NOTE: SUBSTANTIAL AMENDMENT OF ENTIRE BYLAWS. FOR PRESENT TEXT SEE EXISTING BYLAWS.

AMENDED AND RESTATED BYLAWS OF COLONIAL CLUB, INC.

1. GENERAL. These are the Amended and Restated Bylaws of Colonial Club, Inc., hereinafter the "Association," a corporation not for profit organized under the laws of Florida for the purpose of operating a residential condominium pursuant to the Florida Condominium Act. All prior Bylaws are hereby revoked and superseded in their entirety.

1.1 Principal Office. The principal office of the Association shall be at the Condominium or at such other place within the county in which the Condominium is located, as the Board of Directors may determine.

1.2 Seal. The seal of the Association shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "corporation not for profit." The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document where a seal may be required.

1.3 Definitions. The terms used herein shall have the same definitions as stated in the Declaration of Condominium to which these Bylaws are attached as an Exhibit.

2. MEMBERS. The members of the Association are the record owners of legal title to the units. In the case of a unit subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the unit solely for purposes of determining use rights. If a unit is subject to a life estate, the life tenant is deemed the unit owner, and joint life tenants are deemed joint owners for the purposes of this provision. Membership becomes effective upon the occurrence of the last to occur of the following events.

(A) Designation of a primary occupant, if required, as provided for in Section 14. of the Declaration of Condominium.

(B) Approval of the transfer of ownership by the Board of Directors as provided for in Section 14. of the Declaration of Condominium.

(C) Recording in the Public Records of a Deed or other instrument evidencing legal title to the unit in the member.

(D) Delivery to the Association of a copy of the recorded deed or other instrument evidencing title.

2.1 Voting Rights; Voting Interests. The members of the Association are entitled to one (1) vote for each unit owned by them. However, if a unit is owned by the Association, the Association may not vote for the

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unit. The total number of votes ("voting interests") is equal to the total number of units for which votes may be cast. The vote of a unit is not divisible. The right to vote may not be denied because of delinquent assessments. If a unit is owned by one (1) natural person, his right to vote shall be established by the record title to the unit. If a unit is owned jointly by two (2) or more natural persons who are not acting as trustees, that unit's vote may be cast by any one (1) of the record owners. If two (2) or more owners of a unit do not agree among themselves how their one (1) vote shall be cast on any issue, that vote shall not be counted on that issue. If the owner of a unit is not a natural person or is a trustee, the vote of that unit shall be cast by the unit's primary occupant, designated as set forth in Section 14.1 of the Declaration of Condominium.

2.2 Approval or Disapproval of Matters. Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by any person authorized to cast the vote of such unit at an Association meeting as stated in Section 2.1 above, unless the joinder of all record owners is specifically required.

2.3 Change of Membership. Following written approval of the Association as elsewhere required herein, a change of membership in the Association shall be established by the new member's membership becoming effective as provided for in Section 2. above, and the membership of the prior owner shall thereby be automatically terminated.

2.4 Termination of Membership. Termination of membership in the Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Condominium during the period of his membership, nor does it impair any rights or remedies the Association may have against any former owner or member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

3. MEMBERS' MEETINGS; VOTING.

3.1 Annual Meeting. There shall be an annual meeting of the members in each calendar year. The annual meeting shall be held in the county in which the Condominium is located, each year during the first three (3) months of the year at a day, place and time designated by the Board of Directors, for the purpose of transacting any business duly authorized to be transacted by the members. During the annual meeting, ballots cast in the annual election of Directors shall be counted and results announced.

3.2 Special Members' Meetings. Special meetings of the members must be held whenever called by the President or by a majority of the Directors, and may also be called by members having at least ten percent (10%) of the votes of the entire membership. Such requests shall be in writing, shall state the purpose or purposes of the meeting, and shall be signed by all the members making the request. Special members' meetings shall be held in the county in which the Condominium is located. Business at any special meeting shall be limited to the items specified in the notice of meeting.

