

BYLAWS OF

VIZCAYA AT PALM-AIRE ASSOCIATION, INC.,
a Florida corporation not-for-profit

1. GENERAL PROVISIONS.

1.01 Identity. These are the BYLAWS of VIZCAYA AT PALM-AIRE ASSOCIATION, INC., hereinafter referred to as the "ASSOCIATION," a corporation not-for-profit formed under the laws of the State of Florida. The ASSOCIATION has been organized for the purposes stated in the ARTICLES and shall have all of the powers provided in these BYLAWS, the ARTICLES, the DECLARATION, the CONDOMINIUM ACT, and any other statute or law of the State of Florida, or any other power incident to any of the above powers.

1.02 Principal Office. The principal office of the ASSOCIATION shall be at such place as the BOARD may determine from time to time.

1.03 Fiscal Year. The fiscal year of the ASSOCIATION shall be the calendar year.

1.04 Seal. The seal of the ASSOCIATION shall have inscribed upon it the name of the ASSOCIATION, the year of its incorporation and the words "Corporation Not-For-Profit." The seal may be used by causing it, or a facsimile thereof, to be impressed, affixed or otherwise reproduced upon any instrument or document executed in the name of the ASSOCIATION.

1.05 Incorporation of the CONDOMINIUM ACT. All of the provisions of the CONDOMINIUM ACT, being Chapter 718, Florida Statutes, as same now exists and may apply to the ASSOCIATION are, with permissible deviations therefrom, incorporated herein by reference. In the event of any conflict between these BYLAWS and the CONDOMINIUM ACT, these BYLAWS shall control unless the deviation from the CONDOMINIUM ACT is impermissible.

1.06 Inspection of Books and Records. The records of the ASSOCIATION shall be open to inspection by UNIT OWNERS or their authorized representatives, and all holders, insurers or guarantors of any first mortgage encumbering a UNIT, upon request, during normal business hours or under other reasonable circumstances. Such records of the ASSOCIATION shall include current copies of the DECLARATION, ARTICLES, BYLAWS, the Rules and Regulations of the ASSOCIATION; and any amendments thereto; any contracts entered into by the ASSOCIATION, and the books, records and financial statements of the ASSOCIATION; and all other official records of the ASSOCIATION as described in the CONDOMINIUM ACT. The ASSOCIATION shall be required to make available to prospective purchasers of UNITS in the CONDOMINIUM current copies of the DECLARATION, ARTICLES, BYLAWS and Rules and Regulations, and the most recent budget and annual financial statement of the ASSOCIATION.

1.07 Definitions. Unless the context otherwise requires, all terms used in these BYLAWS shall have the same meaning as are attributed to them in the ARTICLES, the DECLARATION, and the CONDOMINIUM ACT.

2. MEMBERSHIP IN GENERAL.

2.01 Qualification. Pursuant to the ARTICLES, all of the record owners of UNITS in the CONDOMINIUM operated by the ASSOCIATION shall be members of the ASSOCIATION. Membership for each UNIT shall be established upon the recording of the DECLARATION. Prior to the recording of the DECLARATION, the incorporator shall be the member of the ASSOCIATION.

2.02 Changes in Membership. The transfer of the ownership of any UNIT, either voluntarily or by operation of law, shall automatically terminate the membership of the prior owner, and the transferee or new owner shall automatically become a member of the ASSOCIATION. It shall be the responsibility of any such transferor and transferee of a UNIT to notify the ASSOCIATION of any change in the ownership of any UNIT, and the corresponding change in any membership, by delivering to the ASSOCIATION a copy of the deed or other instrument of conveyance which establishes a transfer of ownership. In the

absence of such notification, the ASSOCIATION shall not be obligated to recognize any change in membership or ownership of a UNIT for purposes of notice, voting, ASSESSMENTS, or for any other purpose.

2.03 Member Register. The secretary of the ASSOCIATION shall maintain a register in the office of the ASSOCIATION showing the names and addresses of the members of the ASSOCIATION. It shall be the obligation of each member of the ASSOCIATION to advise the secretary of any change of address of the member, or of the change of ownership of the member's UNIT, as set forth above. Any member who mortgages his UNIT shall notify the ASSOCIATION of the name and address of his mortgagee and shall file a copy of the mortgage and underlying promissory note with the ASSOCIATION. Any member who satisfies the mortgage encumbering his UNIT shall also notify the ASSOCIATION thereof, and shall file a copy of the satisfaction of mortgage with the ASSOCIATION. The names and addresses of any such mortgagee shall also be maintained in the member register.

3. MEMBERSHIP VOTING

3.01 Voting Rights. There shall be one vote for each UNIT. In the event any UNIT is owned by more than one person, or is owned by a person other than an individual, the vote for such UNIT shall be cast as set forth below, and votes shall not be divisible. In the event any member owns more than one UNIT, the member shall be entitled to one vote for each such UNIT.

3.02 Majority Vote and Quorum Requirements. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum is present shall be binding upon all members and UNIT OWNERS for all purposes, except where otherwise provided by law, in the DECLARATION, in the ARTICLES, or in these BYLAWS. Unless otherwise so provided, at any regular or special meeting, the presence in person or by proxy of persons entitled to cast the votes for one-third (1/3) of the UNITS operated by the ASSOCIATION shall constitute a quorum.

3.03 Determination as to Voting Rights.

3.03.1 In the event any UNIT is owned by one person, his right to cast the vote for the UNIT shall be established by the record title to his UNIT.

