

# BYLAWS

BY-LAWS

OF

EDEN AT THE STRAND HOMEOWNERS' ASSOCIATION, INC.

1. GENERAL

1.1 By-Laws. These are the By-Laws of Eden At The Strand, hereafter referred to as the "Association", a corporation not for profit organized under the laws of Florida as a residential community property owners' association for the purpose of operating the Eden At The Strand residential community and administering the Eden At The Strand Homeowners' Association, pursuant to Florida law.

1.2 Principal Office. The principal office of the Association is initially 2033 Trade Center Way, Naples, Florida 34109.

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

2. MEMBERS

2.1 Qualification. The members of the Association consist of all persons who are record owners of a fee simple or life estate or interest in any Eden At The Strand lot. In the event of a life estate only the life tenant is qualified to be a member. If the owner of a lot is not a natural person, the subject entity shall designate a natural person who is entitled to occupy the home on the lot as primary occupant, and only such natural person shall be considered a member for the purpose of exercising that lot's voting rights. In the case of a lot subject to an agreement for deed, the contract vendee is deemed the owner of the lot.

2.2 Voting Rights. The members of the Association are entitled to one vote for each lot owned by them. The total votes shall not exceed the total number of lots. The vote of a lot is not divisible. The right to vote may not be denied because of delinquent assessments. If a lot is owned by one person, his right to vote is established by the record title to the lot. If a lot is owned jointly by two or more persons, a vote for that lot may be cast by any record owner present at the meeting at which the vote is taken. If two or more owners of a lot are present and cannot agree among themselves how their one vote shall be cast, that vote shall not be counted for any purpose. If the owner of a lot is not a natural person, the vote of that lot shall be cast by the primary occupant of the home designated as set forth in Section 2.1 above.

2.3 Change of Membership. A change of membership in the Association is established by recording in the Public Records of Collier County, Florida, a deed or other instrument establishing record title to a lot and by the delivery to the Association of a copy of such instrument, along with a written designation of primary occupant if the owner is not a natural person. The grantee in such instrument thus becomes a member of the Association and the membership of the prior owner is thereby automatically terminated. The new owner's name and address will be entered on the roster of the Association members.

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

### 3. MEMBERS' MEETINGS

3.1 Annual Meeting. The members shall meet at least once in each calendar year and such meeting shall be the annual meeting. The annual meeting shall be held in Naples, Florida, each year in February at a time and place designated by the Board of Directors, for the purpose of electing Directors (after turnover) and transacting any other business duly authorized to be transacted by the members.

3.2 Special Members' Meetings. Special members' meetings shall be held whenever called by the President or by a majority of the Board of Directors, and must be promptly called by the Board upon receipt of a written request from the members entitled to cast 20 percent of the votes of the entire membership. Such requests shall be in writing, shall state the purpose or purposes of the meeting, and shall be signed by all the members making the request. Business at any special meeting is limited to the items specified in the request and contained in the notice of meeting.

3.3 Notice of Meetings. Notice of the annual members' meeting need not include an agenda. Notice of a Special Meeting must include a description of the purposes for which the meeting is called. Notice of all members' meetings (including the annual meeting) must include the time, date, and place of the meeting. The notice must be mailed to each member at his address as it appears on the books of the Association, except that if a member waives in writing the right to receive notice by mail, the notice may be furnished by personal delivery. Notwithstanding the foregoing, where a lot is owned by more than one person, the Association shall provide notice of meetings to just one address which Developer initially identifies for such purpose and thereafter to the address that one or more of the owners of the lot gives the Association in writing, except that if no address is given or the lot owners cannot agree on an address, notice shall be delivered to the address provided on the deed of record. The lot owner bears the responsibility for notifying the Association of any change of address or ownership. The notice must be mailed at least fourteen days prior to the date of the meeting. An officer of the Association or the manager providing notice of the members' meeting shall provide an affidavit to be included in the official records of the Association affirming that the notice was mailed to each owner at the last address furnished to the Association. 16.5

3.4 Quorum. A quorum at members' meetings shall be attained by the presence, either in person or by proxy, of persons entitled to cast 30 percent of the votes of the entire membership. After a quorum has been established at a members' meeting, the subsequent withdrawal of members, so as to reduce the number of members entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof.

