

of

401 MANAGEMENT INC.

A corporation not for profit under Section 617 of  
the laws of the State of Florida

1. NAME

The name of this Association shall be:

401 MANAGEMENT INC..

(a) These By-Laws shall, subject to the provisions of the Articles of Incorporation and the provisions of the Declaration of Condominium, govern the conduct, management and affairs of this Association. All persons becoming members of the Association and those dealing with the Association shall be bound by the provisions hereof, as well as the provisions of the Rules and Regulations, Articles of Incorporation and the Declaration of Condominium.

2. MEMBERSHIP, QUORUM, VOTING, PROXIES

(a) The qualifications of members, and the method of their voting, etc. shall be as follows:

1. Until such time as the property which will constitute the subject matter of condominium ownership, and the improvements which may be hereafter constructed thereon, are submitted to a plan of condominium ownership by the recordation of said Declaration of Condominium, the membership of the corporation shall be comprised of the subscribers to the Articles or their assigns, each of which subscriber or his assigns shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote.
2. After the property has been submitted to condominium ownership by the filing of the Declaration of Condominium, the owners of all Private Dwellings in the Condominium shall be members of the Corporation, and no other persons or entities shall be entitled to membership.
3. Membership in the Corporation shall be established by the acquisition of the fee title to a Private Dwelling in the Condominium, whether by conveyance, devise, judicial decree or otherwise, and membership of any party shall be automatically terminated upon his being divested of his fee ownership interest in any Private Dwelling.
4. The interest of a member in the fund and assets of the Corporation cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Private Dwelling. The funds and assets of the Corporation shall be held or used for the benefit of the Membership.
5. On all matters on which the Membership shall be

entitled to vote, there shall be only one vote for each Private Dwelling in the condominium. Should any member own more than one Private Dwelling, such member shall be entitled to exercise or cast as many votes as he owns Private Dwellings.

(b) A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof, whether done before or after such meeting, shall constitute the presence of such person for the purpose of determining a quorum.

(c) The vote of the owners of a Private Dwelling owned by more than one person, firm, corporation or other entity shall be cast by one person named in a Certificate signed by all of the owners of the Private Dwelling and filed with the Secretary of the Association, and such Certificate shall be valid until revoked by subsequent Certificate. If such a Certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum, nor for any other purpose.

(d) Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary before the appointed time of the meeting.

(e) Approval or disapproval of a Private Dwelling owner upon any matters, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such owner if in an Association meeting.

(f) Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these By-Laws, the Declaration of Condominium, or where the same may otherwise be required by law, the affirmative vote of the owners of a majority of the Private Dwellings represented at any duly called members' meeting at which a quorum is present shall be binding upon the members.

### 3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

(a) The Annual Members' Meeting shall be held at the office of the Association at 7:30 o'clock P.M., local time, on the first Wednesday in October of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding Wednesday.

(b) Special Members' Meeting shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such Officers upon receipt of a written request from members of the Association owning a majority of the Private Dwellings.

(c) Notice of all members' meetings, regular or special, shall be given by the President, Vice President or Secretary of the Association or other Officer of the Association in the absence of said Officers, to each member, unless waived in writing, such notice to be written or printed and to state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member within said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him, or, in lieu thereof, proof of delivery of such notice may be made by written affidavit of the person making

CHANGES ATTACHED

such delivery. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail addressed to the member at his post office address as it appears on the records of the Association, the postage thereon prepaid. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. 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 as set forth in the Articles of Incorporation, these By-Laws or the Declaration of Condominium, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance, if greater than a quorum, is present.

(d) The order of business at Annual Members' Meetings, and, as far as practical, at any other members' meeting shall be:

- (i) Election of Chairman of the meeting;
- (ii) Calling of the roll and certifying of proxies;
- (iii) Proof of notice of meeting or waiver of notice;
- (iv) Reading and disposal of any unapproved minutes;
- (v) Reports of Officers;
- (vi) Reports of Committees;
- (vii) Election of Inspectors of Election;
- (viii) Election of Directors
- (ix) Unfinished business;
- (x) New business;
- (xi) Adjournment.

#### 4. BOARD OF DIRECTORS

(a) The first Board of Directors of the Association shall consist of three persons. The number of Directors shall be established by the Board of Directors from time to time.