3.03.2 In the event any UNIT is owned by more than one person or by an entity, the vote for the UNIT may be cast at any meeting by any co-owner of the UNIT provided, however, that in the event a dispute arises between the co-owners as to how the vote for the UNIT shall be cast, or in the event the co-owners are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to cast the vote for the UNIT on the matter being voted upon at that meeting, but their membership shall be counted for purposes of determining the existence of a quorum. For purposes of this paragraph, the principals or partners of any entity (other than a corporation) owning a UNIT shall be deemed co-owners of the UNIT, and the directors and officers of a corporation owning a UNIT shall be deemed co-owners of the UNIT. If any co-owner of a UNIT appears at any meeting by proxy, and another co-owner appears in person, the vote for the UNIT shall be cast by the co-owner of the UNIT appearing in person, and the proxy shall be deemed revoked.

3.04 Proxies. Every member entitled to vote at a meeting of the members, or to express consent or dissent without a meeting, may authorize another person or persons to act on the member's behalf by a proxy signed by such member or his attorney-in-fact. Any proxy shall be delivered to the secretary of the meeting at or prior to the time designated in the order of business for delivering proxies. Any proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the member executing it. Every proxy shall specifically set forth the name of the person voting by proxy, and the name of the person authorized to vote the proxy for him. Every proxy shall contain the date, time, and place of the meeting for

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which the proxy is given, and if a limited proxy, shall set forth those items which the proxy holder may vote, and the manner in which the vote is to be cast.

3.05 Rights of DEVELOPER. Notwithstanding anything contained in these BYLAWS, the ARTICLES, or the DECLARATION, to the contrary, until the DEVELOPER has closed the sale of all UNITS, no vote of the members shall be effective or may be taken without approval in writing by the DEVELOPER which would:

3.05.1 Result in the DEVELOPER being assessed as a UNIT OWNER for capital improvements;

3.05.2 Be detrimental to the sales of UNITS by the DEVELOPER. However, a non-discriminatory increase in ASSESSMENTS for COMMON EXPENSES without discrimination against the DEVELOPER shall not be deemed to be detrimental to the sales of UNITS.

3.05.3 Adversely affect any right the DEVELOPER may have to appoint any directors, as provided in the ARTICLES, or these BYLAWS.

3.05.4 Otherwise discriminate in any respect against the DEVELOPER, or remove, limit, modify or alter any right of the DEVELOPER as provided in the CONDOMINIUM ACT, the DECLARATION, the ARTICLES, or these BYLAWS.

4. MEMBERSHIP MEETINGS

4.01 Who May Attend. In the event any UNIT is owned by more than one person, all co-owners of the UNIT may attend any meeting of the members. In the event any UNIT is owned by a corporation, any director or officer of the corporation may attend any meeting of the members. However, the vote for any UNIT shall be cast in accordance with the provisions of Paragraph 3 above. INSTITUTIONAL MORTGAGEES have the right to attend all members meetings.

4.02 Place. All meetings of the members shall be held at the principal office of the ASSOCIATION or at such other place and at such time as shall be designated by the BOARD and stated in the notice of meeting.

4.03 Notices. Written notice stating the place, day and hour of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each member entitled to vote at such meeting not less than 14 nor more than 60 days before the date of the meeting, by or at the direction of the president, the secretary or the officer or persons calling the meeting. Notice of any meeting where ASSESSMENTS against UNIT OWNERS are to be considered for any reason shall specifically contain a statement that ASSESSMENTS will be considered and the nature of any such ASSESSMENTS. A copy of the notice shall be posted in a conspicuous place on the property of the CONDOMINIUM at least 14 days prior to any meeting. Unless a member waives in writing his right to receive notice of a meeting by mail, the notice of any meeting shall be sent by mail to each member. An officer of the ASSOCIATION shall provide an affidavit, to be included in the Official Records of the ASSOCIATION, affirming that notices of the meeting were mailed or hand delivered in accordance with this paragraph to each UNIT OWNER at the address last furnished to the ASSOCIATION. For the purpose of determining members entitled to notice of, or to vote at, any meeting of the members of the ASSOCIATION, or in order to make a determination of the members for any other purpose, the BOARD shall be entitled to rely upon the member register as same exists ten days prior to the giving of the notice of any meeting, and the BOARD shall not be required to take into account any changes in membership occurring after that date but may, in their sole and absolute discretion, do so. Notwithstanding the foregoing, if a UNIT is owned by more than one person or by an entity, only one notice shall be required to be given with respect to the UNIT, which may be given to any co-owner as defined in Paragraph 3.03.2 of these BYLAWS. Notice to any member or co-owner shall be sent to the UNIT of such member or co-owner, unless the UNIT OWNER(S) of the UNIT otherwise request.

4.04 Waiver of Notice. Whenever any notice is required to be given to any member under the provisions of the ARTICLES or these BYLAWS, or as otherwise provided by law, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated

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therein, shall be equivalent to the giving of such notice. Attendance of a member at a meeting shall constitute a waiver of notice of such meeting, except when the member objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

4.05 Annual Meeting. The annual meeting for the purpose of electing directors and transacting any other business shall be held at eight o'clock p.m. on the third Tuesday in January of each year, or at such other time in the months of January or February of each year as shall be selected by the BOARD and as is contained in the notice of such meeting.

4.06 Special Meetings. Special meetings of the members may be called at any time by any director, the president, or at the request, in writing, by not less than 25% of the members, or as otherwise provided by law. Such request shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice of meeting. Notice of any special meeting shall be given by the secretary, or other officer of the ASSOCIATION, to all of the members within thirty (30) days after same is duly called, and the meeting shall be held within forty-five (45) days after same is duly called.

