

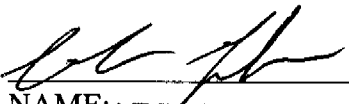
STATE OF FLORIDA }  
COUNTY OF OKALOOSA }


BY-LAWS

I, Alicia Graham, certify and attest that I am the duly elected Secretary of the Sparkling Waters Homeowners Association, Inc, a Florida corporation not-for-profit. I further certify and attest that the attached document is a true and complete copy of the By-Laws incorporating amendments adopted by the membership of the Association at the Special meeting on 21 November 2010, and that the amendments to the By-Laws were approved by more than two-thirds of the entire Association membership as documented in the minutes of the 21 November 2010 meeting. This amended copy of the By-Laws of the Sparkling Waters Homeowners Association applies to the Sparkling Waters Subdivision, defined and recorded in Plat Book 17, Pages 92 and 93, of the Official Records of Okaloosa County, Florida.

WITNESS:

SPARKLING WATERS HOMEOWNERS ASSOCIATION, INC.

  
NAME: ARTEVIUS D. GRIFFIN

  
Alicia Graham  
Secretary, SWHA

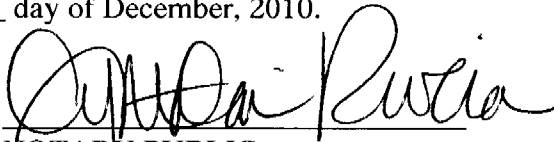
(Identity Verified by Photo Military I.D. Card)

  
NAME: Shakina Underwood

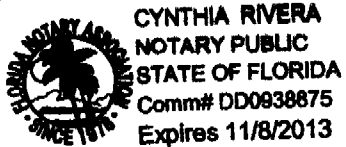
STATE OF FLORIDA  
COUNTY OF OKALOOSA

BEFORE ME, the undersigned authority, appeared Alicia Graham, to me personally known to be the person described herein as Agent of the Sparkling Waters Homeowners Association, Inc. who being duly sworn, acknowledges execution of the forgoing statement for the uses and purposes therein set forth.

Sworn to and subscribed before me this 16<sup>th</sup> day of December, 2010.

  
NOTARY PUBLIC

THIS INSTRUMENT WAS PREPARED BY:  
Barry S. Graham, President, SWHA  
552 Shimmering Lane  
Mary Esther FL 32569



AAC/JA  
Eglin AFB, FL 32542  
(850) 882-4611

**BY-LAWS  
OF  
SPARKLING WATERS HOMEOWNERS ASSOCIATION, INC.  
A not-for-profit Florida Corporation  
Originally Adopted August 4, 2002  
As Amended December 15, 2010**

***ARTICLE I***

The name of this corporation is Sparkling Waters Homeowners Association, Inc., hereinafter called the "Association."

***ARTICLE II***

***SEAL***

The seal of the Association shall have inscribed on it the name of the Association, the date of its organization and the words "Corporate Seal, State of Florida" or the words "Corporate Seal" or their equivalent.

***ARTICLE III***

***PURPOSES***

The purposes for which the corporation is organized are as follows:

- A. To provide proper administration and maintenance of streets, street lighting, and all Association common areas.
- B. To ensure fair and consistent enforcement of the Sparkling Waters Subdivision, hereinafter called the "Subdivision," Covenants, Restrictions, and Reservations, and any other rules or neighborhood standards which may be adopted by the Association.
- C. To protect Association members' property values.
- D. To represent the Association membership in the community at large on issues which may affect the Subdivision or its residents.

***ARTICLE IV***

***DEFINITIONS***

***Section 1.*** "Association" shall mean and refer to Sparkling Waters Homeowners Association, Inc., its successors and assigns.

***Section 2.*** "Properties" shall mean and refer to that certain real property in the Subdivision, and additions thereto as may hereafter be brought within the jurisdiction of the Association comprised of all lots and common areas as recorded in the Plat Book 17, Pages 92-93, Public Records, Okaloosa County, Florida.

**Section 3.** "Common areas" shall mean all real property within the Subdivision for the common use and enjoyment of the Owners.

**Section 4.** "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common areas, together with all improvements thereon.

**Section 5.** "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the properties, including contract sellers, but excluding any other party holding fee simple title thereto merely as security for the performance of an obligation.

**Section 6.** "C&R" shall mean and refer to the Covenants, Restrictions, and Reservations, Sparkling Waters Subdivision and applicable to the properties recorded in the Public Records of Okaloosa County, Florida, and all amendments thereto now or hereafter recorded in said records.

