

BY-LAWS
OF
SHALIMAR COTTAGES HOMEOWNERS ASSOCIATION, INC.

ARTICLE I. NAME AND LOCATION

The name and location of the corporation is Shalimar Cottages Homeowners Association, Inc., hereinafter referred to as "Association". The principle office of the corporation shall be located at 1270 N. Eglin Parkway, Suite "D", Shalimar, Florida 32579, but meetings of members and Directors may be held at such places within the State of Florida as may be designated by the Board of Directors.

ARTICLE II. DEFINITIONS

Section 1. "Association" shall mean and refer to Shalimar Cottages Homeowners Association, Inc., its successors and assigns.

Section 2. "Property" shall mean and refer to that certain property described in the Declaration of Covenants, Conditions, Restrictions and Easements and such additions hereto as may hereafter be brought within jurisdiction of the Association.

Section 3. "Common Area" shall mean all property owned by the Association as to which an easement has been granted for the common use and enjoyment of the owners. The term shall also include any drainage or storm water structure, swale or other system for which the Association shall have maintenance responsibility pursuant to any agreement with Okaloosa County or the State of Florida, and all streets and fences, and all other properties deeded to the Association.

Section 4. "Lot" shall mean and refer to those individual numbered lots as described on the plat of Shalimar Cottages, a subdivision, as recorded in the Public Records of Okaloosa County, Florida.

Section 5. "Common Expense" shall mean all expenses incurred by the Association and charged to the owners of all lots on a common basis, including but not limited to, services, utilities, maintenance, repairs, replacements, landscaping, insurance and ad valorem taxes on common areas and other expenses on the Association incurred on behalf of all members (as distinguished from individual mortgage payments, real estate taxes, and individual telephone, electricity and other individual expenses billed or charges to the members on an individual or separate basis rather than on a common basis).

Section 6. "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 a part of the properties.

Section 7. "Declarant" shall mean and refer to SHALIMAR COTTAGES, a Florida Joint Venture, its successors and assigns.

Section 8. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, Restrictions and Easements applicable to the property recorded in the Office of the Clerk of Circuit Court, Okaloosa County, Florida.

Section 9. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III. MEETING OF MEMBERS

Section 1. Meeting of Members. The first annual meeting of the members shall be held within one year from the date of the incorporation of the Association, and each subsequent regular annual meeting of the members shall be at time and place to be designated by the Board of Directors.

Section 2. Special Meeting. Special meetings of the members may be called at any time by the president or any two members of the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership. Meetings so requested shall be called for a date not less than thirty (30) nor more than sixty (60) days after the request is made.

Section 3. Notice of Meeting. Written notice of each meeting of the members shall be given by or at the direction of, the secretary of the Association or other person authorized to call the meeting, by mailing a copy of such notice, postage paid, to each member entitled to vote thereat, addresses to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. Such notice shall be given in person or delivered by mail to each member not less than thirty (30) nor more than sixty (60) days prior to the date set for each meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, fifty percent (50%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting.

Section 5. Proxies. At all meeting of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE IV. BOARD OF DIRECTORS; SELECTION; TERM OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than five (5) Directors who need not be a member of the Association. Each member of the first Board named in the Articles of Incorporation of the Association shall hold office until his successor shall be chosen by election at the first annual meeting and shall qualify.

Section 2. Term of Office. The term of the Directors shall be for a period of time of one (1) year or until their successors are duly elected and qualified or installed.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority of the members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken without a Meeting. The Directors shall have the right to take any action in the absence of a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V. NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nominations for election of the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The nominating committee shall make as many nominations for elections to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such elections the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI. MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice at such place as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held by the president of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director. Any Director may waive notice of a meeting, consent to the holding of a meeting without notice, or consent to any action of the Board without meeting. Meetings may be held by telephone.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(1) adopt and publish rules and regulations governing the use of the common areas, the facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(2) suspend the voting rights and right to use the common area of member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice

and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(3) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws and the Articles of Incorporation;