3.3 Notice of Meetings. Notices of all meetings of the members must state the time, date, and place of the meeting and include an agenda for the meeting. The notice must be mailed to each member at the address which appears on the books of the Association, or may be furnished by personal delivery if a written waiver of mailing is obtained, or may be provided by electronic transmission to the unit owners who so consent. The member bears the responsibility for notifying the Association of any change of address. The notice must

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be mailed, delivered or transmitted at least fourteen (14) days before the meeting. If the Association is informed that a unit has been transferred after notice has been mailed, no separate notice to the new owner is required. Notice of any meeting may be waived in writing by any person entitled to receive such notice. Attendance at any meeting by a member constitutes waiver of notice by that member, unless the member objects to the lack of notice at the beginning of the meeting. Notice of unit owner meetings, except unit owner meetings called to recall the Board members under Section 718.112(2)(j), Florida Statutes. may be given by electronic transmission to unit owners who consent to receive notice by electronic transmission.

3.4 Notice of Annual Meeting; Special Requirements. Notice of the annual meeting together with a detailed agenda shall be posted in a conspicuous place on the condominium property or Association property or may be provided by electronic broadcast to the members for at least fourteen (14) continuous days prior to the annual meeting. The notice and agenda for the annual meeting shall also be sent by first class mail to each owner, and an affidavit of the officer or other person making such mailing shall be retained in the Association records as proof of mailing. Notice of the annual meeting may be delivered in person if a written waiver of mailing is obtained.

3.5 Quorum. A quorum at members' meeting shall be attained by the presence, either in person or by proxy, of persons entitled to cast at least a majority of the votes of the entire membership.

3.6 Vote Required. The acts approved by a majority of the votes cast at a duly called meeting of the members at which a quorum has been attained shall be binding upon all unit owners for all purposes, except where a greater or different number of votes is expressly required by law or by any provision of the condominium documents.

3.7 Proxy Voting. To the extent lawful, any person entitled to attend and vote at a members meeting may establish his presence and cast his vote by proxy. Proxies may not be used in electing Directors. "Limited proxies" shall be used for votes taken to waive reserves or financial statement requirements, to amend the condominium documents, and for all other matters for which the Condominium Act requires or permits a vote of the members. "General proxies" may be used to establish a quorum, for procedural votes, and for non-substantive amendments to proposals for which a limited proxy is being used. A proxy may be given by any person entitled to vote, but shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting, and no proxy is valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy is revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by a person authorized to cast the vote for the unit, and specify the date, time and place of the meeting for which it is given. The original must be delivered to the Secretary at or before the time of the meeting or adjournment thereof. Holders of proxies need not be members. No proxy is valid if it names more than one person proxyholder, but the proxyholder has the right, if the proxy so provides, to substitute another person to hold the proxy.

3.8 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be reconvened at a specific later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance.

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3.9 Order of Business. The order of business at members' meetings shall be substantially as follows:

(A) Counting of ballots in Election of Directors (if necessary)
(B) Call of the roll or determination of quorum
(C) Reading or disposal of minutes of last members' meeting
(D) Reports of Officers
(E) Reports of Committees
(F) Unfinished Business
(G) New Business
(H) Adjournment

3.10 Minutes. Minutes of all meetings of the members, and of the Board of Directors, shall be kept in a businesslike manner, available for inspection by members or their authorized representatives at all reasonable times, and for at least seven (7) years after the meeting. Minutes should be reduced to written form within thirty (30) days after the meeting at which they were taken.

3.11 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the law, with the Declaration, or with these Bylaws. The presiding officer may appoint a Parliamentarian whose decision on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

3.12 Action by Members Without Meeting. Except for the holding of the annual meeting and annual election of Directors, any action required or permitted to be taken at a meeting of the members may be taken without a meeting if written consents or other instruments expressing approval of the action proposed to be taken are signed and returned by members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all of the voting interests were present and voting. If the requisite number of written consents are received by the Secretary within sixty (60) days after the earliest date which appears on any of the consent forms received, the proposed action so authorized shall be of full force and effect on the date the requisite number of written consents are received, as if on the date the requisite number of written consents are received the action had been approved by vote of the members at a meeting of the members held on said date. Within ten (10) days after the date the requisite number of consents is received, the Board shall send written notice of the action taken to all members who have not consented in writing. Nothing in this paragraph affects the rights of members to call a special meeting of the membership, as provided for by Section 3.2 above, or by law. If the vote is taken by the method described in this section, the list of unit owners on record with the Secretary at the time of mailing the voting material shall be the list of qualified voters.

