

EXHIBIT "B"

BYLAWS
OF
WATERCREST COMMUNITY ASSOCIATION, INC.

ARTICLE 1
IDENTITY AND DEFINITIONS

Watercrest Community Association, Inc., a Florida corporation not for profit (the "Association"), has been organized for the purpose of promoting the health, safety, and social welfare of the owners of parcels within the community in Sarasota County, Florida, known as "Watercrest" (the "Subdivision") and performing all duties assigned to it under the provisions of the "Declaration of Restrictions for Watercrest" (the "Declaration") to be recorded in the Public Records of Sarasota County, Florida. The terms and provisions of these Bylaws are expressly subject to the Articles of Incorporation of the Association and to the terms, provisions, conditions, and authorizations contained in the Declaration. All words and terms used herein which are defined in the Declaration shall be used herein with the same meanings as defined in the Declaration.

ARTICLE 2
LOCATION OF PRINCIPAL OFFICE

The principal office of the Association shall be located at 7350 Point of Rocks Road, Sarasota, Florida 34242, or at such other place as may be established by resolution of the Board of Directors of the Association.

ARTICLE 3
MEMBERSHIP, VOTING, QUORUM AND PROXIES

3.1 Membership and Voting. The qualification and classification of members, the voting rights of members, and the manner of their admission to membership and termination of such membership shall be governed by the provisions of Article 4 and Article 5 of the Association's Articles of Incorporation, as supplemented by the provisions of these Bylaws.

3.2 Quorum. A quorum at any meeting of the Association's members shall consist of Class A members entitled to cast votes representing at least twenty-nine percent of the total votes of the Association's Class A members as determined in the manner set forth in Article 2.3 of the Declaration.

3.3 Proxies. Votes may be cast in person, by proxy, or by written ballot. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary at or before the designated time of the meeting.

3.4 Joint Ownership. Where an individual Parcel is owned by more than one person, the vote to which such Parcel is entitled may be cast by any of the joint owners; provided, however,

that if more than one of the joint owners cast the vote to which their Parcel is entitled, the vote shall be apportioned equally among such of the joint owners as cast the vote.

3.5 **Record Date.** The number of votes to which any Class A member is entitled at any meeting of members shall be determined as of the date fixed by the Board of Directors as the record date for such meeting, provided that such record date shall not be more than 60 days or less than 10 days prior to the date of such meeting. In the event the Board of Directors does not set a record date for any meeting of members, the record date for such meeting shall be the date of the notice of such meeting. The determination of the number of votes to which any Class A member is entitled as of the record date shall be final, and no conveyance or acquisition of any Parcel arising after such record date shall be taken into consideration in determining the number of votes to which such member is entitled at such meeting.

3.6 **Required Vote.** Except as otherwise provided by law or by the provisions of the Articles of Incorporation, these Bylaws, or the Declaration, the affirmative vote of Class A members representing a majority of the Class A membership voting rights (as determined pursuant to Article 2.3 of the Declaration) represented at any duly called members' meeting at which a quorum is present shall be necessary for approval of any matter and shall be binding upon all members.

ARTICLE 4

ANNUAL AND SPECIAL MEETINGS OF MEMBERS

4.1 **Annual Meeting.** An annual meeting of the membership of the Association shall be held each year during November or such other month as the Board of Directors may determine. The date, time, and place of the annual meeting shall be designated by the Board of Directors. The annual meeting shall be held for the purpose of electing Directors and transacting any other business authorized to be transacted by the members.

4.2 **Special Meetings.** Special meetings of the members of the Association shall be held whenever called by the President, by a majority of the Board of Directors, or by members entitled to cast votes representing at least 20 percent of the total votes of the Association membership as determined in the manner set forth in Article 2.3 of the Declaration.

4.3 **Notices.** Written notice of all members' meetings, annual or special, shall be given by the President, Vice President, or Secretary or by such other officer of the Association as may be designated by the Board of Directors. Such notice shall state the time and place of the meeting and the purpose for which the meeting is called and shall be given not less than 14 days prior to the date set for such meeting. If presented personally, a receipt of such notice shall be signed by the member, indicating the date on which such notice was received. If mailed, such notice shall be deemed to be properly given when deposited in the United States mails, postage prepaid, addressed to the member at his post office address as the same appears on the records of the Association. Proof of such mailing may be given by the affidavit of the person giving the notice and filed with the Association's minutes of meetings. Any member may, by written waiver signed by such member, waive such notice, and such waiver, when filed with the Association's minutes of meetings (whether executed and filed before or after the meeting), shall be deemed equivalent to the giving of such notice to such member.

