

**BY-LAWS  
OF  
MARSH HARBOUR MAINTENANCE ASSOCIATION, INC.**

A Corporation Not for Profit under the Laws of the State of Florida

**Article I  
GENERAL INTRODUCTION**

1.1. Name. The name of the corporation is MARSH HARBOUR MAINTENANCE ASSOCIATION, INC., (hereinafter referred to as the "Maintenance Association"). The principal office of the Maintenance Association shall be located in Palm Beach County, Florida.

1.2. Applicability. The provisions of these By-Laws are applicable to the development known as MARSH HARBOUR, which is located in Palm Beach County, Florida.

1.3. Terminology. Terms used herein shall have the meanings ascribed to them in the Articles of Incorporation of the Maintenance Association (hereinafter referred to as the "Articles") or the Master Covenants referred to therein.

**Article II  
VOTING RIGHTS, MAJORITY, QUORUM, PROXIES**

2.1. Voting Rights. Each Class A and Class B Member shall be Voting Members and shall have the number of votes as set forth in the Master Covenants.

2.2. Majority of Quorum. Unless a higher percentage is required expressly in these By-Laws or in the Master Covenants or in the Articles, any action which is required to be taken by Voting Members of the Maintenance Association may be so taken by a vote of a majority of a quorum of the votes of Voting Members of the Maintenance Association present at a meeting, in person or by proxy, and for purposes hereof, and of the Master Covenants and Articles, the term "majority of Voting Members" or a reference to some specific percentage of Voting Members or votes of Voting Members shall mean a majority or specific percentage of the votes of the Voting Members at a duly constitutional meeting thereof and not of the Voting Members themselves.

2.3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Voting Members having at least thirty percent (30%) of the total votes which may be cast by the Voting Members in good standing shall constitute a quorum of the Voting Members. Such Voting Members present at a duly called or held meeting at which a quorum thereof is present may continue to accomplish the business of the meeting until adjournment, notwithstanding the withdrawal during the meeting of enough Voting Members to leave less than such quorum. In the event, however, the required quorum is never present, the meeting may be rescheduled subject to the notice requirements set forth herein.

2.4. Proxies. Votes of Voting Members may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary at least twenty-four (24) hours before the appointed time of each meeting. No one other than a designee of the Declarant shall hold more than three (3) proxies. To be valid, a proxy must be dated, must state the date, time, and place

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speakers and nominating procedures for the meeting. The mailing of a notice, postage prepaid, in the manner provided in this Section, shall be considered notice served. If no address has been furnished to the Secretary, notice shall be deemed to have been given to a Unit Owner Member if delivered to his Unit or if posted in a conspicuous place on the Common Areas, and notice shall be deemed to have been given to a Condominium Association Member or Independent Development Parcel Member if mailed to the address of the president of such Member as shown on the last annual report filed with the Secretary of State. Meetings of Members shall be open to all Owners who shall have the right to speak with reference to all items open for discussion or included on the agenda for at least 3 minutes on any item, provided that the Member submits a written request to speak prior to the meeting. The Maintenance Association may adopt written rules governing the frequency, duration, and manner of Member statements, which rules must be consistent with this subsection.

Notwithstanding the foregoing, written notice of any meeting at which special assessments will be considered or at which amendments to rules regarding the parcel use will be considered must be mailed, delivered or electronically transmitted to the members and parcel owners and posted conspicuously on the property or broadcast on closed circuit cable television not less than 14 days before the meeting and evidence of compliance must be filed among the official records of the Maintenance Association in accordance with this subsection.

3.5. Adjourned Meetings. If any meeting of Voting Members cannot be organized because a quorum has not attended, the Voting Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days, nor more than thirty (30) days, from the time the original meeting was called. Such adjourned meetings may be held only upon a new notice thereof as provided in this Article, except that notice shall be given by announcement at the meeting at which such adjournment is taken. If a meeting is adjourned for more than thirty (30) days, notice of the adjourned meeting shall be given as in the case of an original meeting.

3.6. Order of Business. The order of business at all meetings of the Members shall (unless waived) be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice and waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of communities; (f) election of directors; (g) unfinished business; and (h) officers of the Maintenance Association, in order of their priority.

3.7. Action Without Meeting. Any action which under the provisions of Florida law may be taken at a meeting of the Members, may be taken without a meeting if authorized in writing by the requisite percentage of all Voting Members and Unit Owners, if necessary, who would be entitled to vote at a meeting for such purpose, and if thereafter filed with the Secretary.

