

BY-LAWS
(Version 4.1, dated 6 May 2003)

Bluewater Bay Municipal Services Benefit Unit (BWB MSBU)

Established by:

Okaloosa County Ordinance No. 02-16

Section 1: Purpose

The purpose of the MSBU is to maintain the quality of life of the Owners of Parcels in the Benefit Unit at the level of quality they desire.

Additionally to provide certain community services supplemental to and not intended as replacement of services which Okaloosa County or the State of Florida has responsibility to provide. These supplemental community services include improvement, repair and maintenance of grounds, landscaped areas including irrigation, signage and streetlights in common areas.

Section 2: MSBU Boundaries

The MSBU shall consist of all parcels within the boundary of the property known as "Bluewater Bay", an unincorporated Okaloosa County and is more specifically described as follows:

COMMENCE ON THE SOUTHWEST CORNER OF WOODLANDS PH 3 AT BWB S/D WHERE IT INTERSECTS THE EAST SECTION LINE OF SECTION 35, T1S, R22W, SAID POINT BEING P.O.B., THENCE EAST AND NORTH ALONG THE BOUNDARY LINE OF WOODLANDS PH 3 AT BWB S/D TO THE SOUTH BOUNDARY LINE OF WOODLANDS PH 2 AT BWB S/D, THENCE EAST ALONG THE SOUTH BOUNDARY LINE OF WOODLANDS PH 2 AT BWB S/D TO THE PROJECTED INTERSECTION OF THE SOUTH BOUNDARY LINE OF WOODLANDS PH 2 AT BWB S/D ON THE EAST R/W OF WHITE POINT RD (STATE ROAD 293), THENCE SOUTH ALONG THE EAST R/W OF WHITE POINT RD TO THE PROJECTED INTERSECTION OF THE NORTH BOUNDARY OF MEADOW WOODS S/D WITH THE EAST R/W OF WHITE POINT RD, THENCE EAST ALONG PROJECTED LINE TO THE WEST R/W OF WHITE POINT RD AND THE NORTHEAST CORNER OF MEADOW WOODS S/D, THENCE NORTHERLY ALONG THE WEST R/W OF WHITE POINT RD TO THE SOUTH R/W OF WOODLANDS DR, THENCE WEST ALONG THE SOUTH R/W OF WOODLANDS DR TO THE INTERSECTION OF THE NORTHEAST CORNER OF CARIBBEAN VILLAGE SOUTH UNIT 2 S/D AND THE SOUTH R/W OF WOODLANDS DR, THENCE MEANDER SOUTHWEST ALONG THE SOUTHEAST BOUNDARY LINE OF CARIBBEAN VILLAGE SOUTH UNIT 2 S/D TO THE INTERSECTION OF THE EAST BOUNDARY LINE OF CARIBBEAN VILLAGE SOUTH UNIT 1 S/D, THENCE MEANDER SOUTHERLY ALONG THE EAST BOUNDARY LINE OF CARIBBEAN VILLAGE SOUTH UNIT 1 S/D TO THE NORTHEAST END OF GRASS LAKE, THENCE MEANDER SOUTHWESTERLY ALONG THE NORTH SHORELINE OF GRASS LAKE TO THE INTERSECTION OF THE NORTH SHORELINE OF CHOCTAWHATCHEE BAY, THENCE MEANDER NORTHEASTERLY ALONG THE NORTH SHORELINE OF CHOCTAWHATCHEE BAY TO THE EAST SHORELINE OF WARD COVE, THENCE MEANDER SOUTHWESTERLY, WESTERLY AND SOUTHWESTERLY, ALONG THE SHORELINE OF WARD COVE TO THE INTERSECTION OF THE EAST SECTION LINE OF SECTION 15, T1S, R22W AND THE SOUTH SHORELINE OF WARD COVE, THENCE SOUTH ALONG THE EAST SECTION LINE OF SECTION 15, T1S, R22W TO THE NORTHEAST CORNER OF MAGNOLIA FOREST PHASE 2 S/D, THENCE EAST ALONG THE NORTH BOUNDARY LINE OF MAGNOLIA FOREST PHASE 2 S/D TO THE NORTHEAST CORNER OF MAGNOLIA FOREST S/D, THENCE EAST ALONG THE NORTH BOUNDARY LINE OF MAGNOLIA FOREST S/D TO THE SOUTHEAST CORNER OF SHADOW OAK S/D, THENCE EAST ALONG THE SOUTH BOUNDARY LINE OF SHADOW OAK S/D TO THE SOUTH WEST CORNER OF SHADOW OAK S/D, THENCE NORTH ALONG THE EAST BOUNDARY LINE OF SHADOW OAK S/D TO THE PROJECTED INTERSECTION OF