4. BOARD OF DIRECTORS. The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration, Articles of Incorporation, and these Bylaws, shall be exercised by the Board, subject to approval or consent of the unit owners only when such is specifically required.

4.1 Number and Terms of Office. The number of Directors which shall constitute the whole Board of Directors shall be five (5). All Directors shall be elected for two (2) year staggered terms with two (2)

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Directors to be elected in even numbered years and three (3) Directors to be elected in odd numbered years. A Director's term ends at the annual election at which his successor is to be duly elected. Directors shall be elected by the members as described in Section 4.3 below, or in the case of a vacancy between annual elections, as provided in Section 4.4 below.

4.2 Qualifications. Each Director must be a unit owner or the primary occupant of a unit, or the spouse or non-spouse companion of the owner or primary occupant. Co-owners of a unit may not serve as members of the Board at the same time unless they own more than one unit or unless there are not enough eligible candidates to fill the vacancies on the Board at the time of vacancy. A person who has been suspended or removed from the Board by the Division of Condominiums or who is delinquent in the payment of any fee or assessment is not eligible for Board membership. Convicted felons must wait at least five (5) years after their civil rights have been restored before being eligible to be a candidate for the Board.

4.3 Elections. In each annual election the members shall elect by written, secret ballot as many Directors as there are regular terms of Directors expiring, unless the balloting is dispensed with as provided for by law.

(A) First Notice; Candidates. Not less than sixty (60) days before the election, the Association shall mail or deliver, or electronically transmit to unit owners who so consent, to each unit owner entitled to vote, a first notice of the date of the election. The first notice may be given by separate Association mailing or electronic transmission or included in another Association mailing, delivery or electronic transmission, including regularly published newsletters. Any unit owner or other eligible person desiring to be a candidate may qualify as such by giving written notice to the Association not less than forty (40) days before the annual election. Candidates may also be nominated by any other method permitted by law, if any.

(B) Second Notice; Candidate Information Sheets. If there are more candidates than there are Directors to be elected, balloting is required, and at least fourteen (14) days before the election, the Association shall mail or deliver a second notice of election to all unit owners entitled to vote in the contested election, together with a ballot which shall list all qualified candidates in alphabetical order, by surname. This notice may also include the notice of the annual meeting required by Section 3.3 above. Upon timely request of a candidate, the Association shall include a "candidate information sheet" (no larger than 8-1/2 inches by 11 inches, furnished by the candidate) with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association.

(C) Balloting. Where balloting is required, Directors shall be elected by a plurality of the votes cast, provided that at least twenty percent (20%) of the eligible voters cast ballots. Proxies may not be used in the election. In the election of Directors, there shall be appurtenant to each unit as many votes for Directors as there are Directors to be elected, but no unit may cast more than one (1) vote for any candidate, it being intended that voting for Directors shall be non-cumulative. Tie votes may be broken by agreement among the candidates who are tied, or if there is no agreement, by lot or by any other method required or permitted by law.

4.4 Resignation; Vacancies on the Board. Any Director may resign at any time by giving written notice to the Association, and unless otherwise specified therein the resignation shall become effective upon receipt. If the office of any Director becomes vacant for any reason, a successor to fill the remaining unexpired term shall be appointed or elected as follows:

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(A) Any vacancy occurring on the Board of Directors may be filled by the affirmative vote of the majority of the remaining Directors, even though the remaining Directors constitute less than a quorum, or by the sole remaining Director. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office. If a vacancy is not so filled or if no Director remains, the replacement may be elected by the members or, on the petition of any member, by appointment of the Circuit Court of the county where the Condominium is located.