3.8. Minutes. Presumption of Notice. Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed to truthfully evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given. Minutes of all meetings of the Members and of the Board must be maintained in written form or in another form that can be converted into written form within a reasonable time. A vote or abstention from voting on each matter voted upon for each director present at a meeting of the Board must be recorded in the minutes.

#### Article IV

#### **BOARD OF DIRECTORS**

BYLAWS MAINTENANCE ASSOCIATION

4.1. Number and Qualifications. The property, business and affairs of the Maintenance Association shall be governed and managed by a Board composed of at least three (3), but no more than seven (7) persons. The directors shall be appointed in accordance with the Articles and Section 4.2 below. The Board may increase, by resolution, the authorized number of directors on the Board. Directors shall not receive any stated salary for their services as directors, provided, however, that (a) nothing herein contained shall be construed to preclude any director from serving the Maintenance Association in some other capacity and receiving compensation therefore, and (b) any director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.2. Selection of Directors. The Declarant and each Independent Development Parcel Member may each appoint the directors it is entitled to appoint in its sole and absolute discretion and such persons need not be owners of Units or residents or tenants within the Community.

4.3. Powers and Duties. The Board has the powers and duties, necessary for the administration of the affairs of the Maintenance Association and may take all such acts and do all such things as required to be exercised and done exclusively by the Members.

4.4. Special Powers and Duties. Without prejudice to the foregoing general powers and duties and such powers and duties as are set forth in the Master Covenants and the Articles the Board is vested with, and responsible for, the following powers and duties:

a. To select, appoint and remove all officers, agents and employees of the Maintenance Association, to prescribe such powers and duties for them as may be consistent with law, the Articles, the Master Covenants and these By-Laws, to fix their compensation, if any, and to require from them fidelity bonds or other security for their faithful service when deemed advisable by the Board.

b. To conduct, manage and control the affairs and business of the Maintenance Association, and to make and enforce such rules and regulations therefore consistent with law, the Articles, the Master Covenants and these By-Laws, as the Board may deem necessary or advisable.

c. To change the principal office for the transaction of the business of the Maintenance Association; to designate any place for the holding of any annual or special meeting or meetings of Members consistent with the provisions hereof; and to adopt and use a corporate seal and to alter the form of such seal from time to time, as the Board, in its sole judgment, may deem best, provided that such seal shall at all times comply with the provisions of law.

d. To borrow money and to incur indebtedness for the purposes of the Maintenance Association as limited by these By-Laws, and to cause to be executed and delivered therefore, in the Maintenance Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and security therefore, provided no action authorized hereunder shall be taken without the prior written consent of the Declarant as long as the Declarant is a Member.

e. To fix and levy from time to time assessments upon the Owners, as provided in the Master Covenants; to fix and levy from time to time in any fiscal year assessments for capital improvements applicable to that year only for capital improvements to

the Common Areas; to determine and fix the due date for which the payment of such assessments, and the date upon which the same shall become delinquent; provided, however, that such assessments shall be fixed and levied only to provide for the payment of the expenses of the Maintenance Association and for taxes and governmental assessments upon real or personal property owned, leased, controlled or occupied by the Maintenance Association, or for the payment of expenses for labor rendered or materials or supplies used and consumed, or equipment and appliances furnished, for the Maintenance Association, improvements or development of such property or for the payment of any and all obligations in relation thereto, or in performing or causing to be performed any of the purposes of the Maintenance Association for the general benefit and welfare of its Members, all in accordance with the provisions of the Master Covenants. The Board is hereby authorized to incur any and all expenditures for any of the foregoing purposes and to provide, or cause to be provided, adequate reserves for replacements as it shall deem to be necessary or advisable, if any, in its interest of the Maintenance Association or for the welfare of its Members. The funds collected by the Board from the Owners, attributable to replacement reserves for Maintenance Association recurring less frequently than annually, and for capital improvements to the Common Areas, shall at all times be held in trust for the Owners and shall not be commingled with other assessments collected from the Owners. Should any Owner fail to pay assessments before delinquency, the Board in its discretion is authorized to enforce the payment of such delinquent assessments as provided in the Master Covenants. Nothing herein shall require the establishment of reserves.

f. To enforce the provisions of the Master Covenants, the Articles, these By-Laws, applicable rules and regulations and other agreements of the Maintenance Association.