4.4 **Lack of Quorum.** If any members' meeting cannot be organized because a quorum has not attended or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required by the terms of the Articles of Incorporation, these Bylaws, or the Declaration, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

4.5 **Presiding Officer.** At meetings of the membership, the President, or in his absence the Vice President, shall preside, or in the absence of both, the Board of Directors shall select a chairman.

ARTICLE 5 **BOARD OF DIRECTORS**

5.1 **Number.** The affairs of the Association shall be managed by a Board of Directors consisting initially of three Directors. The number of Directors may be changed from time to time by resolution of the Board of Directors, but may never be less than three.

5.2 **Quorum.** A majority of the Board of Directors shall constitute a quorum to transact business at any meeting of the Board of Directors, and the action of a majority present at a meeting at which a quorum is present shall constitute the action of the Board of Directors.

5.3 **Vacancies.** Any vacancy occurring on the Board of Directors due to a Director's death, resignation, or removal shall be filled by the Board of Directors, except that the Class B member shall fill any vacancy created by the death, resignation, or removal of any Director appointed by the Class B member. A Director appointed to fill a vacancy, whether by the Board of Directors or the Class B member, shall serve for the unexpired term of his predecessor in office.

ARTICLE 6 **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

6.1 **Powers.** The Board of Directors shall have power:

A. To call meetings of the members.

B. To appoint and remove at pleasure all officers, agents, and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any member, officer, or Director of the Association in any capacity whatsoever.

C. To establish, levy, and collect the Assessments necessary to operate the Association, carry on its activities, and pay the Association Expenses and to create such reserves for extraordinary expenditures as may be deemed appropriate by the Board of Directors.

D. To adopt and publish rules and regulations governing and restricting the use and maintenance of the Subdivision (or any part thereof or improvements thereon) and the personal conduct of the members and their guests within the Subdivision.

E. To authorize and cause the Association to enter into contracts for the day-to-day operation of the Association and the discharge of its responsibilities and obligations.

F. To appoint such committees as the Board of Directors may desire and to grant to such committees such duties and responsibilities as the Board of Directors may deem advisable.

G. To enforce by appropriate legal means the provisions of the Declaration, the Articles of Incorporation, and these Bylaws.

H. To exercise for the Association all powers, duties, and authority vested in or delegated to the Association, except those reserved to the members by the terms of the Declaration or the Articles of Incorporation.

6.2 Duties. It shall be the duty of the Board of Directors:

A. To cause to be kept a complete record of all its acts and corporate affairs.

B. To supervise all officers, agents, and employees of the Association and to see that their duties are properly performed.

C. With reference to Assessments of the Association:

(1) To fix the amount of the Assessments against the members for each fiscal year in accordance with the provisions of the Declaration;

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

(3) To send written notice of each Assessment to each member entitled thereto.

D. To make payment of all ad valorem taxes assessed against property of the Association, real or personal.

E. To pay all expenses incurred by the Association pursuant to the Declaration for repairs, maintenance, services, insurance, and other operating expenses.

F. To ensure that all obligations of the Association under the Declaration are performed.

G. To enforce by appropriate legal means the provisions of the Declaration, the Articles of Incorporation, and these Bylaws.

ARTICLE 7
MEETINGS OF DIRECTORS

7.1 **Annual Meeting.** An annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members.

7.2 **Regular Meetings.** Regular meetings of the Board of Directors shall be held at such time and place as provided by appropriate resolution of the Board of Directors.

7.3 **Special Meetings.** Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two Directors.

7.4 **Notices.** Notice of regular or special meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, or telegram, at least seven days prior to the day named for such meeting, which notice shall state the time and place of the meeting and, as to special meetings, the purpose of the meeting, unless such notice is waived. Notices of meetings of the Board of Directors shall also be given to the members of the Association as and if required by Florida law.

7.5 **Consents.** The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, and any Board action taken in lieu of a meeting, shall be as valid as though made at a meeting duly held after regular call and notice, provided that, either before or after the meeting or the effective date of the action taken, each of the Directors signs a written waiver of notice and consent to the holding of such meeting, or an approval of the minutes thereof, or a consent to the action taken in lieu of a meeting. All such waivers, consents, or approvals shall be filed with the Association's minutes of meetings.

