

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

AMENDED AND RESTATED BYLAWS
OF
EDEN AT THE STRAND HOMEOWNERS' ASSOCIATION, INC.

1. **GENERAL.** These are the Bylaws of Eden at The Strand Homeowners' Association, Inc., a Florida corporation not for profit, which was originally incorporated under the same name on January 22, 1999, hereinafter the "Association." The corporation is organized under the laws of Florida as a community association for the purpose of operating a residential community. All prior Bylaws, if any, are hereby revoked and superseded in their entirety.

1.1 **Principal Office.** The principal office of the Association shall be as listed with the Florida Department of State Division of Corporations, unless otherwise changed by the Board of Directors.

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

1.3 **Definitions.** The definitions set forth in the Amended and Restated Declaration of Restrictive Covenants shall apply to terms used in these Bylaws.

2. **MEMBERS.** The Members of the Association are the record owners of legal title to the Lots. In the case of a Lot subject to an agreement for deed, the purchaser in possession shall be deemed the Owner of the Lot solely for purposes of determining use rights.

2.1 **Change of Membership.** A change of membership shall become effective after all the following events have occurred.

(A) Recording in the Public Records of a deed or other instrument evidencing legal title to the Lot in the Member.

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

(C) Designation, in writing, of a Primary Occupant, which is required when title to a Lot is held in the name of two (2) or more persons who are not husband and wife, or by a trustee or a corporation or other entity which is not a natural person.

2.2 **Voting Interests.** The Members of the Association are entitled to one (1) vote for each residential Lot owned by them. The total number of possible votes (the "Voting Interests") of the Association is the total number of residential Lots in Eden at The Strand, which is fifty-five (55). The vote of a Lot is not divisible. The right to vote may be suspended for non-payment of any monetary amounts

that are delinquent in excess of ninety (90) days. If a Lot is owned by one (1) natural person, the right to vote shall be established by the record title to the Lot. If a Lot is owned jointly by two (2) or more natural persons, that Lot's vote may be cast by any one (1) of the record Owners. If two (2) or more Owners of a Lot do not agree among themselves how their one (1) vote shall be cast on any issue, that vote shall not be counted for any purpose. If the Owner of a Lot is other than a natural person, the vote of that Lot shall be cast by the Lot's Primary Occupant. All votes must be cast by an Owner or Primary Occupant.

In matters pertaining to the Master Association and as more fully provided in the Master Covenants, the Board of Eden at the Strand Homeowners' Association, Inc. shall comply with the terms of the Master Covenants regarding the voting procedures at all member meetings of the Master Association and for voting on behalf of the Association the number of votes as provided in the said Master Covenants. The Neighborhood Representative to the Master Association shall be appointed by the President at a duly constituted meeting of the Association Board of Directors.

2.3 Approval or Disapproval of Matters. Whenever the decision or approval of a Lot Owner is required upon any matter, whether or not the subject of an Association meeting, the decision or other response may be expressed by any person authorized to cast the vote of the Lot at an Association meeting, as stated in Section 2.2 above, unless the joinder of all record Owners is specifically required.

2.4 Change of Membership. A change of membership in the Association shall be established by the new Member's membership becoming effective as provided for in Section 2.1 above. At that time, the membership of the prior Owner shall be terminated automatically.

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

3. MEMBERS' MEETINGS; VOTING.

3.1 Annual Meeting. There shall be an annual meeting of the Members in each calendar year. The annual meeting shall be held in Collier County, Florida, at a time and place designated by the Board of Directors, for the purpose of electing Directors and transacting any other business duly authorized to be transacted by the Members.

3.2 Special Members' Meetings. Special Members' meetings must be held whenever called by the President, or in his absence, the Vice-President, or by a majority of the Directors, and may also be called by Members having at least twenty percent (20%) of the Voting Interests. The business at any special meeting shall be limited to the items specified in the notice of meeting.