3.5 Vote Requirement. The acts or resolutions approved by a majority of the votes cast at a meeting at which a quorum is attained are binding upon all lot owners for all purposes, except where a higher vote is required by law or by any provision of the Association documents.

3.6 Proxies. Votes at a meeting may be cast in person or by proxy. A proxy may be given by any person entitled to vote, but shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting. No proxy shall be valid for a period longer than ninety days after the date of the first meeting for which it was given. A proxy is revocable. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the lot, specify the date, time, and place of the meeting for which it is given, and the original must be delivered to the Secretary by the appointed time of the meeting. Holders of proxies need not be members. No proxy is valid if it names more than one person as the holder of the proxy, (but it may name an alternate) but the holder has the right, if the proxy so provides, to substitute another person to hold the proxy. The Association must keep in its records for one year all proxies used at a meeting.

3.7 Adjourned Meetings. Any duly called meeting of the members may be adjourned to a later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. Notice of the new meeting date, time and place must be given unless announced at the adjourned meeting prior to adjournment.

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

- A. Call of roll and certification of quorum and proxies.
- B. Proof of notice of meeting or waiver of notice.
- C. Reading and disposal of any unapproved minutes.
- D. Election of Directors (if applicable).
- E. Reports of Officers.
- F. Reports of Committees.
- G. Unfinished Business.
- H. New Business.
- I. Adjournment.

3.9 Minutes. Minutes of all meetings of members and of the Board of Directors shall be kept in a businesslike manner and available for inspection at reasonable times for a period of seven years after the meeting by members or their authorized representatives and by Board members.

3.10 Parliamentary Rules. Roberts' Rules of Order (latest edition) governs the conduct of the Association meetings when not in conflict with Florida law or these By-Laws.

3.11 Action by Members Without Meeting. The members shall hold an annual meeting and after turnover of Association control at the annual meeting may act on a budget and on any reserve accounts when the budget has increased by more than 115 percent from the previous year, for election of Directors, and for such other business as may come before the meeting. Otherwise, any action required or permitted to be taken at a meeting of the members unless otherwise barred by law may be taken without a meeting if written consents, setting forth the action to be taken, are signed by the members entitled to vote having not less than the minimum number of votes that would be necessary to take such action at a meeting, or a majority of the total voting interests in the Association, whichever is greater. Upon receiving the requisite number of written consents, the Board of Directors shall take the authorized action by adopting a resolution to that effect. Within ten days after adopting the resolution, the Board shall send written notice of the action taken to all members who have not consented in writing. Nothing in this paragraph shall be construed to be in derogation of the members' rights to call a special meeting of the membership, as elsewhere provided in these By-Laws.

4. BOARD OF DIRECTORS. The management of the property and business of the Association and the administration of the affairs of the Association shall be by its Board of Directors who may exercise all Association powers not specifically prohibited, only subject to the approval of the members when specifically required.

4.1 Number and Terms of Service. Three Directors shall constitute the entire Board of Directors. While the Developer has control, Directors shall be named by the Developer and serve until removed by the Developer or the Director resigns. After turnover of Association control by the Developer to lot owners, the membership may vote to increase the number of Directors to five and Directors shall be elected for staggered terms of office; if there are three directors, one for a term that ends at the annual election after the next annual election, and two for a term that ends at the next annual election, and if there are five Directors, one additional Director shall be elected for each term. Thereafter each Director shall be elected for a term of two years. In the case of a vacancy the replacement Director will serve the length of the unexpired term unless otherwise provided by law.

4.2 Qualifications. Except for Directors appointed by the Developer, each Director must be a lot owner or the spouse of a lot owner.