**Section 7.** "Member" shall mean and refer to every owner whose membership dues are paid up through the current fiscal year. If title to a Lot is held by more than one person, each of the persons can be members. An owner of more than one Lot shall be entitled to one membership for each Lot owned by him/her. Each such membership shall be appurtenant to the Lot upon which it is based and shall be transferred automatically by conveyance of the Lot. No person or entity other than an owner may be a member of the Association, and a membership in the Association may not be transferred except in connection with the transfer of title to a Lot, except that a contract seller may assign his membership and voting rights to his buyer in possession.

## **ARTICLE V**

### **MEMBERSHIP AND VOTING RIGHTS**

The Association shall have one class of voting membership. Members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons can be members, but may only cast one vote with respect to any Lot. There can be no split votes. Prior to the time of any meeting, each co-owner shall file the name of the voting co-owner with the Association Secretary in order to be entitled to vote at such meeting.

## **ARTICLE VI**

### **MEETING OF MEMBERS**

**Section 1. Place of Meetings.** Meetings of the members shall be held at a place designated by the Association Board of Directors.

**Section 2. Annual Meetings.** There shall be one (1) regular meeting of the members of the Association held in April of each year. The meeting shall be held upon such notice as required in these Bylaws and shall transact such other business as necessary which shall include, but not be limited to:

- A. A report of receipts and expenditures for the past year to date.
- B. A report of the past year's accomplishments.
- C. A recommendation as to the annual assessment needed.

If an annual meeting has not been called and held within six months after the time designated for such meeting, any member or members may call the meeting.

**Section 3. Special Meetings.** Special meetings of the members may be called at any time by the President or the Board of Directors, or upon written request of one-fourth of the current members. The call for such meeting shall be in accordance with these by-laws.

**Section 4. Action by Written Agreement.** The members can act by written agreement of the members without meetings on the condition that the written agreement is agreed to and signed by fifty-one percent (51%) of the members.

**Section 5. Notice of Meetings.** Notice of each meeting shall be given by, or at the direction of, the Association Secretary. The notices shall specify the place, day, and hour of the meeting, and in the case of special meetings, the purpose thereof. Notice of any meeting called for the purpose of increasing the annual dues, or requesting a special assessment shall be given to all members not less than fifteen (15) days in advance of such meeting.

**Section 6. Quorum.** The presence, in person or by proxy, at the meeting of fifty-one percent (51%) of the members entitled to vote shall constitute a quorum of the members to transact business. Decisions shall be made by a majority of the members represented at a meeting at which a quorum is present, and the affirmative vote of those members present and entitled to vote shall be the act of the Association.

**Section 7. Proxies.** A member entitled to vote may vote by proxy executed in writing by the member. All proxies shall be in writing and filed with the Secretary of the Association. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meeting thereof. In no event shall any proxy be valid for longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the member executing it.

**Section 8. Conduct.** All meetings of the Association and its committees shall be conducted in accordance with Robert's Rules of Order and the by-laws of the Association. Unless authorized by the President, only members in good standing may address the chair.

**Section 9. Minutes.** Minutes of all meetings shall be kept in a businesslike manner and shall be available for inspection by the members or their authorized representatives and board members at reasonable times. The Association shall retain those minutes for a period of not less than seven (7) years.

**Section 10. Determination of Membership.** For the purpose of determining the persons entitled to notice under any provision of these by-laws, and for the purpose of determining those persons entitled to vote at any meeting of the Association, a complete list of the members in good standing shall be prepared by the Treasurer of the Association and kept on file and available at the time and place of the meeting, and subject to inspection by any member at any time during the meeting.

## ***ARTICLE VII***

### ***OFFICERS***

**Section 1. Enumeration of Officers.** The Officers of the Association shall comprise the Board of Directors, hereafter "Board," and shall be a President, Vice President, Secretary, Treasurer, Director at Large, and such other officers as the Board may from time to time by resolution create.

**Section 2. Election of Officers.** The election of officers shall take place at the annual Association general meeting as specified in Article VIII, below.

**Section 3. Term.** The officers shall be elected for one year unless he or she shall sooner resign, or shall be removed or otherwise disqualified to serve.

**Section 4. Special Appointments.** The Board may from time to time elect such other officers as the affairs of the Association may require. All special appointments must be made from among the Association members in good standing. All special appointments must be addressed at the next Association annual meeting to determine if the office will be made permanent and to elect an officer to fill the office.

**Section 5. Committees.** The Board may appoint regular and special committees to serve for the purposes designated by the Board and for such terms as determined by the Board.

**Section 6. Resignation and Removal.** Any officer may be removed from office with or without cause by a majority vote of the members. Any officer may resign at any time by giving written notice to another member of the Board. Such resignation shall take effect on the date of receipt of such notice or at such later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 7. Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

**Section 8. Multiple Offices.** The offices of President and Secretary may not be held by the same person. The offices of President and Vice President may not be held by the same person.