3.3 Notice Meetings; Waiver of Notice. Notices of all Members' meetings must state the date, time, and place of the meeting. Notice of special meetings must include a description of the purpose or purposes for which the meeting is called. The notice must be mailed to each Member at the Member's address as it appears on the books of the Association or may be furnished by personal delivery or electronic transmission. The Members are responsible for providing the Association with any change of address. The notice must be mailed, electronically transmitted, or hand delivered at least fourteen (14) days prior to the date of the meeting. If ownership of a Lot is transferred after notice has been mailed or transmitted, no separate notice to the new Owner is required. Attendance at any meeting by a Member constitutes waiver

of notice by that Member, unless the Member objects to the lack of notice at the beginning of the meeting. A Member may also waive notice of any meeting at any time by written waiver.

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 at least thirty percent (30%) of the votes of the total Voting Interests. After a quorum has been established at a Members' meeting, the subsequent withdrawal of any Members, so as to reduce the number of Voting Interests represented below the number required for a quorum, shall not affect the validity of any action taken at the meeting before or after such persons leave.

3.5 Vote Required. The acts approved by a majority of the votes cast by eligible voters at a meeting of the Members at which a quorum has been attained shall be binding upon all Lot Owners for all purposes, except where a different number of votes is expressly required by law or by any provision of the Governing Documents.

3.6 Proxy Voting. Members may cast their votes at a meeting in person or by proxy. A proxy 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 (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at the pleasure of the person executing it. 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 or a copy must be delivered to the Association by the appointed time of the meeting or adjournment thereof. A photostatic, facsimile, or equivalent reproduction of a proxy is a sufficient proxy. No proxy shall be valid if it names more than one (1) person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy. Holders of proxies need not be Members. A Limited Proxy shall be used for membership votes on substantive matters, including, without limitation, amendments to the Governing Documents. A General Proxy may be used only when there is no substantive business to be voted on at a Members' meeting and for purposes of establishing a quorum, correcting typographical errors with respect to matters being voted on by the Members, and voting on parliamentary matters, including, without limitation, a motion to approve minutes or to adjourn the meeting. However, no proxies shall be used to cast a vote in connection with a regular election of Directors occurring at the annual meeting. Notwithstanding the foregoing, Members may vote in person at Members' meetings.

3.7 Electronic Voting. The Association may conduct elections and other Owner votes through an internet-based online system if an Owner consents, in writing, to online voting. The Association must comply with the requirements for electronic voting as set forth in Chapter 720.317, Florida Statutes, as it may be amended, including any requirement for Board approval of electronic voting by written resolution.

3.8 Adjourned Meetings. Any duly called meeting of the Members may be adjourned to be reconvened at a later time by vote of the majority of the Voting Interests present, regardless of whether a quorum has been attained. When a meeting is so adjourned it shall not be necessary to give further notice of the time and place of its continuance if such are announced at the meeting being adjourned. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted when the meeting is reconvened, but only if a quorum is present.

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

- (A) Call of the roll or determination of quorum
- (B) Reading or disposal of minutes of last Members' meeting

- (C) Reports of Officers
- (D) Reports of Committees
- (E) Election of Directors (annual meeting only)
- (F) Unfinished Business
- (G) New Business
- (H) Adjournment

3.10 Minutes. Minutes of all meetings of the Members and of the Board of Directors shall be kept in a businesslike manner, available for inspection by Members or their authorized representatives at all reasonable times. Minutes must be reduced to written form within a reasonable time after the meeting. A vote or abstention from voting on each matter voted upon for each Director present at a Board meeting must be recorded in the minutes.

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

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

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

4.1 Number and Terms of Office. The number of Directors which shall constitute the whole Board of Directors shall be an odd number of not less than three (3) and not more than five (5). The membership may vote to increase or decrease the number of Directors. The system of staggered terms previously established shall be maintained. All Directors shall be elected for a term of two (2) years each. A Director's term will end at the annual election at which his successor is to be duly elected, unless he sooner resigns or is recalled as provided for in Section 4.5 below. Directors shall be elected by the Members as described in Section 4.3 below, or in the case of a vacancy, as provided for in Section 4.4 below.

4.2 Qualifications. Each Director must be a Lot Owner or Primary Occupant or the spouse of

a Lot Owner or Primary Occupant. In the case of a Lot owned by a corporation, any officer is eligible for election to the Board of Directors. If a Lot is owned by a partnership, any partner is eligible to be a Director. If a Lot is held in trust, the trustee, grantor, or settlor of the trust, or any one of the beneficial Owners residing in the Lot is eligible to be elected to the Board of Directors. No two individuals from the same Lot shall be eligible to serve on the Board at the same time. Any Director who misses three (3) consecutive regular monthly meetings of the Board of Directors may be removed from his position on the Board if so determined and approved by a majority vote of the remaining Directors. Any vacancy shall be filled in accordance with Section 4.4. below.