4.3 Nominations and Elections.

A. Notice. Not less than sixty days before a scheduled election, the Association shall mail or deliver to each lot owner entitled to vote a first notice of the date of election. Not less than thirty days before the election meeting the Association shall mail or deliver a second notice of meeting to all lot owners entitled to vote, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include with the ballot mailing an information sheet no larger than 8-1/2 inches by 11 inches if furnished by the candidate not less than thirty-five days before the election. The costs of the mailing and copying are to be borne by the Association.

B. Candidate. After turnover any lot owner or other eligible person desiring to be a candidate for the Board shall give written notice to the Secretary of the Association not less than forty days before the scheduled election meeting. The Board shall hold a meeting within five days after the deadline for a candidate to provide notice to the Association of intent to run. At this meeting, the Board shall accept additional nominations. Any lot owner or other eligible person may nominate himself or may nominate another lot owner or eligible person, if he has permission in writing to nominate the other person.

C. Quorum. There is no quorum requirement, however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of Directors.

D. Election. After turnover, the Board of Directors shall be elected by a written ballot or by proxies, and the regular election shall be on the date of the annual meeting. No lot owner is allowed to have any other person vote his ballot. Ballots shall be secret and ballots improperly cast shall be invalid. The lot owners entitled to vote shall elect as many Directors as there are regular terms of Directors expiring or vacant. If, however, there are not more candidates than vacancies on the Board of Directors, no election or ballot is required. Directors shall be elected by a plurality of the votes cast. No owner of any single lot may cast more than one vote for any person nominated as a Director; it being the intent hereof that voting for Directors shall be non-cumulative. The candidates receiving the highest number of votes are elected, except that a run-off will be held to break a tie vote.

4.4 Vacancies on the Board. If the office of any Director becomes vacant for any reason other than the recall of Board members, a majority of the remaining Directors, even if less than a quorum, shall promptly choose a successor to hold office for the unexpired term. If the vacancy is caused by the recall of a board member or members and less than a majority of the board members are removed, the vacancy or vacancies shall be filled by a majority of the remaining Directors. If, as a result of recall, a majority of the board members are removed the vacancies shall be filled in accordance with the procedures set forth by Florida law.

4.5 Removal of Directors. Any or all Directors, except those appointed by the Developer, may be removed with or without cause by a two-thirds vote of all lot owners entitled to vote, either by a signed writing or at any meeting called for that purpose. If a petition is filed for the removal of more than one Director, the question shall be voted separately as to each Director sought to be removed. If a special meeting is called by 20 percent of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the petition. The meeting must be held not less than fourteen days nor more than sixty days from the date that notice of the meeting is given. The unexcused absence of any Director from three consecutive regular Board meetings shall authorize the Board by majority vote to remove that Director from office and then appoint a successor.

4.6 Organizational Meeting. The organizational meeting of the Board of Directors shall be held immediately following the meeting at which Directors were elected, or within ten (10) days after the election of new Directors at such place and time as may be fixed by the Directors at the annual meeting at which they were elected.

4.7 Meetings. Meetings of the Board may be held at such time and place in Florida as determined from time to time by a majority of the Directors. There shall be a meeting in November or December of each year to adopt an annual budget for the following fiscal year. Notice of meetings shall be given to each Director, personally or by mail, telephone or telegram, at least three days prior to the day named for such meeting. Lot owners do not have the right to speak at a Board meeting without permission of the Board. Any item not included in the meeting notice may be taken up on an emergency basis by at least a majority of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. The Board must maintain minutes for all meetings.

4.8 Special Meetings. Special meetings of the Board may be called by the President, and shall be called by the Secretary at the written request of any two of the Directors. Notice of a meeting shall comply with the requirements in Sections 4.7 and 4.9 hereof.

4.9 Notice to Owners. Meetings of the Board of Directors and any committee shall be open to members. Notices of all Board meetings must be posted in a conspicuous place in the community at least 48 hours advance of a meeting except in an emergency or else mailed or delivered to each member at least seven days prior to a meeting, except in an emergency. Notice of any meeting where assessments against lot owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessment.