(B) If a vacancy occurs on the Board as a result of an increase in the number of Directors or a recall in which less than a majority of the Board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum, but only for a term of office continuing until the next annual election of Directors by the members, at which time the members shall elect a successor to fill the remaining unexpired term, if any.

(C) If vacancies occur on the Board as a result of a recall, and a majority or more of the Directors are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the Division, which provide procedures governing the conduct of the recall election as well as the operation of the Association during the period after a recall, but prior to the recall election.

(D) A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date under Section 617.0807, Florida Statutes or otherwise, may be filled before the vacancy occurs. However the new Director may not take office until the vacancy occurs.

4.5 **Recall and Removal of Directors.** Any or all Directors may be recalled, with or without cause, by a majority vote of the entire membership, either by a written petition or at a meeting called for that purpose. If a meeting is held or a petition is filed for the removal of more than one (1) Director, the question shall be determined separately as to each Director sought to be recalled. If a special meeting is called by ten percent (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days after the date of notice of the meeting. Directors or officers who are ninety (90) days delinquent in payment of regular assessments shall be deemed to have abandoned the office. A director or officer charged with a felony theft or embezzlement offense involving the Association's funds or property shall be removed from office and cannot be appointed or elected while charges are pending. If there is no finding of guilt, the director or officer shall be reinstated for the remainder of his or her term of office.

4.6 **Organizational Meeting.** The organizational meeting of a new Board of Directors shall be held within ten (10) days after the election of new Directors, at such place and time as may be fixed and announced by the Directors at the meeting in conjunction with which they were elected.

4.7 **Other Meetings.** Meetings of the Board may be held at such time and place in the county in which the Condominium is located, as shall be determined from time to time by the President or by a majority of the Directors. Notice of meetings shall be given to each Director, personally or by mail, telephone or telegram at least two (2) days before the day of the meeting.

4.8 **Notice to Owners.** Except as otherwise provided by law or elsewhere in this Section 4., all meetings of the Board of Directors shall be open to attendance by the unit owners. The right of owners to attend

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Board meetings includes the right to speak on designated agenda items, subject to reasonable rules of the Association governing the manner, duration and frequency of doing so. Twenty percent (20%) of the voting interests may petition the Board to address an item of business as an agenda item at its next regular Board meeting or at a special meeting of the Board that must be held no later than sixty (60) days after receipt of the petition. Notice of meetings of the Board of Directors may be given by electronic transmission to unit owners who consent to receive notice by electronic transmission. A notice and agenda of all Board meetings must be posted conspicuously on the condominium property or Association property for at least forty-eight (48) continuous hours in advance of each meeting, except in an emergency, and subject to the following special circumstances:

(A) Assessment to be Considered; Rules Regarding Unit Use. Notice of any Board meeting at which assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and disclose the nature of such assessments, estimated cost, and description of the purposes for such assessments. Notice of any Board meeting at which a non-emergency special assessment will be considered or at which amendments to rules regarding unit use will be considered must also be mailed to the owners of each unit and posted conspicuously on the condominium or Association property at least fourteen (14) days before the meeting, except in an emergency, and an affidavit of mailing must be retained as proof of mailing.

(B) Budget Meetings. Notice of any Board meeting held to formally adopt a budget, or to amend a previously adopted budget, must be mailed, delivered or electronically transmitted to unit owners who so consent, to the unit owners as further provided in Section 6.2 below.

(C) Meetings with Association Legal Counsel. Meetings between either the Board or a committee, and Association legal counsel, regarding proposed, impending or ongoing litigation, to the extent the meeting is held for the purpose of seeking or rendering legal advice regarding that litigation, may be held without notice to unit owners and may be closed.

4.9 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver is deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.

4.10 Quorum of Directors. A quorum at a Board meeting exists only when at least a majority of all Directors are present in person at a duly called meeting. Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation in a meeting by such means is equivalent to presence in person. Directors may not vote or participate in Board meetings by proxy or by secret ballot, except that officers may be elected by secret ballot.