4.3 Nominations and Elections. Nominations for election to the Board of Directors shall be made in writing at least forty (40) days in advance of the day of election. Election to the Board of Directors shall be by secret ballot. At such election, the Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these Bylaws. The persons receiving the largest number of votes shall be elected, except that a run-off shall be held to break a tie vote. Cumulative voting and proxy voting in elections is not permitted. The Board of Directors may not appoint a committee for the purpose of nominating candidates for the election of Directors. However, the Board of Directors may appoint a search committee to encourage qualified persons to become candidates. There is no quorum requirement, however, at least twenty percent (20%) of the Voting Interests must cast a ballot in order to have a valid election of Directors.

4.3.1 First and Second Notice. The First Notice of each annual election shall be mailed, hand-delivered, or electronically transmitted to all Owners at least sixty (60) days in advance. Any person eligible to serve as a Director who wishes to qualify as a candidate shall notify the Association in writing of his or her desire to be a candidate at least forty (40) days prior to the annual election, and must be eligible to serve on the Board of Directors at the time of such notification deadline in order to have his or her name listed as a proper candidate on the election ballot or to serve on the Board of Directors. Notice shall be deemed effective when received by the Association. Any person indicating his or her desire to qualify as a candidate may also return a separate information sheet, no larger than 8 1/2 inches by 11 inches, which describes the candidate's background, education, and qualifications for office, and any other information deemed relevant by the candidate, which information sheet must be furnished by the candidate at least thirty-five (35) days prior to the election. The Association has no liability for the contents of the information sheets prepared by the candidates.

4.3.2 Second Notice. The Association shall mail, hand-deliver, or electronically transmit a Second Notice of the election, together with the candidate information sheets, a ballot which shall list all candidates in alphabetical order by surname, and (unless the Second Notice is electronically transmitted), "inner" and "outer envelopes", at least fourteen (14) days in advance of the election; provided, however, that if the number of candidates does not exceed the number of vacancies, then no election shall be required, and the candidates become members of the Board of Directors effective upon the adjournment of the annual meeting. Any remaining vacancies shall be filled by the affirmative vote of the majority of the directors making up the newly constituted Board even if the Directors constitute less than a quorum or there is only one (1) Director.

4.3.3 Balloting. If the number of candidates exceeds the number of seats to be filled, an election shall be required. Directors shall be elected by secret ballot (using a double envelope system) in accordance with the Act and these Bylaws. Proxies may not be used in elections. After indicating the name(s) of the candidate(s) for which the Member has voted, the ballot must be placed in an inner envelope with no identifying markings and mailed or delivered to the Association in an outer envelope bearing identifying information reflecting the name of the Member, the Lot for which the vote is being cast, and the signature of the Member casting that ballot. If the eligibility of the Member to vote is confirmed and no

other ballot has been submitted for that Lot, the inner envelope shall be removed from the outer envelope bearing the identification information, placed with the ballots which were personally cast, and opened when the ballots are counted. Nominations from the floor and a nominating committee are prohibited. If more than one ballot is submitted for a Lot, the ballots for that Lot shall be disqualified. A Member shall not permit any other person to vote his ballot, and any ballots improperly cast are invalid. Upon receipt by the Association, no ballot may be rescinded or changed. Any vote by ballot received after the closing of the balloting shall not be considered. Directors shall be elected by a plurality of the votes cast by eligible voters. In the election of Directors, there shall be appurtenant to each Lot as many votes for Directors as there are Directors to be elected, but no Lot may cast more than one (1) vote for any candidate, it being the intent hereof that voting for Directors shall be non-cumulative. The Association may conduct elections through an Internet-based online voting system in accordance with the requirements set forth in Section 720.317, Florida Statutes.