g. To contract and pay for fire, casualty, errors and omissions, blanket liability, malicious mischief, vandalism, and other insurance, insuring the Owners, the Maintenance Association, the Board and other interested parties, in accordance with the provisions of the Master Covenants, covering and protecting against any such damages or injuries as the Board deems advisable, which may include, without limitation, medical expenses of persons injured on the Common Areas, and to bond the agents and employees of the Management Company, if deemed advisable by the Board or required by the Master Covenants. The Board shall review, not less frequently than annually, all insurance policies and bonds obtained by the Board on behalf of the Maintenance Association.

h. To contract and pay for maintenance, gardening, utilities, materials and supplies, and services relating to the Common Areas, and to employ personnel necessary for the operation of the Common Areas and the Maintenance Association, including legal and accounting services (subject to the applicable provisions of the Act regarding competitive bidding and to limitations set forth in the Articles regarding claims against the Declarant), and to contract for any pay for improvements to Common Areas.

i. To delegate its powers according to law.

j. To grant easements where necessary for utilities, sewer facilities and other services over the Common Areas.

k. To adopt such rules and regulations as the Board may deem necessary for the management or use of the Common Areas, which rules and regulations shall become effective and binding after (1) they are adopted by a majority of the Board at a meeting called for that purpose, or by the written consent of such number of directors attached to a copy of the rules and regulations of the Maintenance Association, and (2) they are posted in a conspicuous

place on the Common Areas or mailed to each Owner at the address listed in the records of the Maintenance Association or delivered to his Unit. Such rules and regulations shall not materially adversely affect the rights, privileges or preferences of the Declarant as established by the Master Covenants, the Articles and these By-Laws without the prior written approval of the Declarant.

1. To select a Management Company to manage the Common Areas and the affairs of the Maintenance Association, which shall perform such duties and services as the Board shall authorize.

4.5. Election and Term of Office. At the first annual meeting of the Members, and thereafter at each annual meeting of the Members, directors to be elected by the Voting Members other than the Declarant, if any, shall be elected by written ballot by a majority of Voting Members as provided in these By-Laws (each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled), provided, however, that Declarant and an Independent Development Parcel Member shall each at all times have the right to elect or appoint the maximum number of directors it is entitled to elect or appoint, as provided in the Articles, if any, by written notice to the Maintenance Association without the necessity of a meeting or vote. There shall be no cumulative voting. In the event that an annual meeting is not held, or the Board is not then elected or appointed, the Board may be elected or appointed at a special meeting of the Voting Members held for that purpose. Each director shall hold office until his successor has been elected and has qualified or until his death, resignation, removal or judicial adjudication of mental incompetence. Any person serving as a director may be re-elected, and there shall be no limitation on the number of terms during which he may serve. Any election dispute between a Member and the Association will be filed with the Department and submitted to mandatory binding arbitration with the Division. Such proceedings shall be conducted in a manner provided by Chapter 720.311, Florida Statutes, as the same may be amended from time to time and the procedural rules adopted by the Division.

4.6. Vacancies. Vacancies in the Board caused by any reason, other than the removal of a director by a vote of the of the Maintenance Association, shall be filled by the election or appointment of a new director by the Voting Member which originally elected or appointed such director; and each person so elected or appointed shall be a director until a successor is elected at the next annual meeting of the Members of the Maintenance Association, or at a special meeting of the Members called for that purpose. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of any director, increases in the size of the Board or in case the Voting Members fail to elect or appoint the full number of authorized directors at any meeting at which such election is to take place.

4.7. Removal of Directors. At any regular or special meeting of the Members duly called or upon agreement in writing or by written ballot without a membership meeting (in accordance with Section 720.303(10) of the Act) any one or more of the directors (other than the Declarant's designees) may be removed with or without cause by a majority vote of the Voting Members of the Maintenance Association that originally elected or appointed such director, or in any lawful manner provided in the Act, and a successor may then and there be elected or appointed, to fill the vacancy thus created, by such Voting Member(s). Any director whose removal has been proposed by the Voting Members shall be given an opportunity to be heard at the meeting. If any or all of the directors are so removed, new directors may be elected or appointed at the same meeting.