ARTICLE 8
OFFICERS

8.1 **Number.** The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as may be elected in accordance with the Articles of Incorporation. The President shall be a member of the Board of Directors.

8.2 **Election.** All the officers of the Association shall be elected by the Board of Directors at the annual meeting of the Board of Directors. New offices may be created and filled at any meeting of the Board of Directors.

8.3 **Vacancies.** A vacancy in any office because of death, resignation, or other termination of service may be filled by the Board of Directors for the unexpired portion of the term.

8.4 **Removal.** All officers shall hold office at the pleasure of the Board of Directors. If an officer is removed by the Board of Directors, such removal shall be in accordance with the contract rights, if any, of the officer so removed.

8.5 **President.** The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out, and shall sign all leases, notes, mortgages, deeds, and other written instruments on behalf of the Association.

8.6 **Vice President.** The Vice President, or the Vice President so designated by the Board of Directors if there is more than one Vice President, shall perform all the duties of the President in his absence. The Vice President(s) shall perform such other acts and duties as may be assigned by the Board of Directors.

8.7 **Secretary.** The Secretary shall be ex officio the Secretary of the Board of Directors and shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. He shall keep the records of the Association. He shall maintain a record of the names of all members of the Association, together with their addresses as registered by such members.

8.8 **Treasurer.** The Treasurer shall receive and deposit in appropriate institutional accounts all monies of the Association and shall disburse such funds as may be directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of the budgets adopted by the Board of Directors. The Treasurer, or his appointed agent, shall keep proper books of account and shall prepare annual budgets, statements of receipts and disbursements, and balance sheets, and the same shall be available for inspection upon reasonable request of a member.

8.9 **Salaries.** The salaries, if any, of the officers of the Association shall be set by the Board of Directors.

ARTICLE 9
FISCAL MANAGEMENT

9.1 **General.** The Board of Directors shall conduct the fiscal management of the Association in accordance with the provisions of the Declaration and the Articles of Incorporation.

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

9.3 **Budgets.** The Board of Directors shall adopt a budget for each fiscal year, which shall contain estimates of the cost of performing the functions of the Association. The adoption of a budget shall not, however, be construed as restricting the right of the Board of Directors, at any time in its sole discretion, to levy any Special Assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation, maintenance, and management; in the event of emergencies; or in the event the Association's reserves are insufficient to cover expenditures for capital improvements or replacements.

9.4 Loans. No loans shall be contracted on behalf of the Association, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. The Board of Directors may authorize the pledge and assignment of the Assessments and the lien rights of the Association as security for the repayment of such loans.

9.5 Monetary Instruments. All checks, drafts, notes, and other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, or such agent or agents, of the Association, and in such manner, as shall from time to time be determined by resolution of the Board of Directors.

9.6 Deposit of Funds. All funds of the Association shall be deposited from time to time to the credit of the Association in such savings and loan associations, banks, trust companies, or other depositories as the Board of Directors may select.

9.7 Fidelity Bonds. Fidelity bonds may be required by the Board of Directors from all officers and employees of the Association and from any person handling or responsible for Association funds. The amount of such bonds shall be determined by the Board of Directors. The premiums on such bonds shall be paid by the Association.

ARTICLE 10 **OFFICIAL SEAL**

The Association shall have an official seal, which shall be circular in form bearing the name of the Association, the word "Florida," the words "Corporation Not For Profit," and the year of incorporation.

ARTICLE 11 **BOOKS AND RECORDS**

The books, records, and other papers of the Association shall be available at the Association's office and shall be subject to inspection by any of the Association members during regular business hours.

ARTICLE 12 **AMENDMENTS**

These Bylaws may be altered, amended, or repealed by a vote of Owners holding at least two-thirds of the total votes of the Association membership. Any proposed alteration, amendment, or repeal shall be contained in the notice of the meeting at which it will be considered. Notwithstanding the foregoing, prior to Turnover these Bylaws may be altered, amended, or repealed by a majority vote of the Directors present at a duly constituted meeting of the Board of Directors and the written consent of the Class B member.

EXHIBIT "C"

UNIT 1 LEGAL DESCRIPTION

All of the property described in the plat of WATERCREST, Unit 1, recorded in Plat Book 50
page 31, Public Records of Sarasota County, Florida.

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