

BY-LAWS OF THE OKALOOSA ISLAND LEASEHOLDERS ASSOCIATION, Inc.

As of June 13, 2005* (Originally adopted Nov 7, 1983)

(Incorporates Amendments approved on 9/14/87, 4/10/00,9/11/00,4/8/02 and 6/13/05)

ARTICLE I

Section 1. The name of the corporation shall be Okaloosa Island Leaseholders Association, and the principal office shall be wherever the then president shall designate at the beginning of his term of office,

Section 2. Mailing address shall be P.O. Box 8116, Fort Walton Beach, Florida 32548-8116.

Section 3. The general nature of the corporation shall be: to coordinate affairs between leaseholder members and the Board of County Commissioners in their role as heirs to the obligations and privileges of the Okaloosa Island Authority, to preserve the public lands on Santa Rosa Island, Okaloosa County, to advise and assist the county in the application of the protective covenants that affect leasehold members, and to advise leaseholders and the public in general in their rights and obligations under said leases.

ARTICLE II

Section 1. All persons holding land leases, fee simple titles, or owning condominiums or co-operative dwelling units on Santa Rosa Island, Okaloosa County, shall be eligible for membership or associate membership.

Section 2. Membership shall be established by application, proof of eligibility, and payment of annual dues. Membership renewal is automatic with the payment of annual dues for the fiscal year. The fiscal year shall be September 1 through August 31.

Section 3. Associate Membership shall include all out of county or out of state property holders. This is an automatic membership (unless they opt. out or refuse) at no cost for the non-voting and non-paying associate member. They will receive e-mail information such as newsletter, etc. and if a mailed copy is requested they will pay the same fee as other subscribers.

ARTICLE III

Section 1. Regular meetings of the members and/or the Board of Directors shall be held once a month on a date designated by the Board.

Section 2. No formal notice of the regular meetings shall be necessary. Regular meetings may be eliminated during July and August should the Board deem them unnecessary and when members have been so notified.

Section 3. Special meetings of the members may be called by the President and shall be called by the President upon the written request of not less than 10% of the members. A special meeting shall require a five day notice in writing to each member of the time, nature and purpose of the meeting and shall be restricted to the business set forth in the notice. The notice shall be deemed sufficient when mailed to the address appearing in the roll book of the Association.

Section 4. The order of business at regular meetings shall be:

- a. Roll call of Board Members.
- b. Reading & approval of minutes of previous meeting
- c. Treasurer's report
- d. Committee reports
- e. Unfinished business

- f. New business
- g. Speaker or other program, if scheduled
- h. Adjournment
- i.

*Supersedes By-Laws dated "As of April 8 , 2002

ARTICLE III (continued)

Section 5. A quorum at all regular meetings shall consist of members present and not less than four of the seven directors present.

Section 6. Except under extraordinary circumstances, resolutions to be presented to the membership must be in writing. A circumstance of this type may be declared extraordinary in the discretion of the presiding officer. Resolutions should be given to the Board members at least five days prior to a meeting of members.

ARTICLE IV

Section 1. At the regular meeting in April the President shall appoint a nominating committee of five members which shall then elect a chairman. It shall be the duty of the nominating committee to nominate at the next regular meeting (May) one member for each vacancy on the Board which must be filled for the next year. After the nominations of the nominating committee have been placed before the members, the President shall call for nominations from the floor. When nominations are closed the resultant lists shall be sent to the out-of-town members, and provisions made for the absentee voting by members who cannot attend the election. Ballots must be returned to the Secretary enclosed in blank sealed envelopes contained in return-addressed envelopes. At the June meeting ballots will be distributed to those present and eligible to vote, and returned to three tellers appointed by the President along with the absentee ballots. Voting will be allowed for a period of 30 minutes after the initial distribution of ballots to members present. At the end of 30 minutes the President shall declare the poll closed. All absentee ballots will be accredited from the roll books. The tellers shall tally all ballots and report their totals to the membership. New Board members shall be sworn in by the out-going President and shall take their places on the Board as the last item of business before adjournment. Within the week following the election, the new Board shall meet and elect from the Board members, a President and a Vice-President. A Secretary, Assistant Secretary, and a Treasurer shall then be elected, or appointed by the President with the approval of the Board. The Secretary, Assistant Secretary, and the Treasurer need not be members of the Board but must be members of the Association. It will inform the outgoing Secretary of its selections, to be included in the minutes of the June meeting for the Information of the membership.

Section 2. No votes by proxy will be allowed, but a member other than a natural person such as a corporation or partnership may vote through an agent designated in writing for the purpose.

Section 3. Each recorded lease, fee simple title, condominium or coop ownership shall be entitled to one vote with the limitation, however, that no person or agent shall have more than one vote, irrespective of the number of parcels held or represented.

Section 4. If no more than one person is nominated for a vacancy no election for that office need be held, rather that person will be considered as having been elected unanimously.

Section 5. In the event of a tie vote, the winner will be determined by the flip of a coin.

ARTICLE V

Section 1. The Board of Directors shall consist of seven members who shall act as an executive committee, and who shall each serve a term of three years.

Section 2. Any vacancy on the Board of Directors shall be filled from the membership by a vote of a majority of the remaining Board members. The Director so elected shall hold office until the next regular election, when a Director shall be elected to fill the unexpired term.

Section 3. The President may call a special meeting of the executive committee at any time and called so upon the written request of any three Directors. Only subjects for which the meeting was called may be brought before the meeting. Notice of special Board meetings shall be given in any manner the President deems equitable and practical.

Section 4. Four Directors shall constitute a quorum for the transaction of any business at any executive meeting.

Section 5. If a Director fails to attend three consecutive meetings of the Association, the Board of Directors shall review the reasons for such failure, and if unsatisfied with the justification shall declare the position vacant.

ARTICLE V (continued)

Section 6. It shall be the duty of the Board to:

- a. Appoint a committee to meet with the County Commissioners (successors to the Okaloosa Island Authority) and its architects or designated individuals to advise and assist on matters pertaining to building restrictions, covenants, leases, and other matters of importance to the Island, and to so notify Commission.
- b. To observe, study, and to bring to the attention of the membership any matters affecting the leaseholders and the general welfare of the Island.
- c. To carry out the wishes of the members of the Association in all matters affecting the Island.
- d. To act in emergencies too urgent to allow presentation to, and appropriate action by, a general or special meeting of the membership, which shall be called to be informed of the action.

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ARTICLE VI

Section 1. All officers shall hold office for a period of one year from the regular election date in June or until the election of their successors.

Section 2. The President shall preside at all meetings of the members and of the Board and shall perform such other duties as customarily appertain to the office of President.

Section 3. The Vice-President shall assist the President and shall have and exercise all the powers and duties of the President during his/her absence or disability.

Section 4. The Secretary shall prepare and maintain records of all meetings of the members and of the Board and shall perform other duties as may be directed. He or she shall have custody of all records of all meetings of the members and Board and shall prepare, maintain and preserve such records.

Section 5. The Assistant Secretary shall assist the Secretary and perform the duties of the Secretary in his or her absence.

Section 6. The Treasurer shall have control of all funds, securities, records of

membership and assets of the Association.

Section 7. All checks drawn on Association accounts must be signed by the Treasurer and countersigned by the President

Section 8. The President with the concurrence of a majority of Board members, will appoint an Architectural Committee comprising three persons and one alternate to perform duties prescribed by Island covenants, Members of this committee will serve at the pleasure of the Board. The alternate will become a regular member upon a vacancy. Removals and replacements will be determined by the President, with concurrence of a majority of Board members.

ARTICLE VII

Section 1. The Board may re-elect a member to an office held by said member during the previous year. The President may re-appoint a member to the office of Secretary, Assistant Secretary, and Treasurer, with the approval of the Board. No member shall be eligible for re-election to the Board until he has been off the Board for a period of one year.

ARTICLE VIII

Section 1. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the provisions of these By-Laws or the Articles of Incorporation.

ARTICLE IX

Section 1. These By-Laws, from date of acceptance by the membership, shall supercede and replace any and all previous By-Laws, Resolutions, or Directives pertaining to the operations of the Okaloosa Island Leaseholders Association.

Section 2. The By-laws may be altered or rescinded by a Resolution of the Board of Directors, which shall become effective only upon approval by a two-thirds vote of the members present and voting at a regular or special meeting of the Association.