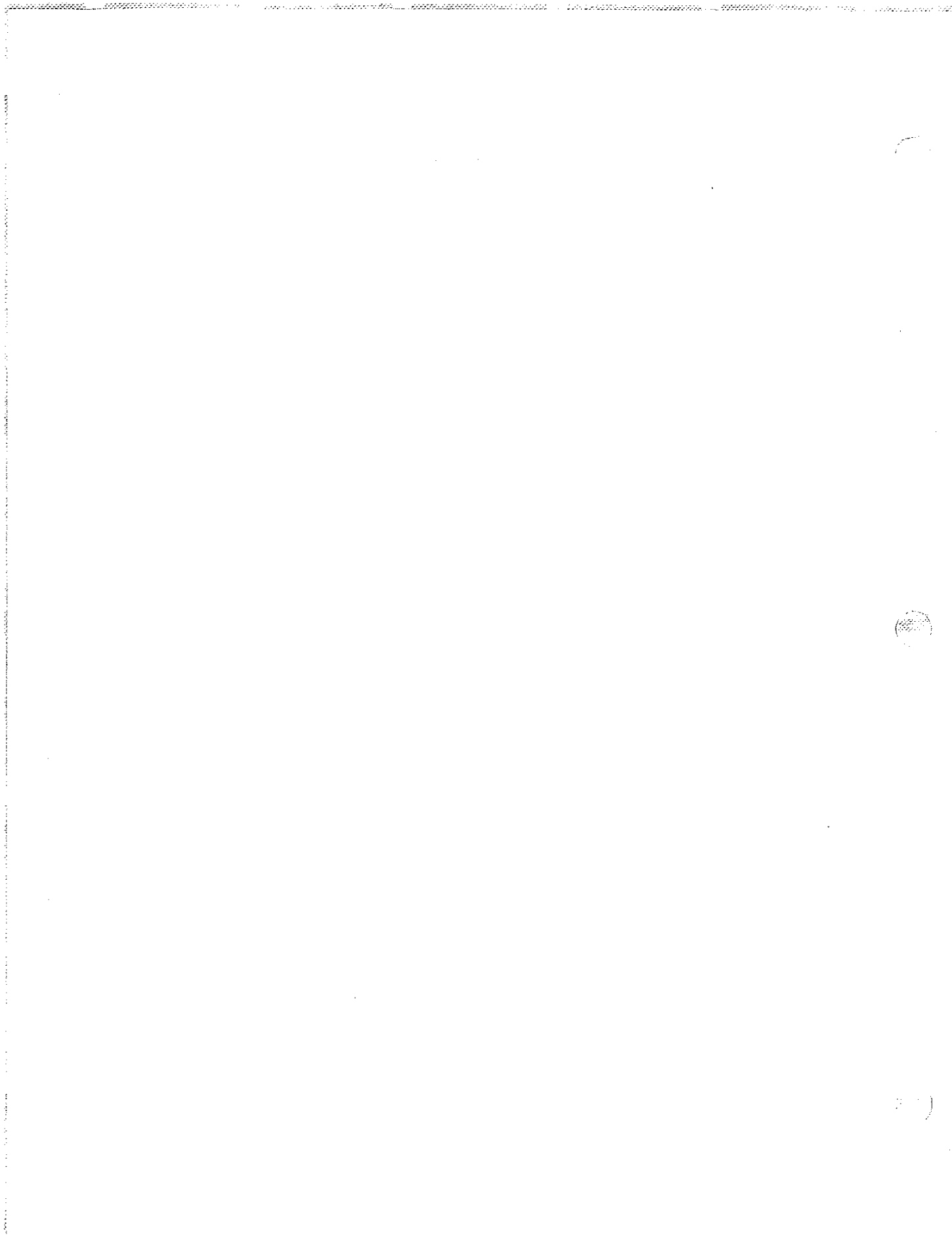


Section 6

By-Laws of South Shores Utility Association, Inc.



BY-LAWS OF

SOUTH SHORES UTILITY ASSOCIATION, INC.

ARTICLE I - NAME AND LOCATION

The name of the corporation is the SOUTH SHORES UTILITY ASSOCIATION, INC., hereinafter referred to as the "Association." The initial principal office of the corporation shall be located at 100 Caledonia Drive, Melbourne Beach, Florida 32951, but the meeting of members and directors may be held at such places within the State of Florida, County of Brevard, as may be designated by the Board of Directors.

ARTICLE II - DEFINITIONS

All terms and definitions used herein are to be further defined and clarified as set forth in and according to the SOUTH SHORES UTILITY DECLARATION OF COVENANTS AND RESTRICTIONS, which shall be recorded in the Public Records of Brevard County, Florida.

SECTION 1. "Association" shall mean and refer to the SOUTH SHORES UTILITY ASSOCIATION, INC., its successors and assigns.

SECTION 2. "Plant" shall mean the water service and sewage disposal system, including, without limitation, all mains, lift stations, pipes, and other equipment and facilities located in SOUTH SHORES, or other developments that may be added to the system.

SECTION 3. "Member" shall mean and refer to those persons defined as Members in the Articles of Incorporation of the Association.

SECTION 4. "Declaration" shall mean and refer to the DECLARATION OF COVENANTS AND RESTRICTIONS as applicable to SOUTH SHORES UTILITY ASSOCIATION, INC.

ARTICLE III - MEETING OF MEMBERS

SECTION 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same month of each year thereafter, at such date and time as set by the Board of Directors.

SECTION 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors or upon written request of one fourth (1/4th) of the total membership.

SECTION 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than ten (10) days and not more than 30 days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purposes of notice. Such notices shall specify the place, day and hour of the meeting, and in the case of a special meeting; the purpose of the meeting.