(4) declare the office of a member of the Board of Directors to be vacant in the event that a Director shall be absent from three consecutive regular meetings of the Board of Directors; and

Section 2. Duties. It shall be the duty of the Board of Directors to:

(1) keep a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4th) of the membership who are entitled to vote;

(2) supervise all agents and employees of this Association, and to see that their duties are properly performed;

(3) adopt administrative rules and regulations governing the administration, management, operation and use of the common areas, and to amend such rules and regulations from time to time;

(4) fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;

(5) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same;

(6) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(7) procure and maintain adequate liability insurance and to procure an adequate hazard insurance on all property owned by the Association, as the Directors deem advisable;

(8) cause all employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(9) cause the common area to be maintained;

(10) comply with the instructions of a majority of the members.

ARTICLE VIII. COMMITTEES

Section 1. The Board of Directors may appoint such committees as deemed appropriate in carrying out its purposes, such as:

(1) a maintenance committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the property, and shall perform such other functions as the Board in its discretion determines;

(2) an audit committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting. The treasurer of the Association shall be an official member of the committee. The audit committee shall recommend to the Board of Directors if, in its opinion, an audit by a certified public accountant is to be performed.

Section 2. It shall be the duty of each committee to receive complaints from the members on any matter involving Association function, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer to such other committee, director or officer of the Association.

ARTICLE IX. BOOKS AND RECORDS; SALES

The books, records and papers of the Association shall at all times during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association as they may be amended from time to time shall be available for inspection by any member at the principle office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE X. ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against the assessment as made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the owner's lot. Interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his lot.

ARTICLE XI. CORPORATE SEAL

The Association shall have a seal in circular form, having within its circumference the words: Shalimar Cottages Homeowners Association, Inc., a corporation not for profit, Florida.

ARTICLE XII. AMENDMENTS

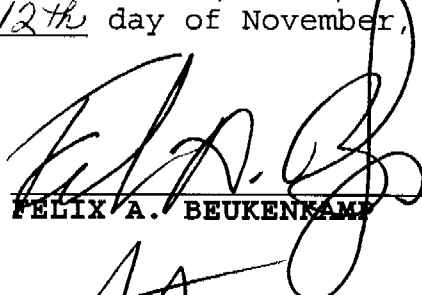
Section 1. These Association By-Laws may be amended, at a regular or special meeting of members, by a vote of a majority of all members present in person or by proxy. Notice of such meeting shall contain a draft of proposed amendments to be voted upon at the meeting.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control, and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.


ARTICLE XIII. MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.


IN WITNESS WHEREOF, we being all of the Directors of Shalimar Cottages Homeowners Association, Inc., have hereunto set our hands and seals this 12th day of November, 1999.



 FELIX A. BEUKENKAMP



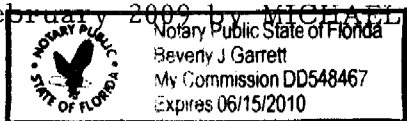
 GEORGE R. SMITH

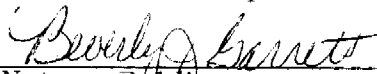


 MICHAEL Wm MEAD

STATE OF FLORIDA
COUNTY OF OKALOOSA

The foregoing instrument was acknowledged before me this 10th day of February, 2009 by MICHAEL Wm MEAD, who is personally known to me.

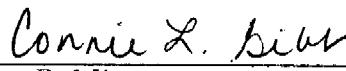




 Notary Public

STATE OF FLORIDA
COUNTY OF OKALOOSA

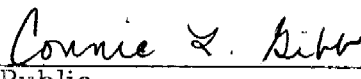
The foregoing instrument was acknowledged before me this 12 day of February, 2009 by FELIX A. BEUKENKAMP, who is personally known to me.



 Notary Public

STATE OF FLORIDA
COUNTY OF OKALOOSA

The foregoing instrument was acknowledged before me this 11 day of February, 2009 by GEORGE R. SMITH, who is personally known to me.



 Notary Public

CONNIE L GIBB
 Notary Public, State of Florida
 My comm exp Aug 3, 2012
 Comm No DD 811137