4.10 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver is deemed equivalent to the giving of notice.

4.11 Quorum of Directors. A quorum shall consist of a majority of all Directors. Members of the Board of Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone or similar communicative equipment providing all members attending or participating by telephone can hear every other member. Participation by such means shall be deemed equivalent to presence in person at a meeting.

4.12 Vote Required. The acts approved by a majority of those Directors present at a meeting at which a quorum is present constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Association documents or by applicable law. Directors may not vote by proxy or secret ballot at Board meetings, except that officers may be elected by secret ballot. A vote or abstention for each Board member present shall be recorded in the minutes.

4.13 Presumption of Assent. A Director who is present at a meeting of the Board shall be deemed to have voted in favor of any action taken unless he voted against such action or abstained from voting because of an asserted conflict of interest.

4.14 Adjourned Meetings. At any meeting of the Board of Directors, the majority of those present may adjourn the meeting from time to time. At any meeting reconvened after adjournment, provided a quorum is present and the appropriate notice given, any business that might have been transacted at the meeting originally called may be transacted.

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

4.16 Powers and Duties of Board of Directors. All powers and duties granted to the Association by law, as modified and set forth in the Declaration, Articles of Incorporation, and these By-Laws, shall be exercised by the Board of Directors, subject to approval or consent of the lot owners only when such is specifically required.

4.17 Receipt of Complaint by Board of Directors. When a lot owner files a written complaint by certified mail with the Board of Directors, the Board shall respond to the lot owner within thirty days of receipt of the complaint. The Board shall give a substantive response to the complaint or notify the lot owner that a legal opinion has been requested.

4.18 Director's Fees. No compensation or fees shall be paid to the Directors for services as Directors. No officer or director or manager shall accept any item or service of value for his benefit or for the benefit of his immediate family, when consideration has not been provided, from any person providing or proposing to provide goods or services to the Association.

4.19 Reimbursement of Expenses. Directors may be reimbursed for any reasonable expenditures incurred for the benefit of the Association upon approval of the President, or in the case of expenditures by the President, upon approval of the Vice President.

4.20 Committees. The Board of Directors may appoint from time to time such committees as the Board may deem necessary and convenient for the efficient and effective operation of the Association. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. The Board, by resolution adopted by two-thirds of the Directors, may remove members of any committee established by it.

4.21 Conflict of Interest. No contract or other transaction between this Association and one or more of its Directors, or any corporation, firm, association, or entity in which one or more of its Directors are Directors or officers, or are financially interested, shall be either void or voidable because of such relationship or interest, or because such Director or Directors are present at the meeting of the Board of Directors where such transaction is authorized, approved or ratified, or because a Director's vote is counted for such authorization, approval or ratification if:

A. The fact and nature of such relationship or interest is disclosed or known to the Board prior to the authorization, approval or ratification of the contract or transaction; or

B. The contract or transaction is fair and reasonable to the Association at the time it is authorized by the Board.

## 5. OFFICERS

5.1 Officers and Elections. The executive officers of the Association shall be a President and a Vice President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be removed with cause by vote of two-thirds of all Directors at any meeting. Any person may hold two or more offices. The Board of Directors shall, from time to time, appoint such other officers and designate their powers and duties that the Board finds necessary to manage the affairs of the Association.

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

5.3 Vice President. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board of Directors prescribe.

5.4 Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and of the

Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his signature or the signature of the President. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the Association documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

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

5.6 Compensation of Officers. No compensation shall be paid to officers of the Association for their services as officers. This provision does not preclude the Board of Directors from employing officers as employees of the Association.

5.7 Vacancies. If any office becomes vacant, the remaining Directors, by a majority vote, may choose a successor to hold office for the unexpired term.

5.8 Resignation. Any Director or officer may resign his office at any time by an instrument in writing, effective upon receipt by the Board, unless otherwise specified in the resignation.