4.8. Organizational Meeting. The first regular meeting of a newly elected Board (the "Organizational Meeting") shall be held within ten (10) days of election of the Board, at such place as shall be fixed and announced by the directors at the meeting at which such directors were elected, for the purpose of organization, election of officers and the transaction of other business. No notice shall be necessary to the newly elected directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

4.9. Regular Meetings. All regular meetings of the Board shall be open to the Members and attending Members shall be allowed to speak on any matter placed on the agenda by petition of the voting interests for at least 3 minutes and may be held at any place or places within Palm Beach County, Florida, on such days and at such hours as the Board may, by resolution, designate; provided, however, that such meeting shall be held no less frequently than annually. The requirement that board meetings be open to Members shall not apply to meetings between the Board and the Association's attorney for purposes of discussing privileged matters.

4.10. Special Meetings. Special meetings of the Board shall be open to all Members and attending Members shall be allowed to speak on any matter placed on the agenda by petition of the voting interests for at least 3 minutes and may be called by the President (or, if he is absent or refuses to act, by the Vice President) or by any two (2) directors and may be held at any place or places within Palm Beach County, Florida, and at any time. Whenever any director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such director, as required by law and as provided herein. The requirement that board meetings be open to Members shall not apply to meetings between the Board and the Association's attorney for purposes of discussing privileged matters.

4.11. Notices of Meetings. Notices of all meetings of the Board must be posted in a conspicuous place within in the Properties at least 48 hours in advance of a meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place within the Properties, notice of each meeting of the Board must be mailed or delivered to each Member at least 7 days before the meeting, except in an emergency. Notwithstanding the foregoing, in lieu of posting or mailing of notice for each meeting of the Board, including publication of notice, provision of a schedule of board meetings, or the conspicuous posting and repeated broadcasting of the notice on a closed-circuit cable television system serving the Maintenance Association. However, if broadcast notice is used in lieu of a notice posted physically within the Properties, the notice must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Notice may also be given by electronic transmission in a manner authorized by law for meetings of the Board, committee meetings requiring notice, and annual and special meetings of the Members; however, a Member must consent in writing to receiving notice by electronic transmission. Directors may not vote by proxy or by secret ballot at meetings of the Board, except that secret ballots may be used in the election of officers. This subsection also applies to the meetings of any committee or other similar body, when a final decision will be made regarding the expenditure of funds of the Maintenance Association funds, and to any body vested with the power to approve or disapprove architectural decisions.

Notwithstanding the foregoing, an Assessment may not be levied at a meeting of the Board unless the notice of the meeting includes a statement that Assessments will be

considered and the nature of the Assessments. Written notice of any meeting at which special assessments will be considered or at which amendments to rules regarding parcel use will be considered must be mailed, delivered, or electronically transmitted to the Members and posted conspicuously on the Properties or broadcast on closed-circuit cable television not less than 14 days before the meeting.

In the event 20 percent of the total Voting Members petition the Board to address an item of business, the Board shall at its next regular meeting or at a special meeting of the Board (but not later than 60 days after the receipt of the petition) take the petitioned item up on an agenda. The Board shall give all Members notice of the meeting at which the petitioned item shall be addressed in accordance with the 14 day notice requirement required herein. Each Member shall have the right to speak for at least 3 minutes on each matter placed on the agenda by petition, provided that the Member signs the sign-up sheet (if one is provided) or submits a written request to speak prior to the meeting. Other than addressing the petitioned item at the meeting, the Board is not obligated to take any other action requested by the petition.

4.12. Waiver of Notice. Before or at any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver by him of notice of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. The transactions at any meeting of the Board, however called and noticed or wherever held, shall be as valid as though held at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs such written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Maintenance Association or made a part of the minutes of the meeting.

4.13. Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.14. Action Without 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 vote or written consent of all the directors. Any action so approved shall have the same effect as though taken at a duly constituted meeting of the directors.

4.15. Resignation. Directors shall have the absolute right to resign at any time and the Voting Member that originally elected or appointed any such directors shall then fill the vacancies as provided herein, provided that if all directors resign, a special meeting of the Members shall be called as soon as possible for the purpose of electing new directors and the resignations of such directors shall not be effective until such election is held and new directors are elected or appointed, as applicable, except that if no meeting is held or no directors are elected after two (2) attempts to call and hold such meeting, the resignations shall become effective simultaneously with the date and time of the scheduled second meeting, whether held or not or whether new directors are elected or not.

4.16. Fidelity Bonds. The Board may require that all officers, employees and agents of the Maintenance Association handling or responsible for Maintenance Association funds furnish adequate fidelity bonds. The premiums on such bonds may be paid by the Maintenance Association.