**Section 9. Duties.** Duties of the officers are as follows:

**A. President.** The President shall preside at all meetings of the Board of Directors; see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments, if determined by resolution of the Board and shall co-sign all checks in amounts greater than one thousand (1,000) dollars, and shall have all of the powers and duties which are normally vested in the office of the President of a corporation.

**B. Vice President.** The Vice President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board of Directors.

**C. Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members; keep the corporate seal of the Association and affix it on all paper requiring said seal; serve notice of meetings of the Board of Directors and of the members; keep appropriate current records showing the members of the Association together with their addresses; and shall perform such other duties as may be required by the Board of Directors.

**D. Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; shall, if determined by resolution of the Board, cause an audit of the Association books to be made by a public accountant; and shall prepare a statement of income and expenditures to be presented to the membership at its regular annual meeting, and provide a copy of the statement to any member who requests it.

**E. Director at Large.** The Director at Large shall participate as a member of the Board and shall execute other duties as assigned by the Board.

**F. Customary Duties.** The officers, in addition to the duties specifically set forth herein, shall perform the duties of those offices customarily performed by officers of corporations. The Officers of the Association have a fiduciary duty to the members when acting on behalf of the Association.

**Section 10. Compensation.** The officers shall serve without compensation.

## ***ARTICLE VIII***

### ***NOMINATION AND ELECTION OF OFFICERS***

**Section 1. Nomination.** Any member in good standing may notify the Secretary of their intent to seek office at the next annual Association meeting. The secretary will record the names of those interested in holding office and will notify the members at the Association meeting of their expressed intent. Additional nominations from the members in attendance at the annual meeting may be accepted from the floor.

**Section 2. Election.** Election to the Officers shall be by secret written ballot unless this method is waived by a majority of the members in attendance at the meeting. At such election the members or their proxies shall cast one (1) vote per each vacancy. The person receiving a plurality of the votes cast for that office shall be elected. Cumulative is not permitted.

## ***ARTICLE IX***

### ***MEETINGS OF DIRECTORS***

**Section 1. Regular Meetings.** Regular meetings of the Board shall be held as deemed necessary by the Board of Directors at such place, date and time as may be fixed from time to time by the Board.

**Section 2. Special Meetings.** Special meetings of the Board shall be held when called by the President, or by any two (2) directors of the Board, after not less than three (3) days notice to each director.

**Section 3. Emergency Meetings.** Emergency meetings may be held at the request of the President, by telephone conference. Members of the Board may be polled over the telephone and a majority of affirmative votes which then shall be the action of the Board. Minutes shall be filed by the Secretary and certified by the polling officer.

**Section 4. Action by Written Agreement.** The Board may act by written agreement without meeting provided the agreement is signed by a majority of the officers and confirmed at the next regular meeting.

**Section 5. Open Meetings.** All regular and special meetings of the Board shall be open to all members of the Association. Any member desiring to address the Board must contact the President or Vice President at least one (1) day in advance of the meeting to make appropriate arrangements.

**Section 6. Quorum.** A majority of the number of Directors shall constitute a quorum for conducting business. Every decision or act made by the majority of the directors present at a meeting at which a quorum is present will be considered an act of the Board. If at a meeting a quorum is not present, the meeting may be adjourned until a quorum is present.

A director may join in the action of a meeting by signing the minutes thereof and as such constitute the presence of such director for the purpose of determining a quorum.

**Section 7. Notice of Board Meetings.** When practical, notice of Board meetings shall be provided to all owners at least forty-eight (48) hours in advance, except for emergency meetings. Notice of any Board meetings in which dues are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of such assessments. Notice of special meetings shall contain the purpose or purposes of the meeting.

**Section 8. Waiver of Notice.** A Director may waive in writing notice of a regular or special meeting of the Board either before or after the meeting and his waiver shall be deemed the equivalent of getting notice. Attendance of a director at any meeting shall constitute waiver of notice of that meeting unless the director attends with the express purpose of objecting to the transaction of business because the meeting has not been lawfully called or convened.

**Section 9. Minutes.** Minutes of all meetings of the Board of Directors shall be kept in a businesslike manner and shall be available for inspection by members, or their authorized representatives and Board Members at reasonable times upon appropriate advance notice to the Secretary. The Association shall retain these minutes for a period of not less than seven (7) years.

**Section 10. Budget.** The proposed annual budget of the Association for the next fiscal year shall be developed by the Board prior to the annual meeting of the membership. The proposed budget for the next fiscal year will be ratified at the annual Association meeting.