4.07 Adjournments. Any meeting may be adjourned or continued by a majority vote of the members present in person or by proxy and entitled to vote, or if no member entitled to vote is present, then any officer of the ASSOCIATION, may adjourn the meeting from time to time. If any meeting is adjourned or continued to another time or place, it shall not be necessary to give any notice of the adjourned meeting, if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and any business may be transacted at the adjourned meeting that might have been transacted at the original meeting. If the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, notice of the adjourned meeting may be given to members not present at the original meeting, without giving notice to the members which were present at such meeting.

4.08 Organization. At each meeting of the members, the president, the vice president, or any person chosen by a majority of the members present, in that order, shall act as chairman of the meeting. The secretary, or in his absence or inability to act, any person appointed by the chairman of the meeting, shall act as secretary of the meeting.

4.09 Order of Business. The order of business at the annual meetings of the members shall be:

- 4.09.1 Determination of chairman of the meeting;
- 4.09.2 Calling of the roll and certifying of proxies;
- 4.09.3 Proof of notice of meeting or waiver of notice;
- 4.09.4 Reading and disposal of any unapproved minutes;
- 4.09.5 Election of inspectors of election;
- 4.09.6 Determination of number of directors;
- 4.09.7 Election of directors;
- 4.09.8 Reports of directors, officers or committees;
- 4.09.9 Unfinished business;
- 4.09.10 New business; and
- 4.09.11 Adjournment

4.10 Minutes. The minutes of all meetings of the members shall be kept in a book available for inspection by the members or their authorized representatives, and the directors, at any reasonable time. The ASSOCIATION shall retain these minutes for a period of not less than seven years.

4.11 Actions Without a Meeting. Any action required or permitted to be taken at any annual or special meeting of the members of the ASSOCIATION, may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were present and voted. Within ten days after obtaining such authorization by written consent, notice shall be given to those members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. If a UNIT is owned by more than one person or by a corporation, the consent for such UNIT need only be signed by one person who would be entitled to cast the vote for the UNIT as a co-owner pursuant to Paragraph 3.03.2 of these BYLAWS. This section shall not apply to the waiver of reserves or to any other action required by the CONDOMINIUM ACT to be taken at a meeting of the UNIT OWNERS.

5. DIRECTORS

5.01 Membership. The affairs of the ASSOCIATION shall be managed by a BOARD of not less than three (3) directors. The number of directors may be changed at any meeting where the members are to elect any directors (i) by the then existing BOARD, if prior to such meeting of the members the BOARD votes to change the number of directors and such change is indicated in the notice of the meeting sent to the members, or (ii) by the members at the meeting prior to the election of directors. If the number of directors on the BOARD is not changed, then the number of directors shall be the same as the number on the BOARD prior to such meeting (plus any unfilled vacancies created by the death, resignation or removal of a director). The number of directors including any unfilled vacancies shall always be an odd number.

5.02 Election of Directors by Members. Election of directors to be elected by the members of the ASSOCIATION shall be conducted in the following manner:

5.02.1 Within sixty days after the members other than the DEVELOPER are entitled to elect any directors, as provided in the CONDOMINIUM ACT and the ARTICLES, or within sixty (60) days after the DEVELOPER notifies the ASSOCIATION that it waives its right to appoint one or more directors, the ASSOCIATION shall call, and give not less than thirty (30) days nor more than forty (40) days' notice of, a special meeting of the members to elect any directors the members are then entitled to elect, or to replace the appropriate number of directors previously appointed by the DEVELOPER. Such special meeting may be called and the notice given by any member if the ASSOCIATION fails to do so. At such special meeting the members shall be required to elect any directors which they are entitled to elect, and if they fail to do so any directors appointed by DEVELOPER which would have been replaced by any directors elected by the members may resign without further liability or obligation to the ASSOCIATION. If such special meeting is within four (4) months of the next annual meeting, such special meeting may at the option of the BOARD be deemed to be the next annual meeting if the notice of the special meeting states it will be considered to be the annual meeting and if all of the provisions of these BYLAWS and the CONDOMINIUM ACT relating to annual meetings are complied with.

5.02.2 Except as provided above, the members shall elect directors at the annual members' meetings.

5.02.3 Prior to any special or annual meeting at which directors are to be elected by the members, the existing BOARD may nominate a committee, which committee shall nominate one person for each director to be elected by the members, on the basis that the number of directors to serve on the BOARD will not be altered by the members at the members' meeting. Nominations for additional directorships created at the meeting shall be made from the floor, and other nominations may be made from the floor.

5.02.4 The election of directors by the members shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each member voting being entitled to cast his votes for each of as many

nominees as there are vacancies to be filled. There shall be no cumulative voting.

5.03 Term of Office. All directors elected by the members shall hold office until the next annual meeting of the members and until their successors are duly elected, or until such director's death, resignation or removal, as hereinafter provided or as otherwise provided by statute or by the ARTICLES.

5.04 Organizational Meeting. The newly elected BOARD shall meet for the purposes of organization, the election of officers and the transaction of other business immediately after their election or within ten (10) days of same at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

5.05 Regular Meetings. Regular meetings of the BOARD may be held at such time and place as shall be determined, from time to time, by a majority of the directors.

5.06 Special Meetings. Special meetings of the BOARD may be called by any director, or by the president, at any time.

5.07 Notice of Meetings. Notice of each meeting of the BOARD shall be given by the secretary, or by any other officer or director, which notice shall state the day, place and hour of the meeting. Notice of such meeting shall be delivered to each director either personally or by telephone or telegraph, at least 48 hours before the time at which such meeting is to be held, or by first class mail, postage prepaid, addressed to such director at his residence, or usual place of business, at least three days before the day on which such meeting is to be held. Notice of a meeting of the BOARD need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting, an objection to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the BOARD need be specified in any notice or waiver of notice of such meeting.