(b) Election of Directors shall be conducted in the following manner:

- (i) The members of the Board of Directors shall be elected by a plurality of the votes cast at the Annual Meeting of the members of the Association, and shall serve for a term of one year until the next Annual Meeting of members.
- (ii) Vacancies in the Board of Directors may be filled until the date of the next Annual Meeting by the remaining Directors, the successor Director to fill the vacated Directorship for the unexpired term thereof.
- (iii) In the election of the Directors, each member shall be entitled to cast one vote for each Director to be elected, but voting for Directors shall be non-cumulative.

(c) The organization meeting of the newly elected Board of Directors shall be held within ten (10) days of their election; at such time and at such place as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary provided a quorum shall be present.

(d) Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived.

(e) Special meeting of the Board of Directors may be called by the President, and must be called by the Secretary at the written request of one-third of the votes of the Board. Not less than three (3) days notice of a meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

(f) Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

(g) A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, these By-Laws or the Declaration of Condominium. If any Directors' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the Directors required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Declaration of Condominium, the Directors who are present may adjourn the meeting from time to time until a quorum or the required percentage of attendance if greater than a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purposes of determining a quorum.

(h) The presiding Officer of Directors' Meetings shall be the Chairman of the Board, if such an Officer has been elected; and if none, then the President shall preside. In the absence of the Presiding Officer, the Directors present shall designate one of their number to preside.

(i) Directors' fees, if any, shall be determined by the members.

(j) All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation of the Association, these By-Laws, and the Declaration of Condominium, and shall include, without limiting the generality of the foregoing, the following:

- (1) To make, levy and collect assessments against members and members' Private Dwellings to defray the costs of the condominium, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association.
- (ii) The maintenance, repair, replacement, operation and management of the Condominium wherever the same is required to be done and accomplished by the Association for the benefit of its members.

- (iii) The reconstruction of improvements after casualty, and the further improvement of the property, real and personal.
- (iv) To make and amend regulations governing the use of the property, real and personal, in the Condominium, so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and the Declaration of Condominium and By-Laws.
- (v) To approve or disapprove proposed purchasers and lessees of Private Dwellings in the manner specified in the Declaration of Condominium.
- (vi) To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including Private Dwellings in the Condominium as may be necessary or convenient in the operation and management of the Condominium; and in accomplishing the purposes set forth in the Declaration of Condominium;
- (vii) To contract for the management of the Condominium and to designate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration of Condominium to have approval of the Board of Directors or membership of the Association.
- (viii) To enforce by legal means the provisions of the Articles of Incorporation and By-Laws of the Association, the Declaration of Condominium and the regulations hereinafter promulgated governing use of the Condominium property.
- (ix) To pay all taxes and assessments which are liens against any part of the Condominium other than Private Dwellings and the appurtenances thereto, and to assess the same against the members and their respective Private Dwellings subject to such liens.
- (x) To carry casualty, liability, workmen's compensation and such other insurance as may be deemed necessary for the protection of the members and the Association.
- (xi) To pay all costs of power, gas, water, sewer and other utility services rendered to the Condominium and not billed to the owners of the separate Private Dwellings; and
- (xii) To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

##### 5. OFFICERS

- (a) The executive officers of the Association shall be a President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who

may be peremptorily removed by vote of the Directors at any meeting. Any person may hold two or more offices, except that the President shall not also be the Vice President, Secretary or an Assistant Secretary, Treasurer or Assistant Treasurer. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

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

(c) The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

(d) The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors, and such other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring the seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Directors or President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

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

(f) The compensation of all officers and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association, nor preclude the contracting with a Director for the management of the Condominium.

#### 6. FISCAL MANAGEMENT

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

(a) The Association shall operate on a calendar year.

(b) The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Private Dwelling. Such an account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which assessments come due, the amounts paid upon the account and the balance due upon assessments.

(c) The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the Association, including but not limited to the following items:

(1) Common expense budget, which shall include,



without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and operation of Common Property and Limited Common Property, recreational areas, landscaping, street and walkways, office expense, utility services, insurance, administration and reserves (operating and replacement); and

(11) Proposed assessments against each member.

Copies of the proposed budget and proposed assessments shall be transmitted to each member on or before January 1 of the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned. Delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget and assessments levied pursuant thereto, and nothing herein contained shall be construed as restricting the right of the Board of Directors to at any time in their sole discretion levy any additional assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

(d) The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

(e) An audit of the accounts of the Association shall be made as required and ordered by the Board of Directors.