THE EAST BOUNDARY LINE OF SHADOW OAK S/D WITH THE EAST R/W OF IDA COON CIR, THENCE NORTHERLY ALONG. THE EAST R/W OF IDA COON CIR TO THE INTERSECTION WITH THE NORTHWEST CORNER OF THE WHITE WILSON PROPERTY AND THE EAST R/W OF IDA COON CIR, THENCE EAST ALONG THE NORTH PROPERTY LINE OF WHITE WILSON TO THE INTERSECTION OF SOUTH R/W OF HWY 20 AND THE NORTHEAST CORNER OF WHITE WILSON PROPERTY, THENCE SOUTHWESTERLY ALONG THE SOUTH R/W OF HWY 20 TO THE INTERSECTION OF THE NORTH SECTION LINE OF SECTION 23, T1S, R22W AND THE SOUTH R/W OF HWY 20, THENCE EAST ALONG THE NORTH SECTION LINE OF SECTION 23, T1S, R22W TO THE INTERSECTION OF THE NORTHWEST CORNER OF PARKWOOD LANE AT BWB S/D AND THE NORTH SECTION LINE OF SECTION 23, T1S, R22W, THENCE EAST AND NORTH ALONG THE NORTH BOUNDARY LINE OF PARKWOOD LANE AT BWB SID TO THE INTERSECTION OF THE SOUTH R/W OF RANGE RD AND THE NORTH BOUNDARY LINE OF PARKWOOD LANE AT BWB S/D, THENCE DUE NORTH TO THE SOUTHWEST CORNER OF PARKWOOD ESTATES S/D, THENCE NORTH ALONG THE EAST BOUNDARY LINE OF PARKWOOD ESTATES S/D TO THE SOUTHWEST CORNER OF PARKWOOD ESTATES PHASE 2 S/D, THENCE NORTH ALONG THE EAST BOUNDARY LINE OF PARKWOOD ESTATES PHASE 2 S/D TO NORTHEAST CORNER OF PARKWOOD ESTATES PHASE 2 S/D, THENCE DUE NORTH TO THE SHORELINE OF ROCKY BAYOU, THENCE NORTHEASTERLY TO THE INTERSECTION OF THE NORTHWEST BOUNDARY LINE OF BOLTONS LANDING S/D, THENCE NORTHEASTERLY AND EASTERLY ALONG THE BOUNDARY LINE OF BOLTONS LANDING S/D TO THE INTERSECTION OF THE WEST R/W OF BLUEWATER BLVD NORTH, THENCE MEANDER CLOCKWISE AROUND THE R/W OF BLUEWATER BLVD NORTH TO THE INTERSECTION OF THE WEST BOUNDARY LINE OF VILLAGE OF BOLTON AT BWB S/D, THENCE NORTHEAST, EAST, AND SOUTH ALONG THE EAST BOUNDARY LINE OF VILLAGE OF BOLTON AT BWB S/D TO THE INTERSECTION OF THE NORTHWEST CORNER OF EAGLES RIDGE S/D, THENCE SOUTH ALONG THE EAST BOUNDARY LINE OF EAGLES RIDGE S/D TO THE INTERSECTION OF THE NORTHEAST CORNER OF PARKWOOD ESTATES PHASE 5 S/D, THENCE SOUTH ALONG THE EAST BOUNDARY LINE OF PARKWOOD ESTATES PHASE 5 S/D TO THE INTERSECTION OF THE NORTHEAST CORNER OF PARKWOOD ESTATES PHASE 7 S/D, THENCE SOUTH ALONG THE EAST BOUNDARY LINE OF PARKWOOD ESTATES PHASE 7 S/D TO THE INTERSECTION OF THE NORTHEAST CORNER OF THE BUNGALOWS AT BWB S/D, THENCE SOUTH ALONG THE EAST BOUNDARY LINE OF THE BUNGALOWS AT BWB S/D TO THE PROJECTED INTERSECTION OF THE EAST BOUNDARY LINE OF THE BUNGALOWS AT BWB S/D WITH THE SOUTH R/W OF RANGE RD, THENCE WEST ALONG THE SOUTH R/W OF RANGE RD TO THE NORTHEAST CORNER OF PARKWOOD AT BWB S/D, THENCE MEANDER SOUTHERLY ALONG THE EAST BOUNDARY LINE OF PARKWOOD AT BWB S/D TO THE NORTHEAST CORNER OF PARKWOOD PLACE AT BWB S/D, THENCE SOUTHEAST AND SOUTH ALONG EAST BOUNDARY LINE OF PARKWOOD PLACE AT BWB S/D TO THE INTERSECTION OF THE SOUTHEAST CORNER OF PARKWOOD PLACE AT BWB S/D AND THE NORTH BOUNDARY LINE OF PARKWOOD SQUARE PHASE 1 S/D, THENCE SOUTHEAST ALONG THE NORTH BOUNDARY LINE OF PARKWOOD SQUARE PHASE 1 S/D TO THE NORTHEAST CORNER OF PARKWOOD SQUARE PHASE I S/D, THENCE DUE SOUTHEAST TO THE EAST SECTION LINE OF SECTION 23,,T1S, R22, THENCE SOUTH ALONG THE EAST SECTION LINE OF SECTION 23, T1S, R22, TO THE INTERSECTION OF THE SOUTH R/W OF HWY 20 AND THE EAST SECTION LINE OF SECTION 23, T1S, R22, THENCE NORTHWEST ALONG THE SOUTH R/W OF HWY 20 TO THE INTERSECTION OF THE SOUTH R/W OF HWY 20 AND WEST R/W OF WRIGHT DR, THENCE SOUTH ALONG THE WEST R/W OF WRIGHT DR TO THE INTERSECTION OF THE NORTH BOUNDARY LINE OF INDIGO VILLAGE S/D AND THE WEST R/W OF WRIGHT DR, THENCE WEST, NORTHWEST, AND SOUTH ALONG -THE BOUNDARY LINE OF INDIGO VILLAGE S/D TO THE INTERSECTION OF THE NORTHEAST CORNER OF WOODLANDS PHASE 5 S/D, THENCE SOUTH ALONG THE EAST BOUNDARY LINE OF WOODLANDS PHASE 5 S/D TO THE INTERSECTION OF THE NORTHEAST CORNER OF WOODLANDS PHASE 4 S/D, THENCE SOUTH AND EAST ALONG THE BOUNDARY LINE OF WOODLANDS PHASE 4 S/D TO THE INTERSECTION OF THE EAST SECTION LINE OF SECTION 35, T1S, R22W, AND THE EAST BOUNDARY LINE OF WOODLANDS PHASE 4 S/D, THENCE SOUTH ALONG THE EAST SECTION LINE OF SECTION 35, T1S, R22W TO THE SOUTHWEST CORNER OF WOODLANDS PH 3 AT BWB S/D AND P.O.B.