## ***ARTICLE X***

### ***ACCOUNTING RECORDS; FISCAL MANAGEMENT; ASSESSMENTS***

**Section 1. Books and Records.** The Association shall keep correct and complete books and records of account including all receipts and expenditures. The books and records of the Association shall be open to inspection by members or their authorized representatives at reasonable times upon appropriate advance notice to the Board of Directors. Such authorization as a representative of a member must be in writing and signed by the person giving the authorization and dated within thirty (30) days of the date of the inspection. Written summaries of the accounting records may be made available to the members. Such records if made available shall include a record of all receipts and expenditures.

**Section 2. Fiscal Year.** In administering the finances of the Association, the fiscal year shall be from the calendar year and the budget each year shall run from the 1<sup>st</sup> of May to the 30<sup>th</sup> of April the following year.

**Section 3. Annual Dues.** Annual Dues are established each year by the members at the annual membership meeting.

**Section 4. Payment of Dues.** Dues are payable upon receipt of billing statement, and are due within thirty (30) days of receipt.

**Section 5. Depository.** The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the moneys of the Association shall be deposited. Withdrawal of moneys from such account shall be only by checks signed by such persons as are authorized by the Board.

***ARTICLE XI******INDEMNIFICATION***

The Association shall obtain officers and directors insurance to protect the officers and the Association against the cost of litigation. The Association may also indemnify any officer or director or any former officer or director, by a majority vote of a quorum of directors, or by a majority vote of a quorum of members, who are not parties to such action, suit or proceedings, in the manner provided in Section 607.014 of the Florida Statutes, as amended. If such indemnification is authorized by the Directors or members, expenses incurred in defending such civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, in the manner described in subsection 5 of Section 607.014 of the Florida Statutes, as amended, upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount unless he or she is found to be entitled to such indemnification.

***ARTICLE XII******AMENDMENT OF BY-LAWS***

These by-laws may be amended by majority vote of the members of the Association at any duly noticed regular or special meeting.

***ARTICLE XIII******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.

***ARTICLE XIV******INTERESTED DIRECTORS***

Conflict of Interest. No contract or other transaction between the Association and one or more of its directors, or between the Association and any other corporation, firm, association or other entity in which one or more of its directors are directors or officers, or are financially interested, shall either be void or voidable for this reason alone or by reason alone that such director or directors are present at the meeting of the Board of Directors, or of a committee thereof, which approves such contract or transaction, or that his/her or their votes are counted for such purposes:

- A. If the fact of such common directorship, officership or financial interest is disclosed or known to the Board or committee, and the Board or committee approves such contract or transaction by vote sufficient for such purpose without counting the vote or votes of such interested director or directors, or
- B. If such common directorship, officership, or financial interest is disclosed or known to the members entitled to vote thereon, and such contract or transaction is approved by a vote of the members, or



- C. If the contract or transaction is fair and reasonable as to the Association at the time it is approved by the Board, a committee or the members.

***ARTICLE XV***

***ENFORCEMENT OF COVENANTS, RESTRICTIONS, AND RESERVATIONS***

The Directors may, pursuant to Section 720.305, Florida Statutes, as same may be amended from time to time, impose fines against a lot not to exceed the maximum permissible by law and suspend certain rights of Owners, occupants, licensees, tenants, and invitees for their failure to comply with the provisions of the Board policies and resolutions, the governing documents, including the Rules and Regulations, and applicable laws.

A fine may be imposed for each day of continuing violation at the highest rate allowed by law per violation with a single notice and opportunity for hearing, provided that no fine shall in the aggregate exceed the maximum amount permissible by law.

The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing by being given notice of not less than fourteen (14) days prior to the date set for the hearing. Notice shall be deemed effective when deposited in the United States Mail, certified, return receipt requested, to the address of the owner listed in the official records of the Association, and as to tenants, to the mailing address for the residence. Said notice shall include:

- (a) A statement of the date, time, and place of the hearing;
- (b) A statement of the provisions of the Covenants, Articles of Incorporation, By-Laws, Rules and Regulations, Board policies and resolutions or laws which have allegedly been violated; and
- (c) A short and plain statement of the matters asserted by the Association.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. The hearing shall be held before a committee of other owners. Officers, directors or employees of the Association and the spouse, parent, child, brother or sister of such officer, director or employee may not be members of this committee. If the committee does not agree with the fine, the fine may not be levied. Should the Association be required to initiate legal proceedings to collect a duly levied fine, the prevailing party in an action to collect said fine shall be entitled to an award of costs, and a reasonable attorney's fee incurred before trial (including in connection with the preparation for and conduct of fining hearings), at trial, and on appeal. Owners shall be jointly and severally liable for the payment of fines levied against tenants, guests, invitees, or other occupants of a lot.