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

7. PARLIAMENTARY RULES

Roberts Rules of Order (lasting edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these By-Laws or with the Statutes of the State of Florida.

8. AMENDMENTS TO BY-LAWS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

(a) Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon vote of the majority of the Directors, or by members of the Association owning a majority of the Private Dwellings in the Condominium, whether meeting as members or by instrument in writing signed by them.

(b) Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association or other officer of the Association in absence of the President, who shall thereupon call a Special Joint Meeting of the members of the Board of Directors of the Association and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall

the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a Special Meeting of the members is required as herein set forth.

(c) In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of two-thirds of the entire membership of the Board of Directors and by an affirmative vote of the members owning not less than two-thirds of the Private Dwellings in the Condominium. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the Public Records of the County in which the property is located within ten (10) days from the date on which any amendment or amendments have been affirmatively approved by the Directors and members.

(d) At any meeting held to consider such amendment or amendments to the By-Laws, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

#### 9. MISCELLANEOUS PROVISIONS

##### A. Parties Bound by By-Laws, etc.

All present or future owners, tenants or any other person who might use the facilities of the apartment building in any manner are subject to the present and future provisions of the Declaration of Condominium, the Articles of Incorporation of the Association, these By-Laws and the Association's Rules and Regulations, and the mere acquisition or rental of any apartment unit or the mere act of occupancy of any such apartment unit shall be deemed as conclusive acceptance and ratification of the provisions herein mentioned.

##### B. Conflict or Overlapping in Provisions

In the event of conflict or overlapping in the terms and provisions which are or may be set forth in the Articles of Incorporation, the By-Laws, the Declaration of Condominium and the Association's rules and regulations, the provisions, terms and conditions which exact the highest degree of performance and impose the heaviest burdens upon the parties affected thereby, shall govern and prevail.

##### C. Certain Definitions, Terms Used Synonymously

"Owner" means the person, firm or corporation owning a fee simple interest in any Private Dwelling or apartment. "Private Dwelling" includes its undivided interest in the Common Property, Common Surplus, and Limited Common Property. The term is used synonymously with the word "Apartment or Apartment Unit".

"Apartment Building" means the multi-family residential building constructed or to be constructed on the real property which is submitted to condominium ownership, and includes such real property as well as all appurtenant improvements thereto. The term is used synonymously with the word "Condominium".

"Corporation" and "Association" are used synonymously.

The foregoing were adopted; as the By-Laws of the Association.



BOOK	PAGE
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'Secretary

**APPROVED:**

President

(204) 134-041  
Dartmouth College  
Hanover, N.H. 03755

15.00

CHANGES TO THE BYLAWS OF WATERMARK CONDOMINIUM a/k/a 401 MANAGEMENT, INC.,  
ADOPTED BY VOTE OF THE MEMBERSHIP AT THE ANNUAL MEETING OCTOBER 25, 1992.

BOOK PAGE  
3837 4048  
VOLUSIA CO., FL

BOOK 2153 PAGES 1059 thru 1067

1. PAGE 1060 (2), SECTION 2, PARAGRAPH (d), SENTENCE ONE - CHANGE TO READ:  
"VOTES MAY BE CAST IN PERSON OR BY GENERAL OR LIMITED PROXY, EXCEPT  
THAT NO PROXY MAY BE USED TO VOTE FOR THE BOARD OF DIRECTORS."  
FS 718.112 (2)

2. PAGE 1060 (2), SECTION 3, PARAGRAPH (a) - CHANGE TO READ:  
"THE ANNUAL MEMBERS' MEETING SHALL BE HELD AT A LOCATION WHICH IS  
CENTRAL AND LARGE ENOUGH TO FACILITATE THE ATTENDANCE OF EACH OWNER AT  
10:00 A.M., LOCAL TIME, ON A SUNDAY IN OCTOBER EACH YEAR FOR THE  
PURPOSE OF ELECTING DIRECTORS, AND OF TRANSACTING ANY OTHER BUSINESS  
AUTHORIZED TO BE TRANSACTED BY THE MEMBERS."

3. PAGE 1060 (2), SECTION 3, PARAGRAPH (c), SENTENCE TWO - CHANGE TO READ:  
"SUCH NOTICE SHALL BE GIVEN TO EACH MEMBER NOT LESS THAN 14 DAYS  
NOR MORE THAN 60 DAYS PRIOR TO THE DATE SET FOR SUCH MEETING,  
WHICH NOTICE SHALL BE MAILED OR PRESENTED PERSONALLY TO EACH MEMBER  
WITHIN SAID TIME."