4.17. Committees. The Board by resolution may, from time to time, designate such committees as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its members, as well as a chairman, and shall state the purposes of the committee, and shall provide for reports, termination and other administrative matters as deemed appropriate by the Board. All committee meetings shall be open to the Members unless the meeting is between the committee and the association's attorney and for the purpose of discussing personnel matters.

4.18. Proviso - Directors Appointed by the Declarant or by the Owner of an Independent Development Parcel. Notwithstanding anything contained herein to the contrary, the Declarant, and an Independent Development Parcel Member, if any, shall have the right to appoint the maximum number of directors in accordance with the privileges granted to the Declarant, and an Independent Development Parcel Member, pursuant to the Articles. All Directors appointed by the Declarant, and an Independent Development Parcel Member, if any, shall serve at the pleasure of such party, which shall have the absolute right, at any time, and in its sole discretion, to remove any director appointed by it, and to replace such director with another person to serve on the Board. Replacement of any director appointed by the Declarant, or by an Independent Development Parcel Member, shall be made by the person designated as successor director. The removal of any director and the designation of his successor by the Declarant, or by an Independent Development Parcel Member, shall become effective immediately upon delivery of such written instrument. The Declarant may waive its right to appoint one or more directors which it has the right to appoint at any time upon written notice to the Maintenance Association, and thereafter such directors) shall be elected or appointed by the Voting Members other than the Declarant.

#### Article V **OFFICERS**

5.1. Designation. The principal officers of the Maintenance Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board. The Board may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in their judgment may be necessary. Officers need not be directors. Any two offices may be held by the same person, but the office of President and Secretary may not be held by the same person.

5.2. Election of Officers. The officers of the Maintenance Association shall be elected annually by the Board at the organizational meeting of each new Board, and each officer shall hold his office at the pleasure of the Board, until he shall resign or be removed or otherwise disqualified to serve or his successor shall be elected and shall have qualified to serve.



5.3. Removal of Officers. Upon an affirmative vote of a majority of the entire Board, any officer may be removed, with or without cause, and his successor elected at any duly called regular or special meeting of the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary of the Maintenance Association. Any such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective. The conveyance by an officer (other than an officer appointed by the Declarant or officers who are not Owners) of all Parcels owned by such officer shall be an automatic resignation of such officer.

5.4. Compensation. Officers, agents and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board. Appointment of any officer, agent or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent or employee, provided that no officer, employee or director of Declarant or any affiliate of Declarant may receive any compensation.

5.5. President. The President shall be the chief executive officer of the Maintenance Association. The President shall preside over all meetings of the Maintenance Association and of the Board. The President shall have all of the general powers and duties which are usually vested in the office of the President of a corporation. The President shall, subject to the control of the Board, have general supervision, direction and control of the business of the Maintenance Association. The President shall be an ex officio member of all standing committees, and he shall have such other powers and duties as may be prescribed by the Board or these By-Laws.

5.6. Vice President. The Vice President shall have such powers and perform such duties as usually pertain to such office or as are properly required of him by the Board. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent, disabled or refuses or is unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board or these By-Laws.

5.7. Secretary. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Members of the Maintenance Association at the principal office of the Maintenance Association or at such other place as the Board may order. The Secretary shall keep the seal of the Maintenance Association in safe custody and shall have charge of such books and papers as the Board may direct; and the Secretary shall, in general, perform the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Members of the Maintenance Association and of the Board where notices of such meetings are required by law or in these By-Laws. The Secretary shall maintain a list of Owners, listing the names and addresses of the Owners as furnished by the Maintenance Association, and the names on such list shall be changed only at such time as satisfactory evidence of a change in ownership is presented to the Secretary. The Secretary shall perform such other duties as may be prescribed by the Board.

5.8. Treasurer. The Treasurer shall have responsibility for Maintenance Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and other records of business transactions of the Maintenance Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Maintenance Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Maintenance

Association in such depositories as may from time to time be designated by the Board. The Treasurer shall disburse the funds of the Maintenance Association as may be ordered by the Board in accordance with the Master Covenants, shall render to the President and directors, upon request, an account of all of his transactions as Treasurer and of the financial condition of the Maintenance Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these By-Laws.