5.08 Attendance at BOARD Meetings. All meetings of the BOARD shall be open to all members and INSTITUTIONAL MORTGAGEES, and notice of such meetings shall be posted conspicuously on the condominium property of each CONDOMINIUM operated by the ASSOCIATION at least 48 hours in advance of such meeting, except in the event of an emergency. Except for members serving as directors, or specifically invited by the directors to participate in a meeting, the members shall not be entitled to participate in any meeting of the BOARD, but shall only be entitled to act as observers. In the event a member not serving as a director or invited by the directors to participate in a meeting attempts to become more than a mere observer at such meeting, or conducts himself in a manner detrimental to the carrying on of such meeting, then any director may expel said member from the meeting by any reasonable means which may be necessary to accomplish such an expulsion. Also, any director shall have the right to exclude from any meeting of the BOARD any person who is not able to provide sufficient proof that he is a member, unless said person was specifically invited by the directors to participate in such meeting. A director may appear at a BOARD meeting by telephone conference, but in that event a telephone speaker shall be attached so that any discussion may be heard by the directors and members present as in an open meeting.

5.09 Quorum and Manner of Acting. A majority of the directors determined in the manner provided in these BYLAWS shall constitute a quorum for the transaction of any business at a meeting of the BOARD. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the BOARD, unless the act of a greater number of directors is required by statute, the CONDOMINIUM ACT, the DECLARATION, the ARTICLES, or by these BYLAWS. A director who is present at a meeting of the BOARD at which action on any matter is taken shall be presumed to have assented to the action taken, unless the director votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. A director

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may join by written concurrence in any action taken at a meeting of the BOARD but such concurrence may not be used for the purposes of creating a quorum.

5.10 Adjourned Meetings. A majority of the directors present at a meeting, whether or not a quorum exists, may adjourn any meeting of the BOARD to another place and time. Notice of any such adjourned meeting shall be given to the directors who are not present at the time of the adjournment, and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors. If the time and place of the adjourned meeting are announced at the time of the adjournment, notice of the adjourned meeting need not be posted on the CONDOMINIUM PROPERTY, otherwise notice shall be so posted at least 48 hours in advance of the adjourned meeting, or if the adjourned meeting is less than 48 hours from the meeting which was adjourned, as soon as practicable. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

5.11 Presiding Officer. The presiding officer of the BOARD meetings shall be the chairman of the BOARD if such an officer is elected; and if none, the president of the ASSOCIATION shall preside. In the absence of the presiding officer, the directors shall designate one of their members to preside.

5.12 Order of Business. The order of business at a BOARD meeting shall be:

- 5.12.1 Calling of role;
- 5.12.2 Proof of due notice of meeting;
- 5.12.3 Reading and disposal of any unapproved minutes;
- 5.12.4 Reports of officers and committees;
- 5.12.5 Election of officers;
- 5.12.6 Unfinished business;
- 5.12.7 New business; and
- 5.12.8 Adjournment

5.13 Minutes of Meetings. The minutes of all meetings of the BOARD shall be kept in a book available for inspection by the members of the ASSOCIATION, or their authorized representatives, and the directors at any reasonable time. The ASSOCIATION shall retain these minutes for a period of not less than seven years.

5.14 Committees. The BOARD may, by resolution duly adopted, appoint committees. Any committee shall have and may exercise such powers, duties and functions as may be determined by the BOARD from time to time, which may include any powers which may be exercised by the BOARD and which are not prohibited by law from being exercised by a committee.

5.15 Resignation. Any director may resign at any time by giving written notice of his resignation to another director or officer. Any such resignation shall take effect at the time specified therein or, if the time when such resignation is to become effective is not specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.16 Removal of Directors. Directors may be removed as follows:

5.16.1 Any director other than a director appointed by the DEVELOPER may be removed by majority vote of the remaining directors, if such director (a) has been absent for the last three consecutive BOARD meetings, and/or adjournments and continuances of such meetings; or (b) is a UNIT OWNER and has been delinquent for more than thirty (30) days after written notice in the payment of ASSESSMENTS or other monies owed to the ASSOCIATION.

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5.16.2 Any director other than a director appointed by the DEVELOPER may be removed with or without cause by the vote of a majority of the members of the ASSOCIATION at a special meeting of the members called by not less than ten percent of the members of the ASSOCIATION expressly for that purpose. The vacancy on the BOARD caused by any such removal may be filled by the members at such meeting or, if the members shall fail to fill such vacancy, by the BOARD, as in the case of any other vacancy on the BOARD.

5.17 Vacancies.

5.17.1 Vacancies in the BOARD may be filled by a majority vote of the directors then in office, though less than a quorum, or by a sole remaining director, and a director so chosen shall hold office until the next annual election and until his successor is duly elected, unless sooner displaced. If there are no directors, then a special election of the members shall be called to elect the directors. Notwithstanding anything contained herein to the contrary, the DEVELOPER at all times shall have the right to appoint the maximum number of directors permitted by the CONDOMINIUM ACT and by the ARTICLES, and any vacancies on the BOARD may be filled by the DEVELOPER to the extent that the number of directors then serving on the BOARD which were appointed by the DEVELOPER is less than the number of directors the DEVELOPER is then entitled to appoint.

5.17.2 In the event the ASSOCIATION fails to fill vacancies on the BOARD sufficient to constitute a quorum in accordance with these BYLAWS, any UNIT OWNER may apply to the Circuit Court of the County in which the CONDOMINIUM is located for the appointment of a receiver to manage the affairs of the ASSOCIATION. At least thirty (30) days prior to applying to the Circuit Court, the UNIT OWNER shall mail to the ASSOCIATION and post in a conspicuous place on the CONDOMINIUM PROPERTY a notice describing the intended action giving the ASSOCIATION the opportunity to fill the vacancies. If during such time the ASSOCIATION fails to fill the vacancies, the UNIT OWNER may proceed with the petition. If a receiver is appointed, the ASSOCIATION shall be responsible for the salary of the receiver, court costs, and attorneys' fees. The receiver shall have all powers and duties of a duly constituted member of the BOARD, and shall serve until the ASSOCIATION fills vacancies on the BOARD sufficient to constitute a quorum.

5.18 Directors Appointed by the DEVELOPER. Notwithstanding anything contained herein to the contrary, the DEVELOPER shall have the right to appoint the maximum number of directors in accordance with the privileges granted to the DEVELOPER pursuant to the CONDOMINIUM ACT and the ARTICLES. All directors appointed by the DEVELOPER shall serve at the pleasure of the DEVELOPER, and the DEVELOPER 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 DEVELOPER shall be made by written instrument delivered to any officer or any other director, which instrument shall specify the name of the person designated as successor director. The removal of any director and the designation of his successor by the DEVELOPER shall become effective immediately upon delivery of such written instrument by the DEVELOPER.

5.19 Compensation. Directors shall not be entitled to any compensation unless the members elect to pay them compensation, and set the amount of such compensation, at any meeting of the members.

5.20 Powers and Duties. The directors shall have the right to exercise all of the powers and duties of the ASSOCIATION, express or implied, existing under these BYLAWS, the ARTICLES, the DECLARATION, the CONDOMINIUM ACT, or as otherwise provided by statute or law. Such powers and duties of the directors shall include, without limitation (except as limited elsewhere herein), the following:

5.20.1 The operation, care, upkeep and maintenance of COMMON ELEMENTS and of ASSOCIATION PROPERTY.

5.20.2 The determination of the expenses required for the operation of the CONDOMINIUM and the ASSOCIATION and the collection of ASSESSMENTS from UNIT OWNERS required to pay same.

5.20.3 The acquisition, sale and transfer of ASSOCIATION PROPERTY, except that the ASSOCIATION shall not sell, convey or transfer any real property without the consent of a majority of the UNIT OWNERS, and shall not sell, convey or transfer any real property upon which any recreational facilities are located without the consent of 90% of the UNIT OWNERS.

5.20.4 The employment and dismissal of personnel necessary for the maintenance and operation of the COMMON ELEMENTS and ASSOCIATION PROPERTY.

5.20.5 The adoption and amendment of rules and regulations for the operation and use of the use, maintenance and appearance of the UNITS, and the use of the COMMON ELEMENTS and the ASSOCIATION PROPERTY.

5.20.6 Maintaining bank accounts on behalf of the ASSOCIATION and designating signatories required therefor.

5.20.7 Purchasing, leasing or otherwise acquiring UNITS in the name of the ASSOCIATION, or its designee, and selling, leasing, mortgaging or otherwise dealing with UNITS acquired by the ASSOCIATION.

5.20.08 Obtaining and reviewing insurance.

5.20.09 Making of repairs, additions and improvements to, or alterations of, CONDOMINIUM PROPERTY or ASSOCIATION PROPERTY, and repairs to and restoration of CONDOMINIUM PROPERTY and ASSOCIATION PROPERTY, in accordance with the provisions of the DECLARATION, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

5.20.10 The enforcement of the obligations of the UNIT OWNERS, the allocation of profits and expenses, and the performance of anything and everything else necessary and proper for the sound management of the CONDOMINIUM.

5.20.11 Levying reasonable fines against UNIT OWNERS for violations of the CONDOMINIUM ACT, the DECLARATION, the ARTICLES, these BYLAWS, or the rules and regulations established to govern the conduct of the UNIT OWNERS.

5.20.12 Purchasing or leasing a UNIT for use by a resident superintendent.

5.20.13 Borrowing money on behalf of the ASSOCIATION when required in connection with the operation, care, upkeep, and maintenance of the COMMON ELEMENTS and ASSOCIATION PROPERTY; provided, however, that (i) the consent of the UNIT OWNERS of at least two-thirds (2/3) of the UNITS, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these BYLAWS, shall be required for the borrowing of any sum in excess of \$10,000.00; and (ii) no lien to secure repayment of any sum borrowed may be created on any UNIT without the consent of the owner of such UNIT. If any sum borrowed by the BOARD on behalf of the ASSOCIATION pursuant to authority contained in this subparagraph 5.20.13 is not repaid by the ASSOCIATION, a UNIT OWNER, who pays to the creditor a proportion thereof equal to his percentage interest in the COMMON ELEMENTS, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the UNIT OWNER'S UNIT.

5.20.14 Contracting for the management and maintenance of CONDOMINIUM PROPERTY and ASSOCIATION PROPERTY authorizing a management agent or company (which may be an affiliate of the DEVELOPER) to assist the ASSOCIATION in carrying out its powers and duties by performing such functions as the submission of proposals, preparation of budgets, collection of ASSESSMENTS, preparation of records, enforcement of rules, and maintenance, repair and replacement of the COMMON ELEMENTS and ASSOCIATION PROPERTY with funds as shall be made available by the ASSOCIATION for such purposes, as well as exercising such other powers and rights delegated to it by the ASSOCIATION, which powers and rights are vested in the ASSOCIATION by virtue of the DECLARATION, the ARTICLES, these BYLAWS and the CONDOMINIUM ACT. The ASSOCIATION and its directors and officers shall, however, retain at all times the powers and duties granted by all CONDOMINIUM documents and the CONDOMINIUM ACT, including, but not limited to, the making of ASSESSMENTS, promulgation of rules, and execution of contracts on behalf of the ASSOCIATION.