4.3.4 Certification. Within ninety (90) days after being elected or appointed, each newly elected or appointed Director shall certify in writing to the Secretary of the Association that he or she has read the Declaration of Covenants, Articles of Incorporation, Bylaws, and current written policies; that he or she will work to uphold such documents and policies to the best of his or her ability; and that he or she will faithfully discharge his or her fiduciary responsibility to the Members. In lieu of this written certification, within ninety (90) days after being elected or appointed, the newly elected or appointed Director may submit a certificate of having satisfactorily completed the educational curriculum administered by a Division-approved education provider within one (1) year before or ninety (90) days after the date of election or appointment. The written certification or educational certificate is valid and does not have to be resubmitted as long as the Director serves on the Board of Directors without interruption. A Director who fails to timely file the written certification or educational certificate is suspended from service on the Board of Directors until he or she complies with the requirements set forth above. The Board of Directors may temporarily fill the vacancy during the period of suspension. The Secretary shall cause the Association to retain a Director's written certification or educational certificate for inspection by the Members for five (5) years after a Director's election. Failure to have such written certification or educational certification on file does not affect the validity of any Board action.

4.3.4 Challenge. Any challenge to the election process must be commenced within sixty (60) days after the election results are announced.

4.4 Resignation; Vacancies on the Board. Any Director may resign at any time by giving written notice to the Association, and unless otherwise specified therein, the resignation shall become effective upon receipt. If the office of any Director becomes vacant for any reason, a successor shall be appointed by the Board at a special meeting of the Board of Directors of the Association. The successor so appointed shall fill the term of the Director being replaced. If for any reason there shall arise circumstances in which no Directors are serving and the entire Board is vacant, the Members shall elect successors at a special meeting or any Member may apply to the Circuit Court for the appointment of a receiver to manage the Association's affairs, in the manner provided by the Act.

4.5 Removal of Directors. Any Director may be removed, with or without cause, by a majority vote of the total Voting Interests, either by a written agreement or at a meeting called for that purpose. An Officer may also be removed at anytime by a majority vote of the Board of Directors. If a special meeting is called by ten percent (10%) of the Voting Interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days from the date that notice of the meeting is given. If removal is effected by written agreement, the vacancy or vacancies shall be filled as provided by law. If removal is effected at a meeting, any vacancies created thereby shall be filled by the

Members at the same meeting. Any Director who is removed from office is not eligible to stand again for election to the Board until the next annual election and must turn over to the Association within seventy-two (72) hours any and all records and other property of the corporation in his possession. If a Director who is removed does not relinquish his office or turn over records as required, the circuit court in the county where the Association has its principal office may summarily order the Director to relinquish his office and turn over corporate records upon application of any Member. In any such action, the prevailing party shall be entitled to recover its attorney fees and costs.

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

4.7 Other Meetings. Meetings of the Board may be held at such time and place as shall be determined from time to time by the President, or in his or her absence, a Vice-President, or by a majority of the Directors at any time. It shall be the duty of the Directors, the President, or a Vice-President, to call such a meeting whenever so requested by the Association Members constituting at least twenty-five percent (25%) or more of the total Voting Interests. Notice of meetings shall be given to each Director by the Secretary at least forty-eight (48) hours prior to the time fixed for the meeting.

4.8 Notice to Owners. Meetings of the Board of Directors shall be open to Members except for meetings in regards to personnel discussions and meetings between the Board and its attorney with respect to proposed or pending litigation where the discussion would otherwise be governed by the attorney-client privilege, and notices of all Board meetings, together, shall be posted conspicuously in the community at least forty-eight (48) continuous hours in advance of each Board meeting, except in an emergency. Notice of any Board meeting at which rules affecting the use of a Lot or Special Assessments are to be considered shall specifically contain a statement that rules or Special Assessments will be considered and the nature of the rule or Assessments and shall be mailed, delivered or electronically transmitted and posted at least fourteen (14) days in advance.

Members have the right to speak, for at least three (3) minutes, on any matter that is placed on the Board meeting agenda by petition of the membership pursuant to Section 720.303(2)(d), Florida Statutes. The Association may adopt reasonable, written Rules and Regulations expanding the rights of Members to speak and governing the frequency, duration, and other manner of Member statements, (including a sign-up sheet requirement), which Rules and Regulations must be consistent with the minimum requirements of Section 720.303(2)(b), Florida Statutes. Tape recording and videotaping of Board of Directors meetings shall be governed by the Rules and Regulations.