SECTION 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, 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 power to adjourn the meeting, until a quorum as aforesaid shall be present or represented.

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SECTION 5. Proxies. Proxies must be in writing and signed by the Member. Any proxy must be filed with the Secretary before the appointed time of each meeting, and such proxy shall be valid only for the particular meeting designated in the proxy and any lawfully adjourned meetings thereof. In no event shall such proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given, and every proxy shall be revocable, at any time, at the pleasure of the Member exercising it. The proxy may be any individual that the Member desires to designate, whether a Member of the Association or not. [No proxies may be given for election of Members of the Board of Directors. No general proxies shall be permitted for the purposes of voting, but general proxies and limited proxies may be used to form a quorum.]

ARTICLE IV - BOARD OF DIRECTORS:
SELECTION: TERM OF OFFICE

SECTION 1. Number. The affairs of this Association shall be managed by a Board of five (5) directors, who need not be Members of the Association.

SECTION 2. Term of Office. At the first annual meeting, the Members shall elect five (5) directors for a term of one (1) year, and at each annual meeting thereafter the Members shall elect five directors for a term of one (1) year.

SECTION 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote 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 which they could take at a meeting by obtaining the written approval of all of the directors or by obtaining verbal approval by telephone. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V - ELECTION OF DIRECTORS

SECTION 1. Election. The Directors of the Association shall be elected at the annual meeting of the Members, except as otherwise specified in the Articles of Incorporation. The election shall be decided by majority vote of all Members entitled to vote who are either present in person and voting at the annual meeting or have timely submitted their vote by ballot which was personally cast by the Member. [No Member shall be permitted to vote by limited or general proxy for a Member of the Board of Directors.]

ARTICLE VI - MEETING OF DIRECTORS

SECTION 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by resolution of the board.

SECTION 2. 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, after not less than three (3) days' notice to each director.

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:

A. adopt and publish rules and regulations governing the use of the Plant;

B. suspend the right to use the Plant of a 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;

C. 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, the Articles of Incorporation, or the Declaration;

D. declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

E. employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

F. mortgage and encumber the Plant as set forth in the Declaration;

G. to contract for the management of the Association and the Plant and to delegate to such contractor all of the powers and duties of the Association, if so approved by the Board of Directors;

H. to employ personnel to perform the services required for proper administration of the Association; and

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

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

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

C. as more fully provided in the Declaration to:

(1) fix the amount of the assessments against each unit at least thirty (30) days in advance of each annual budget period;

(2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual budget period; and

(3) fix the amount of the connection fee.

D. issue, or to 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;

E. procure and maintain adequate liability and hazard insurance on the Plant and any property owned by the Association;

F. cause the Plant to be maintained;

G. protect all property rights, interests, easements or rights-of-way, or otherwise, which are acquired by or conveyed to this Association, now or hereafter; and

ARTICLE VIII - OFFICERS AND THEIR DUTIES

SECTION 1. Officers. The officers of this Association shall be the President, who shall at all times be a Member of the Board of Directors, a vice president, a secretary, and a treasurer, 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 first meeting of the Board of Directors following each annual meeting of the Members.

SECTION 3. Term. The officers of this Association shall be elected annually by the board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

SECTION 4. Special Appointments. The board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, having

such authority, and perform such duties as the board may, from time to time, determine.

SECTION 5. Resignation and Removal. Any officer may be removed from office with or without cause by the board. Any officer may resign at any time giving written notice to the board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. 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 replaces.

SECTION 7. Duties. The duties of the officers are as follows:

A. **PRESIDENT:** The President shall preside at all meetings of the Board of Directors and shall see that orders and resolutions of the board are carried out.

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

C. **SECRETARY:** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the board and of the Members;

Association together with their addresses, and shall perform such other duties as required by the board.

D. **TREASURER:** The Treasurer shall keep proper books of account and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX - COMMITTEES

The Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X - BOOKS AND RECORDS

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 shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI - ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay assessments to the Association. Any assessments which are not paid when due shall be delinquent. The Association may bring an action at law against the owner or owners personally obligated to pay the same and interest, costs, and reasonable attorney's fees of any such action shall be added.

ARTICLE XII - CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: SOUTH SHORES UTILITY ASSOCIATION, INC., a corporation not for profit.

ARTICLE XIII - AMENDMENTS

SECTION 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of at least two-thirds (2/3rds) of the total Membership.

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 XIV - MISCELLANEOUS

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

ARTICLE XV - FISCAL MANAGEMENT

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

A. The Association shall maintain accounting records for each property it maintains in the county where the property is located, according to good accounting practices. The records shall be open for inspection by owners or their authorized representatives between the hours of 9:00 a.m. and 5:00 p.m. The records shall include, but are not limited to:

(1) A record of all receipts and expenditures.

(2) An account for each Member designating the name and current address, the amount of each assessment, the date on which the assessments come due, the amount paid upon the account and the balance due.

B. 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, which shall include, without limiting the generality of the foregoing, the estimated amounts necessary for maintenance, and operation of the Plant, replacements and operating reserve, casualty insurance, liability insurance, administration and salaries. The Board of Directors shall also establish the proposed assessments against each Member as more fully provided in the Declaration. Delivery of a copy of any budget to each Member shall not affect the liability of any Member for any such assessments, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget as originally adopted.

C. 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 check signed by such person or persons as

ARTICLE XVI - PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the corporate meetings when not in conflict with the Articles of Incorporation and these By-Laws or with statutes of the State of Florida.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly-elected Vice-President of SOUTH SHORES UTILITY ASSOCIATION, INC., a Florida corporation; and

THAT the foregoing By-Laws constitute the original By-Laws of the said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 18th day of MARCH, 1996.

Brian M. Sculthorp

BRIAN M. SCULTHORP, Vice President

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