#### Article VI

#### **AMENDMENTS TO BY-LAWS AND OTHER ACTIONS**

6.1. General. Unless otherwise provided, these By-Laws may be amended by the Board at a duly constituted meeting of the Board for such purpose; provided that the notice to the Members of the Maintenance Association of the meeting discloses the information that the amendment of the By-Laws is to be considered; provided, however, the provisions which are governed by the Articles may not be amended except as provided in the Articles or applicable law; and provided further that any matters stated herein to be or which are in fact governed by the Master Covenants referred to herein may not be amended except as provided in such Master Covenants. Amendments to these By-Laws shall be approved by a majority of the votes of the directors at a duly constituted regular or special meeting of the Board; provided, however, Articles IV and VI of these By-Laws may not be amended, altered or modified without the affirmative vote of at least seventy-five (75%) of the Voting Members at a meeting of Owners called specifically for such purpose.

6.2. Declarant's Consent. Notwithstanding anything to the contrary in these By-Laws, the Articles or the Master Covenants, no amendment may be adopted which adversely affects the rights of the Declarant without the prior written consent of the Declarant, which consent the Declarant may withhold in its sole and absolute discretion.

6.3. Owner Approval. The following actions may not be taken by the Maintenance Association or the Board without the affirmative vote of at least eighty percent (80%) of the votes of Voting Members:

- a. Dissolving of the Maintenance Association or conversion into another form of business entity;
- b. Commencing litigation other than litigation to enforce compliance with these By-Laws, the Articles or the Master Covenants;
- c. Selling assets of the Maintenance Association with a fair market value in excess of \$500,000; or
- d. Borrowing monies in excess of \$2,000,000 in the aggregate during any twenty-four (24) month period, unless such funds are needed for the maintenance, repair or replacement of any portion of the Properties.

6.4. Declarant's Right to Amend. Anything to the contrary herein notwithstanding, and except as provided in Section 6.4 hereof, during the period in which the Declarant is entitled to elect a majority of the Director of the Maintenance Association, the Declarant shall have the absolute right to amend these By-Laws, the Articles and the Master Covenants, and no amendment to these By-Laws shall be made or become effective without the written joinder of the Declarant.

6.5. Declarant's Right to Disapprove Action. So long as the Declarant owns any portion of the Community, if and to the extent not prohibited under applicable law, and except as provided in Section 6.4 hereof, the Declarant shall have the right to disapprove actions of the Board and any committee, as is more fully provided in this Section. This right shall be exercisable only by the Declarant, its successors, and assigns who specifically take this power in a recorded instrument. The right to disapprove shall be as follows:

No action authorized by the Board or any committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

(a) The Declarant shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee thereof by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary, as it may change from time to time, which notice complies as to the Board meetings as provided in these By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in a reasonable manner to be followed at said meeting; and

(b) The Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board or any committee thereof. The Declarant, its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee and/or the Board. The Declarant shall have and is hereby granted a right to disapprove any such action, policy, or program authorized by the Board or any committee thereof and to be taken by the Board, such committee, or any individual member of the Maintenance Association, if Board, Member, committee, or Maintenance Association approval is necessary for such action. This right may be exercised by the Declarant, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. This right to disapprove may be used to block proposed actions but shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Maintenance Association. The Declarant shall not use the right of disapproval afforded by this to reduce the level of services which the Maintenance Association is obligated to provide, or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

This may not be amended without the express written consent of the Declarant as long as the Declarant owns any portion of the Community.

#### Article VII NOTICES

7.1. Notice to Maintenance Association. An Owner who mortgages his Unit shall notify the Maintenance Association of the name and address of the mortgagee and of any release or discharge of the mortgage.

7.2. Notice of Unpaid Assessments. The Board shall, at the request of a mortgagee of a Parcel, report any unpaid assessments due the Maintenance Association from the Owner of such Parcel in accordance with the provisions of the Master Covenants.

**Article VIII**  
**CONFLICTING PROVISIONS**

In case any of these By-Laws conflict with any provisions of the laws of the State of Florida, as amended from time to time such conflicting By-Laws shall be null and void upon final court determination to such effect, but all other provisions of these By-Laws shall remain in full force and effect. In case of any conflict between the Articles and these By-Laws, the Articles shall control; and in the case of any conflict between the Master Covenants and these By-Laws, the Master Covenants shall control.