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submit a Treasurer's Report to the BOARD at reasonable intervals and shall perform all other duties incident to the office of treasurer. He shall collect all ASSESSMENTS and shall report to the BOARD the status of collections as requested.

6.08 Compensation. The officers shall not be entitled to compensation unless the BOARD specifically votes to compensate them. However, neither this provision, nor the provision that directors will not be compensated unless otherwise determined by the members, shall preclude the BOARD from employing a director or an officer as an employee of the ASSOCIATION and compensating such employee, nor shall they preclude the ASSOCIATION from contracting with a director for the management of property subject to the jurisdiction of the ASSOCIATION, or for the provision of services to the ASSOCIATION, and in either such event to pay such director a reasonable fee for such management or provision of services.

7. FINANCES AND ASSESSMENTS.

7.01 Adoption of the Budget.

7.01.1 Within forty-five days prior to the commencement of any fiscal year of the ASSOCIATION, the BOARD shall adopt a budget for such fiscal year, necessary to defray the COMMON EXPENSES for such fiscal year. The COMMON EXPENSES shall include all expenses of any kind or nature whatsoever incurred, or to be incurred, by the ASSOCIATION for the operation of the CONDOMINIUM for the proper operation of the ASSOCIATION itself, including, but not limited to, the expenses of the operation, maintenance, repair, or replacement of COMMON ELEMENTS or property owned by the ASSOCIATION; costs of carrying out the powers and duties of the ASSOCIATION; all insurance premiums and expenses, including fire insurance and extended coverage; reasonable reserves for purchases, deferred maintenance, replacements, betterments, and unknown contingencies; and all other expenses designated as COMMON EXPENSES by these BYLAWS, the DECLARATION, the CONDOMINIUM ACT, or any other statute or law of the State of Florida. The proposed annual budget of the ASSOCIATION shall be detailed and shall show the amounts budgeted by accounts in expense classifications including, where applicable, but not limited to, the following: administration of the ASSOCIATION, management fees, maintenance, expenses for recreational and other commonly used facilities, taxes upon ASSOCIATION property, taxes upon leased areas, insurance, security provisions, other expenses, operating capital, reserves, and any fees payable to the Division of Florida Land Sales and Condominiums.

7.01.2 The BOARD shall mail, or cause to be mailed, a meeting notice and copies of the proposed annual budget of COMMON EXPENSES to all members not less than fourteen days prior to the meeting at which the budget will be considered by the directors, which meeting shall be open to the UNIT OWNERS.

7.01.3 If an adopted budget requires ASSESSMENTS against UNIT OWNERS (members) in any fiscal or calendar year exceeding 115% of ASSESSMENTS for the preceding year, the BOARD, upon written application of 10% of the members to the BOARD, shall call a special meeting of the members within thirty (30) days after the presentation of such application, upon not less than ten (10) days' written notice to each member. At the special meeting so called, UNIT OWNERS shall consider and ratify the budget, or enact an alternate budget, by a vote of not less than a majority of all members. In the alternative, the BOARD may propose any budget to the UNIT OWNERS at a meeting of the members or in writing, and if the budget or proposed budget is approved by the UNIT OWNERS at the meeting or by a majority of all UNIT OWNERS in writing, the budget shall be adopted. In determining whether ASSESSMENTS exceed 115% of similar ASSESSMENTS in prior years, any authorized provisions for reasonable reserves for repair or replacement of the CONDOMINIUM PROPERTY, expenses by the ASSOCIATION which are not anticipated to be incurred on a regular or annual basis, or ASSESSMENTS for betterments to the CONDOMINIUM PROPERTY shall be excluded from the computation. However, as long as the DEVELOPER is in control of the

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BOARD, the BOARD shall not impose an ASSESSMENT for any year greater than 115% of the prior fiscal or calendar year's ASSESSMENT without approval of a majority of all of the UNIT OWNERS.

7.01.4 If, after the adoption of any budget, it shall appear that the adopted budget is insufficient to provide adequate funds to defray the COMMON EXPENSES of the ASSOCIATION for the fiscal year which the adopted budget applies to, the BOARD may adopt an amended budget to provide such funds. All of the above provisions shall apply to the adoption, and any necessary member approval, of an amended budget.

7.02 ASSESSMENTS and ASSESSMENT Roll.

7.02.1 As soon as practicable after the adoption of a budget, or an amended budget, the BOARD shall fix and determine the amount and frequency of ASSESSMENTS to be made against the members, pursuant to the DECLARATION. However, ASSESSMENTS shall be made against the members not less frequently than quarterly, and in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. The periodic ASSESSMENTS to be made against the members, whether quarterly, monthly or otherwise, shall be equal unless the BOARD determines unequal ASSESSMENTS are required to provide funds in advance for the expenses of the ASSOCIATION, including previously incurred and unpaid expenses. As soon as practicable after the determination of the ASSESSMENTS to be made against the UNIT OWNERS, the ASSOCIATION shall notify the members, in writing, of the amount of such members' ASSESSMENT, the time or times when same are due, and the method of the payment of same.

7.02.2 From time to time the BOARD shall have the right to, by majority vote, adopt special ASSESSMENTS or ASSESSMENTS for emergencies with respect to the CONDOMINIUM. Any such special ASSESSMENTS or ASSESSMENTS for emergencies shall not be deemed an amendment to the budget of the ASSOCIATION, and shall not require the approval of the members, so long as the ASSESSMENTS are made for items which are not anticipated to be incurred on a regular or annual basis, or are for betterments to the CONDOMINIUM PROPERTY or to any property owned by the ASSOCIATION. Upon the adoption of any such special ASSESSMENT, or ASSESSMENT for an emergency, the BOARD shall determine the amount of same required to be paid by any UNIT OWNER, which shall be in the same proportion as a UNIT OWNER'S share of the COMMON EXPENSES of the CONDOMINIUM, and shall notify the UNIT OWNERS of the amount of their ASSESSMENTS, and when and where same shall be paid.