Section 3: Board of Directors and Officers

The business and affairs of the Benefit Unit shall be conducted and administered by a governing Board of five (5) Benefit Unit Directors, who shall be qualified electors residing in the district. Said Benefit Unit Directors, upon their appointment or election and qualification as provided in section 4 and annually in January, shall organize by electing from their number a Chairman, and a Vice-Chairman. The Directors shall not receive any compensation for their service but shall receive reimbursement for out-of-pocket expenses incurred for the conduct of the business and affairs of the district.

The initial Benefit Unit Directors shall be: Edward Callicotte, Samuel G. Ellsworth, Roger H. Oelke, Albert A. Salerno, and Karl E. Welhart. Said initial Benefit Unit Directors shall hold and remain in office until their successors are elected and qualified in the general election in the year 2004, unless such Directors cease to be qualified to act or is removed for cause.

Section 4: Term of Directors

In the 2004 General Election, three (3) Directors shall be elected for two (2) year terms and two (2) Directors shall be elected for one (1) year terms. The three (3) candidates attaining the highest number of votes shall be elected for two (2) year terms and the two (2) candidates receiving the next highest number of votes will be elected for one (1) year terms. In subsequent elections, each officer shall be elected for a term of two (2) years. They shall qualify for office pursuant to law. In the event any officer ceases to be qualified to act, through resignation, removal for cause, other compelling reason, or due to the failure of any candidates to qualify for the office, the vacancy thereby created shall be filled by appointment by the majority of the remaining members of the Benefit Unit Directors of the District until the expiration of the term of the member who has become disqualified or failed to qualify for election.