**Article IX**  
**INDEMNIFICATION OF DIRECTORS AND OFFICERS**

Except to the extent that such liability or damage or injury is covered by insurance proceeds, the Board shall authorize the Maintenance Association to pay expenses (including attorneys' fees) incurred by, or to satisfy a judgment or fine rendered or levied against, a present or former director, officer, committee member or employee of the Maintenance Association, in any action brought by a third party against such person, whether or not the Maintenance Association is joined as a party defendant, to impose a liability or penalty on such person, or to impose criminal sanctions, for an act alleged to have been committed by such person while a director, officer, committee member or employee, unless a court of competent jurisdiction finally determines, after all appeals have been exhausted or not pursued by the proposed indemnitee, that such director, officer, committee member, or employee did not act in good faith within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interests of the Maintenance Association or its Members and such court further determines specifically that indemnification should be denied. Payments authorized hereunder include amounts paid and expenses incurred in settling any such action or threatened action. The provisions of this Article shall apply to the estate, executor, administrator, heirs, legatees or devisees of a director, officer, committee member or employee and may not be amended without the approval in writing of all persons who may be adversely affected by such amendment.

**Article X**  
**OFFICIAL RECORDS**

10.1. Official Records. The Maintenance Association shall maintain each of the following items, when applicable, which constitute the official records of the Maintenance Association:

- a. Copies of any plans, specifications, permits, and warranties related to improvements constructed on the Common Areas or other property that the Maintenance Association is obligated to maintain, repair, or replace.
- b. A copy of these Bylaws and of each amendment to these Bylaws.
- c. A copy of the Articles of Incorporation and of each amendment thereto.
- d. A copy of the Master Covenants and a copy of each amendment thereto.
- e. A copy of the current rules of the Maintenance Association, if any.



f. The minutes of all meetings of the Board of Directors and of the Members, which minutes must be retained for at least 7 years.

g. A current roster of all Members and their mailing addresses and parcel identifications. The Maintenance Association shall also maintain the electronic mailing addresses and the numbers designated by Members for receiving notice sent by electronic transmission of those Members consenting to receive notice by electronic transmission. The electronic mailing addresses and numbers provided by Members to receive notice by electronic transmission shall be removed from the Maintenance Association's records when consent to receive notice by electronic transmission is revoked. However, the Maintenance Association shall not be liable for an erroneous disclosure of the electronic mail address or the number for receiving electronic transmission of notices.

h. All of the Maintenance Association's insurance policies or a copy thereof, which policies must be retained for at least 7 years.

i. A current copy of all contracts to which the Maintenance Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Maintenance Association has any obligation or responsibility. Bids received by the Maintenance Association for work to be performed must also be considered official records and must be kept for a period of 1 year.

j. A copy of the disclosure summary described in the Act.

k. All other written records of the association not specifically included in the foregoing which are related to the operation of the association.

10.2. Financial and Accounting Records. The official records of the Maintenance Association shall also include the financial and accounting records of the Maintenance Association, which shall be kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least 7 years. The financial and accounting records must include:

a. Accurate, itemized, and detailed records of all receipts and expenditures.

b. A current account and a periodic statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.

c. All tax returns, financial statements, and financial reports of the Maintenance Association.

d. Any other records that identify, measure, record, or communicate financial information.

10.3. Inspection and copying of records. The official records shall be maintained within the State of Florida and must be open to inspection and available for photocopying by Members or their authorized agents at reasonable times and places within 10 business days after receipt of a written request for access. This subsection may be complied with by having a copy of the official records available for inspection or copying at a location within the Properties. If the

Association has a photocopy machine available where the records are maintained, it must provide Members with copies on request during the inspection if the entire request is limited to no more than 25 pages.

a. The failure of the Maintenance Association to provide access to the records within 10 business days after receipt of a written request creates a rebuttable presumption that the Maintenance Association willfully failed to comply with this subsection.

b. A Member who is denied access to official records is entitled to the actual damages or minimum damages for the Maintenance Association's willful failure to comply with this subsection. The minimum damages are to be \$50 per calendar day up to 10 days, the calculation to begin on the 11th business day after receipt of the written request.

c. The Maintenance Association may adopt reasonable written rules governing the frequency, time, location, notice, records to be inspected and manner of inspections, but may not impose a requirement that a Member demonstrate any proper purpose for the inspection, state any reason for the inspection, or limit a Member's right to inspect records to less than one 8-hour business day per month. The Association may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying. The Association may charge up to 50 cents per page for copies made on the Association's photocopier. If the Association does not have a photocopy machine available where the records are kept, or if the records requested to be copied exceed 25 pages in length, the Association may have copies made by an outside vendor and may charge the actual cost of copying. The Maintenance Association shall maintain an adequate number of copies of the recorded governing documents, to ensure their availability to Members and prospective Members. Notwithstanding the provisions of this paragraph, the following records shall not be accessible to members or parcel owners:

(i) Any record protected by the lawyer-client privilege (as described by applicable law) and any record protected by the work-product privilege, including, but not limited to, any record prepared by the Association's attorney or prepared at the attorney's express direction which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the Association and was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings or which was prepared in anticipation of imminent civil or criminal litigation or imminent adversarial administrative proceedings until the conclusion of the litigation or adversarial administrative proceedings.