7.02.3 The ASSOCIATION shall maintain an ASSESSMENT roll for each UNIT, designating the name and current mailing address of the UNIT OWNER, the amount of each ASSESSMENT against such UNIT OWNER, the dates and amounts in which the ASSESSMENTS come due, the amounts paid upon the account of the UNIT OWNER, and the balance due.

7.03 Depositories. The funds of the ASSOCIATION shall be deposited in such banks and depositories as may be determined and approved by appropriate resolutions of the BOARD from time to time. Funds shall be withdrawn only upon checks and demands for money signed by such officers, directors or other persons as may be designated by the BOARD.

7.04 Application of Payments and Comingling of Funds. All sums collected by the ASSOCIATION from ASSESSMENTS may be comingled in a single fund or divided into more than one fund, as determined by the BOARD.

7.05 Accounting Records and Reports. The ASSOCIATION shall maintain accounting records for the CONDOMINIUM according to good accounting practices. The records shall be open to inspection by UNIT OWNERS and INSTITUTIONAL MORTGAGEES or their authorized representatives, at reasonable times, and written summaries of the reports shall be supplied at least annually to UNIT OWNERS or their authorized representatives. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, and (b) the ASSESSMENT roll of the members referred to above. The BOARD may, and upon the vote of a majority of the members shall, conduct an audit of the accounts of the ASSOCIATION by a public accountant, and if such

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an audit is made, a copy of the report shall be furnished to each member, or their authorized representative, within fifteen days after same is completed.

7.06 Reports. Within sixty days following the end of the fiscal year of the ASSOCIATION, the BOARD shall mail or furnish by personal delivery to each UNIT OWNER a complete financial report of actual receipts and expenditures for the previous twelve months. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications including, if applicable, but not limited to, the following: (i) security, (ii) professional and management fees and expenses, (iii) taxes, (iv) costs for recreational facilities, (v) expenses for refuse collection and utilities services, (vi) expenses for lawn care and maintenance, (vii) cost for building maintenance and repair, (viii) insurance costs, (ix) administrative and salary expenses, and (x) general reserves, maintenance reserves, and depreciation reserves. Any INSTITUTIONAL MORTGAGEE has the right to receive such reports upon request to the ASSOCIATION.

8. PARLIAMENTARY RULES

8.01 Roberts' Rules of Order (latest edition) shall govern the conduct of the ASSOCIATION meetings when not in conflict with any DECLARATION, the ARTICLES or these BYLAWS.

9. AMENDMENTS.

Except as otherwise provided, these BYLAWS may be amended in the following manner:

9.01 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

9.02 Initiation. A resolution to amend these BYLAWS may be proposed either by any director, or by or at the direction of ten (10%) percent or more of the members of the ASSOCIATION. No BYLAW shall be revised or amended by reference to its title or number only. Proposals to amend existing BYLAWS shall contain the full text of the BYLAWS to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of Bylaw ____ for present text." Non-material errors or omissions in the BYLAW process shall not invalidate an otherwise properly promulgated amendment.

9.03 Adoption of Amendments.

9.03.1 A resolution for the adoption of the proposed amendment shall be adopted either: (a) by unanimous vote of all of the directors; or (b) by not less than a majority of the votes of the entire membership of the ASSOCIATION. Any amendment approved by the members may provide that the BOARD may not further amend, modify or repeal such amendment.

9.03.2 Notwithstanding anything contained herein to the contrary, until a majority of the BOARD is elected by UNIT OWNERS other than the DEVELOPER, these BYLAWS may be amended by majority vote of the BOARD without the vote or approval of the members of the ASSOCIATION.

9.04 No amendment shall make any changes in the qualification for membership nor in the voting rights or property rights of members without approval by all of the members and the joinder of all record owners of mortgages upon the UNITS. No amendment shall be made that is in conflict with the CONDOMINIUM ACT, the DECLARATION, or the ARTICLES. So long as the DEVELOPER owns any UNIT no amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, the DEVELOPER, unless the DEVELOPER shall join in

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the execution of the amendment, including, but not limited to, any right of the DEVELOPER to appoint directors.

9.05 No amendment to these BYLAWS shall be made which discriminates against any UNIT OWNER(S), without the written approval of all of the UNIT OWNERS so discriminated against or affected.

9.06 Execution and Recording. No modification of, or amendment to, the BYLAWS shall be valid until recorded in the public records of the county in which each CONDOMINIUM is located.

10. RULES AND REGULATIONS. From time to time the BOARD may enact rules and regulations governing the use, maintenance and appearance of, the UNITS, and the use of the COMMON ELEMENTS and the ASSOCIATION PROPERTY, not in conflict with the CONDOMINIUM ACT, the DECLARATION, the ARTICLES or these BYLAWS. Any such rule or regulation may be enforced by the ASSOCIATION against any member of the ASSOCIATION. Any such rule or regulation may be repealed, but not modified or amended, by a vote of the members, and any such rule or regulation repealed by the members may not be re-enacted by the BOARD without the approval of a majority of the members. However, the members shall not have the right to enact any rule or regulation.