Removal from Office – Failure to Attend Meetings:

(a) Any member of the Benefit Unit Board of Directors may be removed from office by a majority vote of the Benefit Unit Board of Directors, for cause.

(b) If any member of the Benefit Unit Board of Directors fails to attend two consecutive Board meetings without a satisfactory excuse, or if a member is absent from more than one-half of the Boards meetings in a given year, the Directors shall declare the member's seat vacant and the vacancy shall be filled as above.

Chairman/Vice Chairman: The Chairman/Vice Chairman terms shall be for one (1) year, with eligibility for re-election, however, the Chairman/Vice Chairman can only serve two (2) consecutive terms.

Election Details: Any election subsequent to the adoption of the Benefit Unit will be for all qualified electors residing in the district, NOT just property owners. In addition, the Benefit Unit will pay for any expense caused by additional ballot styles.

Section 5: Meeting – Board of Directors and Quorum

The Directors of the Benefit Unit shall have the duties usually pertaining to like Directors. The Board of Directors may adopt its own by-laws for conducting its, business and meetings. A record shall be kept of all meetings of the Board. A majority of the Benefit Unit Directors must be present to convene a meeting of the Board. At least three of the members present shall be necessary for any affirmative action by the Board. The meetings of the Board and minutes of the meetings shall be open to the public at all times. The Board shall adhere to Florida Sunshine laws and shall keep minutes of meetings, and written records of resolutions, findings and determinations.

Section 6: Audit

The books and records of the Benefit Unit will be audited annually as a part of Okaloosa County's single audit. Copies of this audit will be submitted to the Board of County Commissioners.

Section 7: Powers and Authority

The Board of Directors shall have authority to:

- (1) Adopt rules and regulations not inconsistent with any portion of this Ordinance, as it may deem necessary in the transaction of its business and in carrying out the provisions of this Ordinance.
- (2) The Benefit Unit Board of Directors shall determine for each fiscal year the level, extent and type of Community Services and their estimated cost, including administrative costs and expenses (including Property Appraiser and Tax Collector, as required by law) and any fees for services of professional personnel, technicians or consultants deemed necessary by the Committee for the effective provision of the Community Services. The cost of Community Services shall then become the proposed budget for the Benefit Unit for the ensuing fiscal year.

Section 8: Funding and Assessment

(1) The Benefit Unit Board of Directors is hereby authorized to levy and impose an annual assessment against all property in the District with the following limitations.

- (a) The initial Assessment Unit amount for financing the operation of the Benefit Unit shall not exceed \$60.00.
- (b) The Assessment Unit amount cannot increase by more than 5% from the previous year.

(2) Method of Establishing the Assessment.

The Assessment Unit is the standard for imposing the Annual Assessment. The Assessment Unit shall be determined by dividing the approved budget by the total number of residential lots and commercial and institutional residential lot equivalents to determine the Assessment Unit, then applying that amount to each residential lot and commercial and institutional Parcel as defined below. The cost of Community Services as set forth in the approved budget shall be allocated as follows among the Parcels:

(a) Residential:

- 1- Each lot which is platted residential property, whether built on or not, will be assessed the same, one Assessment Unit.
- 2- Tracts of land intended for development as Residential Property but not yet improved will be assessed one Assessment Unit per acre (rounded to the nearest tenth acre) until platted, after which they will be assessed as in (-1-) above.
- 3- Each townhouse unit, condominium unit, or other property division intended as a residential dwelling or rental unit, shall be assessed one Assessment Unit.

(b) Commercial:

- 1- Commercial Property will be assessed one Assessment Unit per one-thousand (1000) square feet of building space constructed (Property Appraiser adjusted square footage figures will be used).
- 2- Parcels used as Commercial Property but without a building will be assessed one (1) Assessment Unit per acre (rounded to the nearest tenth acre).
- 3- Parcels intended for use as commercial property but not yet developed will be assessed one (1) Assessment Unit per acre (rounded to the nearest tenth acre). When built on or placed into use as Commercial Property the Parcel will be assessed as per (-1-) or (-2-) above.