(ii) Information obtained by the Association in connection with the approval of the lease, sale, or other transfer of a parcel.

(iii) Disciplinary, health, insurance, and personnel records of the Association's employees.

(iv) Medical records of Members or community residents.

10.4. Budgets. The Maintenance Association shall prepare an annual budget. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for recreational amenities, whether owned by the Maintenance Association, the Declarant, or another person. The Maintenance Association shall provide each Member with a copy of the annual budget or a written notice that a copy of the budget is available upon request

at no charge to the Member. The copy must be provided to the Member within the time limits set forth in subsection 10.3.

10.5. Financial Reporting.—The Maintenance Association shall prepare an annual financial report within 60 days after the close of the fiscal year. The Maintenance Association shall, within the time limits set forth in subsection (5), provide each Member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the Member. The financial report must be prepared in accordance with the applicable provisions of the Act, as the same may be amended from time to time.

10.6. Maintenance Association funds; commingling.

a. All Maintenance Association funds held by the Declarant shall be maintained separately in the Maintenance Association's name. Reserve and operating funds of the Maintenance Association shall not be commingled prior to turnover except the Maintenance Association may jointly invest reserve funds; however, such jointly invested funds must be accounted for separately.

b. The funds of the Association shall not be commingled with the funds of the Declarant or the funds of any other association.

10.7. Turnover Deliveries.

At the time the Voting Members are entitled to elect at least a majority of the Board of the Maintenance Association, the Declarant shall, at the Declarant's expense, within no more than 90 days deliver the following documents to the Board:

- a. All deeds to Common Areas owned by the Maintenance Association.
- b. The original of the Master Covenants.
- c. A certified copy of the Articles of Incorporation of the Maintenance Association.
- d. A copy of the Bylaws.
- e. The minute books, including all minutes.
- f. The books and records of the Maintenance Association.
- g. Policies, rules, and regulations, if any, which have been adopted.
- h. Resignations of Directors who are required to resign because the Declarant is required to relinquish control of the Maintenance Association.
- i. The financial records of the Maintenance Association from the date of incorporation through the date of turnover.
- j. All Maintenance Association funds and control thereof.
- k. All tangible property of the Maintenance Association.

l. A copy of all contracts which may be in force with the Maintenance Association as one of the parties.

m. A list of the names and addresses and telephone numbers of all contractors, subcontractors, or others in the current employ of the Maintenance Association.

n. Any and all insurance policies in effect.

o. Any permits issued to the Maintenance Association by governmental entities.

p. Any and all warranties in effect.

q. A roster of current Owners and their addresses and telephone numbers and unit numbers.

r. Employment and service contracts in effect.

s. All other contracts in effect to which the Maintenance Association is a party.

#### Article XI MISCELLANEOUS

11.1. Execution of Documents. The Board, except as otherwise provided in these By-Laws, hereby authorizes its President, or any Vice President, to enter into any contract or to execute any instrument in the name and on behalf of the Maintenance Association.

11.2. Inspection of By-Laws. The Maintenance Association shall keep in its office for the transaction of business the original or a copy of these By-Laws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Owners and by all Institutional Mortgagees at all reasonable times during office hours.

11.3. Fiscal Year. The fiscal year of the Maintenance Association shall be determined by the Board and having been so determined, is subject to change from time to time as the Board shall determine. In the absence of a specific determination, the fiscal year shall be the calendar year.

11.4. Membership. The Maintenance Association shall keep and maintain an office for the transaction of business and shall keep and maintain the name and address of each Owner. Termination or transfer of ownership of any Parcel by an Owner shall be recorded, together with the date on which such ownership was transferred, in accordance with the provisions hereof and of the Master Covenants.

11.5. Board of Directors. Unless specific actions are specifically required to be taken by the Voting Members, all such actions may be taken by the Board through its proper officers with or without a specific authorization.



WE HEREBY CERTIFY that the foregoing By-Laws were duly adopted by the Board on  
the \_\_\_\_\_ day of \_\_\_\_\_, 200\_.

Approved:

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary