.
4. Agent shall receive and distribute all correspondence addressed to Association, on an on-going basis. Agent shall type, reproduce and - distribute meeting minutes. Additionally, Agent shall arrange for preparation and distribution of Association newsletter on a scheduled basis, if directed by Association, at Association's expense. Newsletter input must be provided by Association.

5. Agent shall type, reproduce and distribute general announcements and other information to all members including notices of Annual Meetings and Elections as required by State law, and as needed.
6. Agent shall renew Association corporate charter, and arrange for other such licensing and recording provisions as required by law. All licensing and recording fees shall be the expense of Association.
7. Should Association become involved in litigation or pre-litigation resulting in research, document preparation, deposition, testimony, etc., on the part of Agent, Agent may charge a fee of \$35.00 per hour (staff) and \$50.00 per hour (management) for such time expended in excess of two hours per lawsuit or issue.

F. EMPLOYMENT OF PERSONNEL/PAYROLL EXPENSES

1. Agent shall select, employ and supervise any and all on-site employees, for Association's benefit. All expenses incident to the employment of such personnel will be borne by Agent, and charged back to the Association as a budgeted expense of Association, at the rate charged by Agent. Those expenses are: State and Federal Unemployment Taxes, F.I.C.A., Workers' Compensation Insurance and Bodily Injury and Property Damage Liability Insurance. Said payroll and incidental expenses shall be paid to Agent via electronic transfer of funds from Association's designated bank account bi-weekly in accordance with Agent's payroll schedule. Benefits consistent with the employment of quality personnel, such as health insurance, are considered incident to the employment of such personnel and shall be a budgeted expense of Association. All employees will be subject to company policies set forth by Agent. Vacation policy for regular full-time employees is one week after one year, two weeks after two years, three weeks after six years and four weeks after eleven years. Scheduled holidays are New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving, the day after Thanksgiving and Christmas. Other days following or preceding a holiday are at the discretion of the Agent. All regular full-time employees are eligible for sick leave benefits. Employees receive one-half day's sick leave credit for each month of continuous employment for a maximum total of six days per calendar year. From time to time, company policies and rates may be revised at the discretion of Agent.
2. Association agrees that it shall not employ, in any capacity, any employee or former employee of Agent, who has been employed by Agent within the twelve (12) months immediately prior to termination of this Agreement, for a period of one (1) year thereafter.

G. MAINTENANCE OF COMMON ELEMENTS

1. Subject to the direction of the Board, at the expense of the Association and in accordance with the Association's approved budget, Agent shall cause the common elements of the Association Property to be maintained according to appropriate standards of maintenance consistent with the character of the Property.
2. In addition to the supervision of budgeted maintenance employees, Agent shall supervise contracted labor such as pool and grounds maintenance, pest control, and similar on-going contracted services. Contracted services shall be at Association expense. Agent shall obtain competitive bids and make awards as agreed to by Association Board of Directors relating to contracted services. Agent shall receive a Supervisory Fee of ten percent (10%) of the contract price for supervision of capital expenditure projects, such as roof replacement, building painting, resurfacing and other major repairs or improvements, exceeding an amount of \$10,000, if requested in writing to take such supervisory responsibility by the Association's Board of Directors.
3. Agent shall receive maintenance requests from individual members and, when such requests meet approved guidelines, prepare and issue a service work order, review completed work and disburse Association funds as appropriate.
4. Notwithstanding any other provision of this Agreement, Agent is given no authority or responsibility for maintenance or repairs to individual dwellings in Association. Such maintenance and repairs shall be the sole responsibility of the individual property owner.
5. Agent shall have no authority to make any structural change to Association's property or to make any other major alterations or additions in or to any buildings or equipment therein, except such emergency repairs as may be required because of danger to life or property, or which are immediately necessary for the preservation and safety of Association or its individual members and occupants, or are required to avoid the suspension of any necessary service to Association.

H. PAYMENT OF EXPENSES - All expenses of operation and management may be paid from Association's funds held by Agent and Agent is authorized to pay any amounts owed to Agent by Association from such account without prior notice to Association. Agent shall have no obligation to advance funds to Association for any purpose whatsoever. Agent shall not make any expenditures, nor incur any non-budgeted contractual obligation exceeding \$500.00, without the prior consent of Association. From the funds of the Association, Agent shall pay all expenses of management of Association Property, including taxes, building and inspection fees, utilities, licensing and other governmental charges, and all other charges or obligations incurred by the Association or by Agent on behalf of Association with respect to the maintenance or operation of the Property or pursuant to the terms of this Agreement or pursuant to other authority granted by the Board on behalf of the Association.

I. MANAGEMENT FEE - Association shall pay Agent a minimum management fee of \$750.00 or \$9.50 per billable lot or unit per month, whichever amount is greater. A billable lot or unit is defined as one that is assessed fees by the Association. The management fee shall be paid monthly in advance. The management fee shall be adjusted annually upon approval by the Board of the Annual Budget, which adjustment shall be incorporated into this Agreement by reference. The management fee covers all services included in this contract, unless otherwise noted, with the exception of sales tax, printing, copying, postage & handling fees, payment coupons, supplies, long-distance telephone calls, facsimile and electronic transmittals, licensing fees, title searches, recording fees, bank charges, mailing supplies, and all items which become the property of the Association. Payments received later than the 15th day of the month will be assessed a late charge of 18% annum. Disputed items shall not constitute a reason for non-payment. Items in dispute shall be resolved through mutual agreement between the Board of Directors of the Association and the Agent.

J. AUTHORIZED BOARD MEMBER - Association shall designate a single individual who shall be authorized to direct Agent on any matter relating to management of Association. Agent is directed not to accept directions or instructions with regard to the management of Association from anyone else, without a recorded vote of the Board of Directors. In the absence of any other designation by Association, the President of Association shall have this authority.

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K. INDEMNIFICATION - The Association shall indemnify, defend and save Agent harmless from all suits or other claims brought against Agent arising out of or related to Agent's management of the Association or Association's property, unless it is judicially determined that Agent engaged in intentional misconduct or acted with gross negligence sufficient for an award of punitive damages. If any such suit or claim is made, then the Association shall pay all expenses incurred by Agent as a result of such suit or claim including, but not limited to, all attorneys' fees, costs and expenses.

All representations and warranties of the parties contained herein shall survive the termination of this Agreement. All provisions of this Agreement that require the Association to have insured or to defend, reimburse or indemnify Agent shall survive any termination; and if Agent is or becomes involved in any proceeding or litigation by reason of having been the Association's Agent, such provisions shall apply as if this Agreement were still in effect.

L. ASSOCIATION INSURANCE COVERAGE - The Association shall carry, at its own expense, public liability, property and casualty coverage, Directors & Officers Liability coverage and any such other insurance as may be necessary or appropriate. Such insurance policies shall name both the Association and Agent as insured, and their coverage shall be adequate to protect the interests of both parties and in form, substance, and amounts reasonably satisfactory to Agent. The Association shall provide Agent with duplicate copies of such policies within thirty (30) days from the date of execution of this Agreement; or Agent may, but shall not be obligated to, place said insurance and charge the cost thereof to the account of the Association. Said policies shall provide that notice of default or cancellation shall be sent to Agent as well as to the Association and shall require a minimum of ten (10) days' written notice to Agent before any cancellation of or changes to said policies.

M. APPLICABLE LAW AND PARTIAL INVALIDITY - The execution, interpretation, and performance of this Agreement shall in all respects be controlled and governed by the laws of the State of Florida. If any part of this Agreement shall be declared invalid or unenforceable, Agent shall have the option to terminate this Agreement by notice to the Association. The prevailing party in any action between the parties is entitled to recover reasonable attorney's fees. This relief does not exclude other remedies provided by law.

N. NOTICE - Any notice required or provided for in this Agreement shall be in writing and shall be addressed as indicated below:

1. If to Agent: President
Sentry Management, Inc.
2180 West State Road 434, Suite 5000
Longwood, FL 32779

2. If to Association: President of Association
at his or her home address

Either party may change the address for notice by notice to the other party. Notice served by mail shall be deemed to have been served when deposited in the U.S. mail.

O. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Agent and the heirs, administrators, successors and assigns of Association.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this ____ day of _____, 2005.

WITNESS:

Shah Pandey

WATERSIDE AT COQUINA KEY SOUTH
CONDOMINIUM ASSOCIATION, INC.

By: [Signature]
Title: President

SENTRY MANAGEMENT, INC.

By: [Signature]
James W. Hart, Jr., President

Mag.watersidesouth
09/05

**EXHIBIT NO. 6 TO DECLARATION OF CONDOMINIUM
CHART OF UNDIVIDED PERCENTAGE OWNERSHIP IN COMMON ELEMENTS**

UNIT TYPE	UNIT AREA	NO. OF UNITS	TOTAL UNIT AREA	FRACTIONAL SHARE
A1	562	88	49,456	0.0010744835022808900
B1	668	28	18,704	0.0012771440916790600
B2	646	28	18,088	0.0012350824599171800
B3	694	28	19,432	0.0013268532928522000
B4	823	66	54,318	0.0015734874063650700
C1	773	22	17,006	0.0014778927887244200
C1A	825	102	84,150	0.0015773111910707000
C1B	878	8	7,024	0.0016786414857697900
C2	912	10	9,120	0.0017436458257654300
C3	1,018	48	48,864	0.0019463064151636000
C3A	1,018	16	16,288	0.0019463064151636000
C3B	1,071	8	8,568	0.0020476367098626900
C4	1,024	16	16,384	0.0019577777692804800
CS1/Eff	1,872	4	7,488	0.0035790624844658700
D1	720	40	28,800	0.0013765624940253400
D2	774	20	15,480	0.0014798046810772400
E1	933	8	7,464	0.0017837955651745000
E2	1,124	8	8,992	0.0021489670045617800
E3	1,437	8	11,496	0.0027473893109922300
F1	1,022	40	40,880	0.0019539539845748500
F2	1,053	20	21,060	0.0020132226475120500
G1	1,124	8	8,992	0.0021489670045617800
G2	1,247	4	4,988	0.0023841297639577700
TOTAL UNITS		628	523,042	