6. FISCAL MATTERS. The following provisions are for fiscal management of the Association.

6.1 Depository. All funds of the Association shall be maintained separately in the Association's name. Reserve funds shall have separate ledgers. No agent, employee, officer, or director of the Association shall commingle any Association funds with his or her funds or with the funds of any other Association or community association. The Association shall maintain its accounts in such financial institutions in the State of Florida as are designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The Board may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities, and other similar investments.

6.2 Budget. The Board of Directors shall, at its November or December meeting each year, adopt an annual budget for common expenses for the next fiscal year. A copy of the budget shall be mailed to or served on all the lot owners. The budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications. The budget shall show for each item for which reserves are maintained the estimated life, estimated replacement cost, estimated remaining useful life, and current balance in each reserve account. 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.

6.3 Reserves for Capital Expenditures and Maintenance. In addition to annual operating expenses, the proposed budget may include reserve accounts for capital expenditures and deferred maintenance. These accounts may include pavement resurfacing, and any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000. The amount to be reserved shall be computed by a formula based upon estimated life and replacement cost of each item. Reserves may be used for any purpose approved by the Board. If reserves are waived and have already been partially collected, any overage paid by lot owners shall be subtracted from the next quarterly assessment for the lot.

6.4 General Maintenance Reserves. In addition to the reserves provided in 6.3 above, or in place of them if the members so vote, the Board may establish one or more additional reserve accounts for general operating expenses, repairs, minor improvements, or deferred maintenance. The purpose of the reserves is to provide financial stability and to avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget each year. These funds may be spent for any project within the above-stated purposes, or for such other purposes as the Board approves.

6.5 Assessments. Expenses are shared equally and pro rata by all lots in accordance with a fraction with a numerator of one and a denominator equal to the total number of lots in the Association. All regular annual assessments shall be paid in quarterly installments, due and payable in advance, on the first day of January, April, July, and October. Failure to send or receive the assessment notice is no excuse for nonpayment. If an annual budget has not been adopted at the time a monthly installment is due, it shall be presumed that the amount of such installment is the same as the last quarterly payment, and shall continue at such rate until a budget is adopted and pro rata assessments are calculated, at which time any overage or shortage shall be added or subtracted from the next quarterly installment.

6.6 Special Assessments. Special assessments may be made by the Board of Directors when necessary to meet unusual, unexpected, emergency, or non-recurring expenses, or for such other purposes as are authorized by the Declaration of Restrictive Covenants, Articles of Incorporation and these By-Laws. Special assessments are due on the day specified in the resolution of the Board approving such assessment. Notice of such assessments must contain a statement of the purpose(s) for the assessments (see Section 4.9 for additional notice requirements). The funds collected must be spent for the stated purpose(s), but upon completion of the stated purpose any excess funds may either be returned to the members or applied as a credit toward future assessments.

6.7 Fidelity Bonds. The Association may obtain and maintain adequate fidelity bonding of all persons who control or disburse funds of the Association. The term "persons who control or disburse funds of the Association" means those individuals authorized to sign checks, and the President, Secretary and Treasurer of the Association. The premiums on such bonds are to be paid by the Association.

6.8 Financial Information. Within 60 days after the close of each fiscal year, the Board shall prepare an annual financial report to be mailed and delivered as required by Florida Statutes Section 617.303(7).

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

6.10 Application of Payments. All payments on account by a lot owner shall be applied as to interest, delinquencies, costs, and attorneys' fees, other charges, and general or special assessments, in such manner and amounts as the Board of Directors may determine, subject to provisions of the Association documents and Florida statutes.

6.11 Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each year. The Board of Directors may change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed in the Internal Revenue Code.

#### 6.12 Official Records.

The Association shall maintain each of the following items, when applicable, which shall constitute the official records of the Association:

1. A photocopy of the recorded Bylaws of the Association and each amendment to the Bylaws.
2. A certified copy of the Articles of Incorporation of the Association and each amendment thereto.
3. A copy of the Declaration of Restrictive Covenants and each amendment thereto.
4. A copy of any current rules of the Association.
5. A book or books which contain the minutes of all meetings of the Association, of the Board of Directors, and of lot owners, which minutes shall be retained for a period of not less than seven years.
6. A current roster of all lot owners and their mailing addresses, lot identifications, any voting certifications, and, if known, telephone numbers.
7. All current insurance policies of the Association, retained for at least seven years.
8. A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the lot owners have any obligations or responsibility.
9. Any Bills of Sale for property owned by the Association.
10. Accounting records for the Association according to good accounting practices. All accounting records shall be maintained for a period of not less than seven years. The accounting records shall include, but are not limited to:
  - (a) Accurate, itemized, and detailed records of all receipts and expenditures.
  - (b) A current account and quarterly statement of the account for each lot designating the name of the lot owner, the due date and amount of each assessment, the amount and date paid upon the account, and the balance due.
  - (c) All tax returns and financial statements of the Association, and all audits, reviews, accounting statements, and financial reports of the Association, and any other records that identify, measure, record or communicate financial information.
  - (d) All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one year.
11. Ballots, sign-in sheets, voting proxies, and all other papers relating to voting by lot owners, which shall be maintained for a period of one year from the date of the election, vote, or meeting to which the document relates.
12. Copies of any plans, specifications, permits and warranties related to improvements that the Association is obligated to repair, replace or maintain.

13. All other records of the Association not specifically included in the foregoing which are related to the operation of the Association.

The official records of the Association shall be maintained within the state of Florida. The records of the Association other than those items not accessible to lot owners by statute shall be made available to a lot owner within ten working days after receipt of a written request by the Board or its designee. This may be complied with by having a copy of the official records of the Association available for inspection or copying on Association property.

The official records of the Association are open to inspection by any Association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the Association member. The Association may adopt reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and copying. The failure of an Association to provide the records within ten working days after receipt of a written request shall create a rebuttable presumption that the Association willfully failed to comply with this paragraph. Notwithstanding the provisions of this paragraph, the following records shall not be accessible to lot owners:

A record which was prepared by an Association 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 which 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.

## 7. RULES AND REGULATIONS

The Board of Directors may, from time to time, adopt and amend reasonable administrative rules and regulations governing the use and maintenance of the Association property and homes in Eden At The Strand, provided such rules and regulations are not in conflict with any of the Association documents and Florida law. Copies of such rules and regulations shall be furnished to each lot owner. A tenant is subject to the rules and regulations of the Association.

## 8. COMPLIANCE AND DEFAULT; REMEDIES

In addition to the remedies provided by law, the following provisions concerning Eden At The Strand apply concerning any default, breach or violation of law or Association requirements.

8.1 Fines. The Board of Directors of the Association may levy fines as hereafter provided against lots whose owners, tenants, guests or invitees violate provisions in the Association documents or Association rules and regulations. No fine shall be imposed until the person who might be fined has been given fourteen days written notice by certified or registered mail advising the member of the charges against him, the amount of the fine and providing an opportunity for a hearing. The above notice shall specify the time and place of the hearing. The hearing must be held before a committee of at least three other lot owners who are not officers, directors or employees of the Association or related to officers, directors or employees. If the committee does not agree with a fine, that fine may not be levied. An unpaid fine may become a lien against a lot. No fine may exceed \$100 per violation. A fine may, however, be levied on the basis of each day of a continuing violation, with a single notice and opportunity for a hearing, provided that no such fine in the aggregate exceeds \$1,000.

8.2 Correction of Health and Safety Hazards. Any violations by a lot owner, his occupants, licensees or invitees which are deemed by the Board of Directors to be a hazard to the public health or safety may be corrected immediately as an emergency matter by the Association and the cost thereof shall be charged to the lot owner, and payment may be enforced by a lien against said lot with the same force and effect as if the charge were a part of the assessments for common expenses.

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

## 9. TRANSFER OF ASSOCIATION CONTROL; DEVELOPER'S RIGHTS

9.1 Members' Right to Elect Board of Directors. When: (a) The Developer holds for sale in the ordinary course of business less than 5 percent of the lots in the Association, (b) December 31, 2004, or (c) such earlier date as the Developer elects in writing, whichever first occurs, the Developer shall turnover or relinquish control of the Association, and the lot owners shall accept control as provided in Section 9.4, all the Developer's Board of Directors shall resign and the lot owners, other than the Developer, shall be entitled to elect all Directors as provided in Section 9.2. Members other than the Developer are entitled to elect a majority of the Board of Directors three months after 90 percent of the lots that will ultimately be operated by the Association have been conveyed to members.

9.2 Members' Meetings to Elect Director(s). Within seventy-five days after the lot owners other than the Developer are entitled to elect Directors, the Association shall call, upon not less than thirty days notice, a meeting of the lot owners to elect those members of the Board. The meeting may be called and the notice given by any lot owner if the Association fails to do so. All non-developer lot owners may vote at the meeting.

9.3 Developer's Rights. So long as the Developer holds lots for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

A. Any amendment to the Association documents which would adversely affect the Developer's rights; or

B. Any action of the Association that would be detrimental to the sales of lots by the Developer. An increase in assessments for common expenses shall not be deemed to be detrimental to the sales of lots.

9.4 Transfer of Association Control. At the time that lot owners other than the Developer elect a majority of the Directors of the Association, the Developer shall relinquish control of the Association, and the lot owners shall accept control. Simultaneously, the Developer shall deliver to the Association all property of the lot owners and of the Association held or controlled by the Developer and all items and documents that the Developer is required to deliver or turn over to the Association under Florida Statutes Section 617.307(3). Provided, however, that the Developer shall have a period of not more than ninety days from the date control is relinquished to deliver the financial records of the Association. The Developer may turn over control of the Association to lot owners other than the Developer prior to the above mentioned date, in its sole discretion, by causing all of its appointed Directors to resign, whereupon it shall be the affirmative obligation of lot owners other than the Developer to elect Directors and assume control of the Association. Provided at least thirty days notice of the Developer's decision to cause its appointees to resign is given to lot owners, neither the Developer, nor such appointees, shall be liable in any manner in connection with such resignations even if lot owners other than the Developer refuse or fail to assume control.

10. DEFAULT

10.1 Default. A lot owner, regardless of how his title has been acquired, including a purchaser at a judicial sale, is liable for all assessments which become due while he is the lot owner. The grantee is jointly and severally liable with the grantor for all unpaid assessments against the grantor for his share of the common expenses up to the time of transfer of title, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee. A first mortgagee who acquires title to a lot by foreclosure or by deed in lieu of foreclosure is liable for the unpaid assessments that became due prior to the mortgagee's receipt of the deed. The mortgagee's liability is, however, limited to a period not exceeding six months, but in no event shall the first mortgagee's liability exceed 1 percent of the original mortgage debt. The first mortgagee's liability for such expenses or assessments does not commence until thirty days after the date the first mortgagee received the last payment of principal or interest.

10.2 Failure to Pay. Assessments and installments thereon paid on or before thirty days after the date due shall not bear interest. If payment of the full amount due is not made within this period, interest accrues on the amount due from the date payment was first due (without regard to any extensions) at the annual rate of 18 percent. There is an administrative late fee, in addition to such interest, for an amount equal to the greater of \$25.00 or 5 percent of each assessment due for which payment is late. Such administrative late fee will accrue thirty days following the date payment was first due (without regard to any extensions) if payment is not made prior to that time. If any legal action is necessary by the Association because of a late payment, the Association is entitled to collect from the delinquent owner reasonable attorneys' fees, including for any appeal, and costs. Any payment received by the Association shall be applied first to any interest accrued by the Association, then to any administrative late fee, then to any costs and reasonable attorneys' fees incurred in collection (which the Association is entitled to collect), and then to the delinquent assessment. The foregoing shall be applicable notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment. Assessments and installments thereon become due and the lot owner shall become liable for said assessments or installments on the date set by the Association for payment. The Board may suspend the right of a member to vote because of the member's non-payment of regular annual assessments for a default period in excess of 90 days.