4.11 Vote Required for Action. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum exists constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the condominium documents or by applicable statutes. A Director who is present at a meeting of the Board and abstains from voting is deemed to have neither voted in favor or against the action. The vote or abstention of each Director present on each issue voted upon shall be recorded in the minutes.

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4.12 Adjourned Meetings. A majority of the Directors present at any meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a specific time and date. At any reconvened meeting, provided a quorum is present, any business may be transacted that might have been transacted at the meeting originally as called.

4.13 The Presiding Officer. The President of the Association, or in his absence the Vice President, is the presiding officer at all meetings of the Board. If neither officer is present, the presiding officer shall be selected by majority vote of the Directors present.

4.14 Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket expenses related to the proper discharge of their respective duties.

4.15 Committees. The Board of Directors may appoint from time to time such standing or temporary committees as the Board may deem necessary and convenient for the efficient and effective operation of the Condominium. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. Notice of meetings of committees may be given by electronic transmission to unit owners who consent to receive notice by electronic transmission. Meetings of a committee for the purpose of taking final action on behalf of the Board, or to make recommendations to the Board regarding a budget, must be noticed and conducted with the same formalities as are required for Board meetings in Section 718.112(2)(c), Florida Statutes, as amended. To the greatest extent permitted by law, meetings of all other committees are exempt from this requirement.

4.16 Emergency Powers. In the event of any "emergency" as defined in Section 4.16 (N) below, the Board of Directors may exercise the emergency powers described in this Section, and any other emergency powers authorized by Sections 617.0207, and 617.0303, and Section 718.1265 Florida Statutes, as amended from time to time.

(A) The Board may conduct Board meetings and membership meetings with notice given as is practicable. Such notice may be given in any practicable manner, including publication, radio, United States mail, the Internet, public service announcements, and conspicuous posting on the condominium property or any other means the Board deems reasonable under the circumstances. Notice of Board decisions may be communicated as provided in this paragraph.

(B) The Board may cancel and reschedule any Association meeting.

(C) The Board may name as assistant officers persons who are not directors, which assistant officers shall have the same authority as the executive officers to whom they are assistants during the state of emergency to accommodate the incapacity or unavailability of any officer of the Association.

(D) The Board may relocate the Association's principal office or designate alternative principal offices.

(E) The Board may enter into agreements with local counties and municipalities to assist counties and municipalities with debris removal.

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(F) The Board may implement a disaster plan before or immediately following the event for which a state of emergency is declared which may include, but is not limited to, shutting down or off elevators; electricity; water, sewer, or security systems; or air conditioners.

(G) The Board may, based upon the advice of emergency management officials or upon the advice of licensed professionals retained by the Board, determine any portion of the condominium property unavailable for entry or occupancy by unit owners, family members, tenants, guests, agents, or invitees to protect the health, safety, or welfare of such persons.

(H) The Board may require the evacuation of the condominium property in the event of a mandatory evacuation order in the location in which the condominium is located. Should any unit owner or other occupant of a condominium fail or refuse to evacuate the condominium property where the Board has required evacuation, the Association shall be immune from liability or injury to persons or property arising from such failure or refusal.

(I) The Board may, based upon advice of emergency management officials or upon the advice of licensed professionals retained by the Board, determine whether the condominium property can be safely inhabited or occupied. However, such determination is not conclusive as to any determination of habitability pursuant to the declaration.

(J) The Board may mitigate further damage, including taking action to contract for the removal of debris and to prevent or mitigate the spread of fungus, including but not limited to mold or mildew, by removing and disposing of wet drywall, insulation, carpet, cabinetry, or other fixtures on or within the condominium property, even if the unit owner is obligated by the declaration or law to insure or replace those fixtures, and to remove personal property from the unit.

(K) The Board may contract, on behalf of any unit owner or owners, for items or services for which the owners are otherwise individually responsible for, but which are necessary to prevent further damage to the condominium property. In such event, the unit owner or owners on whose behalf the Board has contracted are responsible for reimbursing the Association for the actual costs of the items or services, and the Association may use its lien authority provided by Section 718.116, Florida Statutes to enforce collection of the charges. Without limitation, such items or services may include the drying of units, the boarding of broken windows or doors, and the replacement of damaged air conditioners or air handlers to provide climate control in the units or other portions of the property.

(L) The Board may, regardless of any provisions to the contrary, levy special assessments without a vote of the owners.

(M) The Board may, without owners' approval, borrow money and pledge Association assets as collateral to fund emergency repairs and carry out the duties of the Association when operating funds are insufficient.

(N) For purposes of this Section only, an "emergency" exists only during a period of time that the Condominium, or the immediate geographic area in which the Condominium is located, is subjected to any of the following:

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(1) a state of emergency declared the Governor pursuant to Section 252.36 Florida Statutes or by local civil or law enforcement authorities

(2) a hurricane warning

(3) a partial or complete evacuation order

(4) a federal or state "disaster area" status

(5) a catastrophic occurrence, whether natural or manmade, which seriously damages or threatens to seriously damage the physical existence of the Condominium, such as an earthquake, tidal wave, fire, hurricane, tornado, war, civil unrest or act of terrorism, or other similar event.

An "emergency" also exists for purposes of this Section during any period of time when a quorum of the Board cannot readily be assembled because of the occurrence or imminent occurrence of a catastrophic event, such as a hurricane, earthquake, act of war, civil unrest or terrorism, or other similar event. A good faith determination by any two (2) Directors, or by the President, that an emergency exists shall have presumptive validity.

The special emergency powers authorized above shall be limited to that time reasonably necessary to protect the health, safety, and welfare of the Association and the unit owners and the unit owner's family members, tenants, guests, agents, or invitees and shall be reasonably necessary to mitigate further damage and make emergency repairs.

5. OFFICERS.

5.1 Officers and Elections. The executive officers of the Association shall be a President and a Vice President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by a majority vote of the Board of Directors. Any officer may be removed with or without cause at any meeting by vote of a majority of all Directors at any meeting. Any person, except the President, may hold two (2) or more offices. The Board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one (1) Vice President. Any officer may resign at any time by giving written notice to the Corporation and unless otherwise specified therein, the resignation shall become effective upon receipt. Officers who are ninety (90) days delinquent in payment of regular assessments shall be deemed to have abandoned the office. An officer charged with a felony theft or embezzlement offense involving the Association's funds or property shall be removed from office and cannot be appointed or elected while charges are pending. If there is no finding of guilt, the officer shall be reinstated for the remainder of his or her term of office.

5.2 President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and Directors, shall be ex officio a member of all standing committees, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect. The President shall execute bonds, mortgages and other contracts requiring the seal of the Association, except where such are permitted by law to be otherwise signed

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and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Association.

5.3 Vice Presidents. The Vice Presidents, in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall assign.

5.4 Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and shall cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for the purpose, and shall perform like duties for standing committees when required. He shall give, or cause to be given, proper notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the condominium documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

5.5 Treasurer. The Treasurer shall be responsible for Association funds and securities, the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association, and the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer shall oversee the disbursement of Association funds, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at meetings of the Board, or whenever they may require it, a full accounting of all transactions and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if one has been designated.

6. FISCAL MATTERS. The provisions for fiscal management of the Association set forth in the Declaration of Condominium shall be supplemented by the following provisions:

6.1 Depository. The Association shall maintain its funds in federally insured accounts or investments with such financial institutions authorized to do business in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board.

6.2 Budget. The Board of Directors shall adopt a budget of common expenses in advance for each fiscal year. A copy of the proposed budget, and a notice stating the time, date and place of the meeting of the Board at which the budget will be adopted, shall be mailed, delivered or electronically transmitted to the owner of each unit not less than fourteen (14) days before that meeting. The proposed budget must be detailed, and must show the amounts budgeted by income and expense classifications, including without limitation those specified in Section 718.504(21(c) of the Condominium Act, if applicable.

6.3 Statutory Reserves for Capital Expenditures and Deferred Maintenance. In addition to annual operating expenses, the proposed budget must include reserve accounts for capital expenditures and deferred maintenance as required by law. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing. They shall also include any other planned or foreseeable capital

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expenditure or deferred maintenance item with a current estimated cost of $10,000 or more. The amount to be reserved shall be computed by a formula based upon estimated remaining life and replacement cost of each item. These reserves must be funded unless the members of the Association have, by a majority vote of those present in person or by proxy at a duly called meeting of the Association, determined to fund no reserves, or less than adequate reserves, for a fiscal year. The vote to waive or reduce reserves, if any is taken, may be taken only after the proposed budget has been mailed to the unit owners as required in Section 6.2 above. Reserves funded under this paragraph, and any interest thereon, shall be used only for the purposes for which they were reserved, unless their use for other purposes is approved in advance by a majority of the voting interests present, in person or by limited proxy, at a members' meeting called for the purpose. Proxy questions relating to waiving or reducing the funding of reserves or using existing reserves for other purposes must contain the following statement in large, bold caps: WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

6.4 Other Reserves. In addition to the statutory reserves described in Section 6.3 above, or in place of them if the members so vote, the Board may establish one or more additional reserve accounts for contingencies, operating expenses, repairs, minor improvements, deferred maintenance or special projects. The purpose of these reserves is to provide financial stability and to avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget each year. These funds may be spent for any purpose approved by the Board.

6.5 Assessments. Regular annual assessments based on the adopted budget shall be paid in quarterly installments, in advance, due on the first day of January, April, July and October of each year. Written notice of each quarterly installment shall be sent to the members at least fifteen (15) days prior to the due date. Failure to send or receive such notice does not excuse the obligation to pay. If an annual budget has not been adopted at the time the first quarterly installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last quarterly payment, and payments shall be continued at such rate until a budget is adopted and new quarterly installments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each unit's next due quarterly installment.

6.6 Special Assessments. Special assessments may be imposed by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted, or non-recurring expenses. Special assessments are due on the date specified in the resolution of the Board approving such assessments. The total of all special assessments coming due in any fiscal year shall not exceed ten thousand dollars ($10,000) unless the owners of at least ten (10) units first consent. The notice of any Board meeting at which a special assessment will be considered, discussed or proposed shall be given as provided in Section 4.8 above and the notice to the owners that the assessment has been levied must contain a statement of the purpose(s) of the assessment. The funds collected must be spent for the stated purpose(s) or returned to the members as provided by law.

6.7 Fidelity Bonds. The President, Secretary and Treasurer, and all other persons who are authorized to sign checks or have access to Association funds, shall be bonded in such amounts as may be required by law or otherwise determined by the Board of Directors. The premiums on such bonds is a common expense.

6.8 Financial Reports. In accordance with Section 718.111(13) of the Condominium Act, not later than ninety (90) days after the close of each fiscal year, the Board shall contract for the preparation of a financial

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report for the preceding fiscal year and shall deliver to the unit owners a copy of the report or notify the owners a copy of the report is available within twenty-one (21) days after the report is complete but in no event later than one hundred twenty (120) days after the close of the fiscal year.

6.9 Audits. A formal, certified audit of the accounts of the Association, if required by law, by vote of a majority of the voting interests, or by a majority of the Directors, shall be made by a certified public accountant, and a copy of the audit report made available to all members.

6.10 Fiscal Year. The fiscal year for the Association shall begin on the first day of April of each calendar year. The Board of Directors may adopt a different fiscal year in accordance with law and the regulations of the Internal Revenue Service.

7. RULES AND REGULATIONS. The Board of Directors may, from time to time, adopt and amend administrative rules and regulations governing the use, maintenance, management and control of the common elements and the operation of the Association. Copies of such rules and regulations shall be furnished to each unit owner. Any rule or regulation created and imposed by the Board must be reasonably related to the promotion of health, happiness and peace of mind of the unit owners, and uniformly applied and enforced.