(c) Institutional:

- 1- Institutional Property will be assessed one Assessment Unit per one-thousand (1000) square feet of building space constructed (Property Appraiser adjusted square footage figures will be used).
- 2- Parcels used as Institutional Property but without a building will be assessed one (1) Assessment Unit per acre (rounded to the nearest tenth acre).
- 3- Parcels intended for use as Institutional Property but not yet developed will be assessed one (1) Assessment Unit per acre (rounded to the nearest tenth acre). When built on or placed into use as Institutional Property the Parcel will be assessed as per (-1-) or (-2-) above.

(3) The aforementioned annual assessment shall be levied and imposed by the Benefit Unit Board of Directors by resolution, which shall be reduced to writing. A copy of such resolution shall forthwith be forwarded to the property Appraiser of Okaloosa County, the Tax Collector of Okaloosa County and the Board of County Commissioners. The Benefit Unit Board of Directors shall comply with all state laws relative to the levy of the annual assessment.

(4) All assessments to be levied and collected pursuant hereto shall be due and assessed and certified by the Property Appraiser of Okaloosa county and Collected by the Tax Collector of Okaloosa County in the same manner as municipal property taxes of the various municipalities in Okaloosa County, Florida.

(5) The annual assessment hereby authorized to be levied, assessed, and imposed shall thereupon become a lien upon property within the district and enforced in the same manner as liens for ad valorem taxes. Such lien for such district annual assessment shall be a first lien superior in dignity to all other liens except ad valorem tax liens.

(6) The Benefit Unit designates the Property Appraiser or his designate and the Tax Collector or his designate to act as agent for the Benefit Unit to modify the final Annual Assessment if changes are made to the tax roll after final notification is sent to property owners.

Section 9: Indebtedness

The Benefit Unit Board of Directors shall not create indebtedness or incur obligations for any purpose or amount that it is unable to pay out of the district funds properly appropriated therefore in its current annual budget, as the same may from time to time be amended, as provided herein.

Section 10: Use of Funds

(1) Those funds obtained from the levy of the Annual Assessment on the Parcels shall be maintained in a separate account on deposit with the Clerk of Circuit Court of Okaloosa County and used solely for funding the expenditures authorized in the Benefit Unit's approve budget.

(2) The Board nor anyone else acting on shall not contract for the expenditure of funds in any fiscal year other than the current fiscal year, and only for the purposes authorized in the budget. Funds obtained from the levy of the Annual Assessment shall not be used to finance any project outside of the Benefit Unit. All funds collected by the Annual Assessment for a specific fiscal year need not be expended by the end of that fiscal year if actual costs do not meet the estimated amount. Any funds remaining at the end of the fiscal year shall be carried forward to the next fiscal year.

(3) The Board of Directors may amend the budget for the fiscal year in order to add Projects for which funds are available. The Board of Directors may delete Projects from an existing budget so that their allocated funds can be transferred to other Projects already approved. All amendments are subject to approval and ratification by the Board of County Commissioners.

(4) A Reserve Fund shall be established in the initial budget, and thereafter, shall be replenished, as required, so that the balance at the beginning of each fiscal year is at least ten per cent (10%) of the anticipated expenditures for that year.

(5) Insurance Requirements. The Committee shall purchase and continue in force property, liability, workers compensation (if needed), and other insurance policies to adequately protect against work related injuries, property damage and third party claims. All property and liability policies shall include Okaloosa County, Florida as an additional insured. Certificates of Insurance evidencing the type and amount of insurance shall be provided the Board of County Commissioners of Okaloosa County, Florida at least annually. Any claim deductible or other claim cost will be paid from the reserve fund of the District.

(6) Contractor Insurance Requirements. No contractor shall be allowed to commence any work for the MSBU until he has obtained all required insurance and such insurance has been approved by the MSBU. A Certificate of Insurance must be submitted to the MSBU evidencing required insurance as a part of all quotes or bids to perform work for the MSBU. The type, limits conditions and coverage required for insurance will be as provided by a resolution of the MSBU Board of Directors.

Section 11: Penalty

Any person, firm, or corporation who violates any of the provisions of this law or any of the regulations adopted pursuant to the provisions of this law, upon conviction therefore shall be punished as provided by State law.