10.3 Association Acquisition. If the Association becomes the owner of a lot or a member of the Association by reason of foreclosure, it may sell such membership to another corporation, association, or other entity, which in its judgment would be suitable as a member in the Association, and which could make effective use of the membership and the properties managed by the Association without undue detriment or harm to the other members of the Association. Alternatively, the Association may retain such membership and prorate the cost of maintaining same among the remaining members of the Association. In the event of the legal termination of an individual interest in a lot or the occupancy rights thereunder in favor of the Association, the member or any other persons in possession by or through the right of the member, shall promptly quit and surrender the lot to the Association in good repair, ordinary wear and tear and damage by fire or other casualty excepted, and the Association has the right to enter said home and to possess the home. The member, for himself and any successor in interest by operation of law or otherwise, hereby waives any and all notice and demand for possession, if such is required by applicable law.

10.4 Remedies. In the event of violation of the provisions of the Declaration of Restrictive Covenants, Articles of Incorporation, or By-Laws of the Association, as the same are or may be hereafter constituted, or applicable law which affects the Association, the Association, on its own behalf or by and through its Board of Directors, may bring appropriate action to enjoin such violation or may enforce the provisions of such documents or may sue for damages, or take such other action, or seek other legal remedies as it may deem appropriate. If such legal action is brought against a lot owner, the losing party shall pay the other's reasonable attorneys' fees and court costs.

10.5 Agreement to Provisions. Each owner of a lot, for himself, his heirs, successors, and assigns, agrees to the foregoing provisions relating to default, regardless of the availability of other adequate legal procedures. It is the intent of all owners of lots to provide the Association with a procedure which will enable it at all times to operate on a businesslike basis.

## 11. AMENDMENT OF BY-LAWS

Amendments to these By-Laws are proposed and adopted in the following manner:

11.1 Proposed. Amendments to these By-Laws are proposed by a majority of the Board or upon petition by one-third of the lot owners by instrument in writing signed by them.

11.2 Vote. Upon any amendment to these By-Laws being proposed, such proposed amendment shall be submitted to a vote of the members no later than the next annual meeting for which proper notice can be given. Except as otherwise provided by law, or by specific provision of the Association Documents, these By-Laws may be amended by concurrence of two-thirds of the voting interests present and voting at any annual or special meeting at which there was a quorum, provided that notice of any proposed amendment has been given to all the members in accordance with Florida law. Amendments may also be adopted without a meeting by obtaining unanimous written consent from all members.

11.3 Recordation. A copy of each amendment shall be attached to a certificate that the amendment was duly adopted, which certificate shall be executed by officers of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Collier County, Florida.

## 12. INDEMNIFICATION

Every officer and Director of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees incurred by or imposed on him in connection with any legal proceeding in which he may be a party, or in which he may become involved by reason of his being or having been a Director or officer of the Association even if he is not an officer or Director at the time the expenses are incurred. The officer or Director shall not be indemnified if he is guilty of gross negligence or willful misconduct or has breached his fiduciary duty to the members of the Association or committed a criminal act. The Association is not liable, however, for payment of a voluntary settlement unless it is first approved by the Board of Directors. The foregoing rights shall be in addition to and not exclusive of all other rights to which the Director or officer may be entitled.

## 13. MISCELLANEOUS

13.1 Gender. Whenever the masculine or singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine, or neuter, singular or plural, as the context requires.

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

13.3 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the Interpretation of these By-Laws and the Declaration of Restrictive Covenants or the Articles of Incorporation, the provisions of the Declaration of Restrictive Covenants or Articles of Incorporation prevail over the provisions of these By-Laws.