8. COMPLIANCE AND DEFAULT; REMEDIES. In addition to the remedies provided in Section 19. of the Declaration of Condominium, the following shall apply:

8.1 Fines; Suspensions. The Board of Directors may levy fines and/or suspensions against units whose owners are delinquent in the payment of monetary obligations due to the Association, commit violations of the Condominium Act, the provisions of the condominium documents, or the rules and regulations, or who condone such violations by their family members, guests or lessees. Fines shall be in amounts deemed necessary by the Board to deter future violations, but in no event shall any fine exceed the maximum amount allowed by law, and no fine may be levied against an unoccupied unit. Suspensions of the use of the common elements, common facilities, or Association property may be imposed for a reasonable period of time to deter future violations or if for failure to pay monetary obligations due to the Association, until such time as the monetary obligations are paid. The procedure for imposing fines and/or suspensions not related to delinquency in monetary obligations due to the Association shall be as follows:

(A) Notice: The party against whom the fine and/or suspension is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days, and the notice shall include:

(1) A statement of the date, time and place of the hearing;

(2) A specific designation of the provisions of the Declaration, Bylaws or rules which are alleged to have been violated;

(3) A short and plain statement of the specific facts giving rise to the alleged violation(s); and

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(4) The possible amounts of any proposed fine and/or possible use rights to common elements, common facilities, or Association property to be suspended.

(B) Hearing: At the hearing the party against whom the fine may be levied shall have a reasonable opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved, and to review, challenge, and respond to any evidence or testimony presented by the Association. The hearing shall be conducted before a panel of three (3) non-Director unit owners appointed by the Board. If the committee, by majority vote, does not agree with the fine and/or suspension, it may not be levied. If the committee agrees with the fine and/or suspension the Board shall levy same.

If an owner is more than ninety (90) days delinquent in paying a monetary obligation due to the Association, the Association may suspend the right of a unit owner or a unit's occupant, licensee, or invitee to use common elements, common facilities, or any other Association property until the monetary obligation is paid. For such non-payment of monetary obligations, no notice or hearing is required.

8.2 Mandatory Non-Binding Arbitration. In the event of any dispute as defined in Section 718.1255(1) of the Condominium Act, between a unit owner and the Association arising from the operation of the Condominium, the parties must submit the dispute to mandatory non-binding arbitration under the rules of the Division of Florida Condominiums, Time Shares and Mobile Homes prior to filing any lawsuit over the disputed matters. Nothing herein shall be construed to require arbitration of disputes related to the levy or collection of fees or assessments.

8.3 Availability of Remedies. Each member, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of violations regardless of the harshness of the remedy utilized by the Association and regardless of the availability of other legal remedies. It is the intent of all members to give the Association methods and procedures which will enable it to operate on a businesslike basis, to collect those monies due it and to preserve the right of the majority to enjoy the condominium property free from unreasonable disruptions and annoyance.

9. AMENDMENT OF BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner:

9.1 Proposal. Amendments to these Bylaws may be proposed by a majority of the Board, or by written petition to the Board, signed by at least one-fourth (1/4th) of the voting interests.

9.2 Procedure. Upon any amendment or amendments to these Bylaws being proposed by said Board or unit owners, such proposed amendment or amendments shall be submitted to a vote of the owners not later than the next annual meeting for which proper notice can still be given.

9.3 Vote Required. Except as otherwise provided by law, or by specific provision of the condominium documents, a proposed amendment to these Bylaws shall be adopted if it is approved by twelve (12) or more of the voting interests at any annual or special meeting called for the purpose, provided that notice of the proposed amendment has been given to the members in accordance with law.

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9.4 Recording; Effective Date. A copy of each adopted amendment shall be attached to a certificate reciting the facts of its adoption, which certificate shall be executed by officers of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Collier County, Florida. The certificate must identify the book and page of the Public Records where the Declaration of Condominium was originally recorded.

10. MISCELLANEOUS.

10.1 Gender. Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

10.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

10.3 Conflict. If any irreconcilable conflict between these Bylaws and the Declaration of Condominium or Articles of Incorporation should exist or arise, the provisions of the Declaration or Articles of Incorporation shall prevail over the provisions of these Bylaws.

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