11. ARBITRATION OF DISPUTES.

11.01 The purpose of this paragraph is to establish a procedure whereby UNIT OWNERS and the ASSOCIATION may elect to have disputes resolved by binding arbitration so that any alleged violation (a "VIOLATION") of the DECLARATION, the ARTICLES, the BYLAWS, the Rules and Regulations, or the laws of Florida relating to the CONDOMINIUM, may be resolved without the necessity of lengthy and costly judicial proceedings.

11.02 Whenever the BOARD concludes that a UNIT OWNER is engaged in a VIOLATION, or whenever a UNIT OWNER concludes that another UNIT OWNER or the ASSOCIATION is engaged in a VIOLATION, then if the BOARD or UNIT OWNER desire to submit same to arbitration, the BOARD or UNIT OWNER who has concluded that there is a VIOLATION shall deliver a written notice thereof to the violating party. The notice shall detail the specifics of the alleged VIOLATION, including the name of the person engaged in the alleged VIOLATION, the date(s) on which the alleged VIOLATION occurred, the nature of the VIOLATION, the names and addresses of all persons who are believed to have knowledge of the facts surrounding the alleged VIOLATION and the relief sought, and shall state that arbitration is desired concerning the alleged VIOLATION. Delivery of such notice shall constitute an election by the person giving same to be bound by arbitration.

11.03 After delivery of the notice, the alleged violator may consent to have the matter arbitrated by delivery of written notice of such election to the person giving such notice, which written notice shall specify the defense of the alleged violator and shall include the names and addresses of all persons whom the alleged violator believes have knowledge of the facts surrounding the alleged VIOLATION. In the event that the alleged violator does not consent to have the matter arbitrated, or fails to respond subsequent to the delivery of the violation notice, the matter shall not be arbitrated but may proceed in the manner provided by law without prejudice to the right of either party.

11.04 Provided the parties have consented to submit the dispute to arbitration, the parties shall attempt to agree to an arbitrator who need not be a UNIT OWNER. In the event the parties are unable to agree to an arbitrator, then each party shall be entitled to appoint one UNIT OWNER who will act as arbitrator, and the two arbitrators so selected shall together appoint a third arbitrator, which third arbitrator need not be a UNIT OWNER. If the two arbitrators so selected cannot agree as to a third arbitrator, then either party shall have the right to terminate the arbitration without prejudice to their rights to otherwise proceed in the manner provided by law.

11.05 Assuming the arbitrator(s) is selected, an arbitration hearing shall be held at the CONDOMINIUM PROPERTY no later than thirty (30) days from the delivery of the alleged violator's election to arbitrate.

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11.06 At the arbitration hearing, the arbitrator(s) shall receive and hear any and all testimony and other evidence as to the alleged violation which the parties or any other interested person wish to present. Technical rules of evidence shall not be applicable to and shall neither control or limit the conduct of any such hearing. Within five (5) days from the conclusion of the arbitration hearing, the arbitrator(s) shall render a written opinion and shall deliver a copy of same to the parties (and the ASSOCIATION if the ASSOCIATION is not a party). The arbitration decision shall set forth the arbitrator(s) finding of facts and its conclusion as to whether the alleged VIOLATION has occurred, and shall grant relief as is necessary and equitable under the circumstances to alleviate any VIOLATION which may be found to exist. In the event there is more than one arbitrator, the decision of a majority of the arbitrators shall control. The arbitration decision shall be binding upon the parties to the dispute and shall be conclusive as to the issues involved in any court of law. Should it be necessary to institute a suit at law to enforce the arbitration decision, the party refusing to recognize the arbitration decision shall be responsible for all court costs and reasonable attorneys' fees.

11.07 In conducting the arbitration hearing, it shall be incumbent upon the arbitrator(s) to exercise due diligence to assure all parties to the dispute the essential elements of notice, due process and the right to be heard.

11.08 Nothing herein contained shall be construed as limiting any of the remedies which the ASSOCIATION or a UNIT OWNER may have in the event that an alleged VIOLATION is not submitted to binding arbitration in accordance with the provisions hereof. The procedures set forth hereinabove for arbitration may be modified in the manner required for amending these BYLAWS, provided, however that no changes shall be permitted which shall deprive a person of the essential elements of notice, due process and the right to be heard.

11.09 All notices provided hereunder shall be made by personal delivery or by certified mail, return receipt requested, to the respective parties.

12. MISCELLANEOUS.

12.01 Tenses and Genders. The use of any gender or of any tense in these BYLAWS shall refer to all genders or to all tenses, wherever the context so requires.

12.02 Partial Invalidity. Should any of the provisions hereof be void or become unenforceable at law or in equity, the remaining provisions shall, nevertheless, be and remain in full force and effect.

12.03 Conflicts. In the event of any conflict, the CONDOMINIUM ACT, any other statute, the DECLARATION, the ARTICLES, these BYLAWS, and the Rules and Regulations of the ASSOCIATION shall govern, in that order.

12.04 Captions. Captions are inserted herein only as a matter of convenience and for reference, and in no way are intended to or shall define, limit or describe the scope of these BYLAWS or the intent of any provisions hereof.

12.05 Waiver of Objections. The failure of the BOARD or any officers of the ASSOCIATION to comply with any terms and provisions of any DECLARATION, the ARTICLES, or these BYLAWS which relate to time limitations shall not, in and of itself, invalidate the act done or performed. Any such failure shall be waived if it is not objected to by a member of the ASSOCIATION within ten (10) days after the member is notified, or becomes aware, of the failure. Furthermore, if such failure occurs at a general or special meeting, the failure shall be waived as to all members who received notice of the meeting or appeared and failed to object to such failure at the meeting.

13. MULTIPLE CONDOMINIUMS. It is acknowledged that in accordance with the ARTICLES, the ASSOCIATION may operate more than one CONDOMINIUM. In that

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