Section 12: Liberal Construction and Indemnification

The provisions of these By-Laws shall be liberally construed in order to effectively carry out the purposes of these By-Laws in the interest of the residents of the MSBU.

The MSBU shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the MSBU against all contractual and other liabilities to others arising out of contracts made by, or other acts of, such directors, officers, committee members on behalf of MSBU or arise from the status of directors, officers, or committee members unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent.

It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, board, committee member may be involved by virtue of such persons being or having been such director, officer, committee member provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, committee member or (b) any matter settled or compromised, unless in the opinion of independent counsel selected by or in a manner determined by the MSBU, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, committee member.

Section 13: Rules of Order

In the absence of any By-Laws or rule covering a question that may arise at any meeting of the Board of Directors or the Benefit Unit, Roberts's Rules of Order shall control.

Whereas, the BWB MSBU Board of Directors wishes to control any individual that is deemed to be hostile at any Board of Directors meeting, workshop or planning session.

Whereas, if any individual that is in attendance at a meeting of the BWB MSBU Board of Directors that speaks without being recognized by the Chairman of that meeting or interrupts any speaker during the process of the meeting is deemed to be hostile.

Whereas, this hostile individual is clearly disruptive to the meeting and interferes with the BWB MSBU Board of Directors ability to conduct its business.

Therefore; as provided by case Law "Jones v. Heyman, 888 F.2d 1328, 1333 (11th Cir. 1989)", let it be resolved that any individual deemed to be hostile, will not be allowed to address through voice any meeting, workshop or planning session of the BWB MSBU Board of Directors. This hostile individual may however attend meetings with the following exceptions.

- 1.The individual cannot verbally address anyone during the time of the meeting. If that individual does verbally address anyone during the meeting, he or she will be removed from the meeting location.
- 2.If this individual wants to address any issue before the Board, he or she must write the comment, quest or concern on a 3" x 5" standard index card and present it to the Chairman of the meeting.
- 3.Upon receipt of the card, the Chairman will determine if the comment is relevant to issues being discussed at that

time.

4.If the Chairman determines that the hostile individual's comment is relevant, then the Chairman will read the comment out loud to the members of the Board and public in attendance.

5.The hostile individual is always free to submit written comments at any time outside the scope of the BWB MSBU meetings. These comments should be addressed to the Chairman and copied to all Board Members.

Any BWB MSBU Board member may request that an individual shall be deemed hostile. The request shall be made in the form of a motion, duly seconded and discussed at any time during a meeting. The motion shall be duly recorded in the minutes of that meeting. Rescinding the individual as hostile will be done in the same manor.

Section 14: Order of Business

The following order of business shall prevail at all general meetings of the Benefit Unit and the Board of Directors:

- (1)Call Meeting to Order
- (2)Establish a Quorum
- (3)Approve Minutes
- (4)Committee Reports
- (5)Old Business
- (6)New Business
- (7)Adjournment

Section 15: Amendment of By-Laws

The By-Laws may be amended by a majority of the members of the Board of Directors at a duly constituted meeting for such purpose. Proposed amendments to the By-Laws shall be delivered to each Board member at least 10 days prior to the meeting established for such action.

Section 16: Duration

These By-Laws shall be in effect until revoked by the MSBU Board of Directors. If revoked, any excess funds remaining shall be divided and disbursed to the property owners on a pro rata basis according to the number of Assessment Units assessed on each parcel shown on the latest tax rolls in accordance with the direction of the Tax Collector of Okaloosa County, Florida, or, as directed by the Board of County Commissioners, may be paid to the Board of County Commissioners for use solely within the District.

Section 17: Effective Date and Council of Bluewater Bay Property Owners, Inc.

These By-Laws shall take effect immediately upon certification by the County Supervisor of Elections that the results of the directed referendum favor approval of the MSBU formation. Effective January 1, 2004 the Council of Bluewater Bay Property Owners will cease to conduct any business relating to functions assumed by the Bluewater Bay Municipal Services Benefit Unit.

IN WITNESS WHEREOF, we being the BWB MSBU Board of Directors, have hereunto set our hand this 13th day of May, 2003.

Karl E. Welhart, Chairman

Edward Callicotte, Vice-Chairman

Samuel G. Ellsworth, Director

Albert A. Salerno, Director

Wayne Fair, Director