AND ADD:

"NOTICE SHALL INCORPORATE AN IDENTIFICATION OF AGENDA ITEMS AND SHALL  
BE POSTED IN A CONSPICUOUS PLACE ON CONDOMINIUM PROPERTY FOR 14  
CONTINUOUS DAYS PRECEDING THE MEETING"  
FS 718.112 (d) 2

4. PAGE 1061 (3), SECTION 4, PARAGRAPH (b) ADD SUBSECTION IV:  
"PROXIES SHALL IN NO EVENT BE USED IN ELECTING THE BOARD OF DIRECTORS,  
EITHER IN GENERAL ELECTIONS OR ELECTIONS TO FILL VACANCIES CAUSED BY  
RECALL, RESIGNATION, OR OTHERWISE."  
FS 718.112 (d) 3

5. PAGE 1065 (7), SECTION 6, PARAGRAPH (f) SECOND SENTENCE - CHANGE TO READ:  
"THE AMOUNT OF SUCH BONDS SHALL BE DETERMINED BY THE DIRECTORS, BUT  
NOT TO BE LESS THAN PROVIDED FOR IN THE FLORIDA STATUTES."  
FS 718.112 (j)

FILED FOR RECORD  
RECORD VERIFIED  
087078  
93 JUN 25 AM 11:15  
CLERK OF THE CIRCUIT  
& CITY COURT VOLUSIA COUNTY, FL

*Peter D. Goldish*  
PETER D. GOLDISH, PRESIDENT

*Jeanette Cordell*  
JEANETTE CORDELL, SECRETARY

SWORN TO AND SUBSCRIBED BEFORE ME THIS 23 DAY OF June, 1993.



"OFFICIAL SEAL"  
Francine V. Hill  
My Commission Expires 12/30/96  
Commission #CC 249307

*Francine V. Hill*  
NOTARY PUBLIC

**Changes to the Bylaws of Watermark Condominium a/k/a/ 401 Management, Inc.,  
adopted by the vote of the membership at the Annual Meeting, October 7, 2001.**

BOOK 2153 PAGES 1059 through 1067

1. Page 1061  
Page 3, Section 4 (BOARD OF DIRECTORS), Paragraph (b) Sub-paragraph  
(i). Change wording to read:

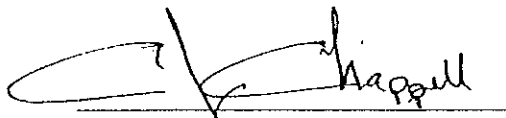
“ The members of the Board of Directors shall be elected by a plurality majority of the votes cast at the Annual Meeting of the members of the Association, and shall serve for a term of one year until the next annual meeting of members from January 1 through December 31 in the calendar year following election, starting January 2003.”

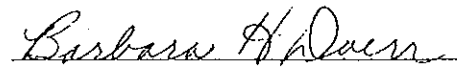
2. Page 1063 & 1064  
Page 5, Section 5 (OFFICERS).

A. Change title of Section 5 to read: “OFFICERS AND DIRECTORS”

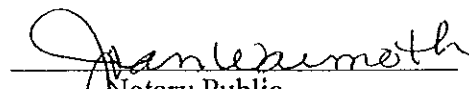
B. Page 5, Section 5 (OFFICERS), paragraph 5(a). Change first sentence to read:

“~~The executive officers~~ Officers of the Association shall be a President, who ~~shall be a Director~~, a Vice President, ~~who shall be a Director~~, a Treasurer, ~~and~~ a Secretary, ~~and an Assistant Secretary~~, all of whom shall be elected annually be the ~~Board of Directors~~ elected during the annual Owner's Meeting and who comprise the Board of Directors and who may be peremptorily removed by the vote of the Directors at any meeting.”

  
C. J. Chapbell, President

  
Barbara H. Doerr, Secretary

Sworn to and subscribed before me this day 13 of October 2001.

  
Notary Public

JOAN WARMOTH  
NOTARY PUBLIC STATE OF FLORIDA  
COMMISSION # CC986332  
EXPIRES 12/31/2004  
BONDED THRU 1-888-NOTARY1