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

4.10 Quorum of Directors. A quorum at a Board meeting shall be attained by the presence in person of a majority of all Directors. Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting.

4.11 Vote Required. The acts approved by a majority of those Directors present and voting at a

meeting at which a quorum has been attained shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Governing Documents or by applicable statutes. Directors may not vote by proxy or secret ballot at Board meetings, except that secret ballots may be used in the election or removal of officers.

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

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

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

4.15 Committees. The Board of Directors may appoint from time to time such standing or temporary committees, including a search committee, 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. If required by the Act, as the same may be amended from time to time, committee meetings shall be open to attendance by any Member, and notice of committee meetings shall be posted in the same manner as required in Section 4.8 above for Board meetings, except for such committee meetings between the committee and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege; personnel matters; or other meetings permitted to be closed under the Act. As of the effective date of these Bylaws, Section 4.8 also applies to the meetings of any committee or other similar body, when a final decision will be made regarding the expenditure of Association funds and to the Architectural Review Committee, if one has been established pursuant to the Declaration. Committees vested with the power to approve or disapprove architectural decisions with respect to a specified parcel of residential property owned by a Member of the community may not vote by proxy or secret ballot.

4.16 Emergency Powers. The Board of Directors may exercise the emergency powers authorized by Chapters 617 and 720, Florida Statutes, as amended from time to time hereafter.

5. OFFICERS.

5.1 Officers and Elections. The executive officers of the Association shall be a President and a Vice-President, who must be Directors, a Treasurer, and a Secretary, all of whom shall be elected annually by a majority vote of the Board of Directors. Any officer may be removed with or without cause at any meeting by vote of a majority of the Directors. Any officer so removed shall return all books, records, and property of the Association to the Association within seventy-two (72) hours of their removal. Any person except the President may hold two (2) or more offices. The Board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one (1) Vice-President, assistant secretaries, or assistant treasurers and such other officers and agents as may be deemed necessary.

5.2 President. The President shall be the chief executive officer of the Association; shall

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

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

5.4 Secretary. The Secretary shall attend meetings of the Board of Directors and all meetings of the Members and shall cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for the purpose, and shall perform like duties for standing committees when required. The Secretary shall give, or cause to be given, proper notice of all meetings of the Members, and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. The Secretary shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the Governing 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 Association funds and securities and be responsible for the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association. The Treasurer is responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as are selected by the Board of Directors. The Treasurer shall oversee the disbursement of Association funds, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at meetings of the Board, or whenever they may require it, a full accounting of all transactions and of the financial condition of the Association. The Treasurer shall prepare an annual budget of estimated revenues and expenses to present to the Board of Directors for approval. Any of the foregoing duties may be performed by an Assistant Treasurer, if one is elected. The Treasurer may have the assistance of an accountant or auditor, who shall be employed by the Association. In the event the Association enters into a management agreement, it shall be proper to delegate any and all of the Treasurer's functions to the management agent as deemed appropriate by the Board of Directors.

5.6 Compensation of Officers. No compensation shall be paid to any office for services as an officer of the Association. This provision does not preclude the Board of Directors from employing officers as employees of the Association but only in compliance with all conflict of interest laws.

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

6.1 Depository. The Association shall maintain its funds in such federally insured accounts at financial institutions in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The foregoing notwithstanding, the Board may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities and other similar investment vehicles.

6.2 Accounts of the Association. The Association shall maintain its accounting books and records according to generally accepted accounting principles. There shall be an account for each Lot. Such accounts shall designate the name and mailing address of each Lot, the amount and due date of each assessment or charge against the Lot, amounts paid, date of payment and the balance due.

6.3 Budget. The Board of Directors shall adopt in advance an annual budget of common expenses for each fiscal year. The proposed budget must reflect the estimated revenues and expenses for the next fiscal year, and the estimated surplus or deficit as of the end of the current year. The proposed budget shall be detailed and shall show the amounts budgeted by income accounts and expense classifications. The minutes of the Association shall reflect the adoption of the budget, and a copy of the proposed and adopted budgets shall be maintained as part of the financial records of the Association.

6.4 Reserves. The Board of Directors may establish in the budget one (1) or more reserve accounts for capital expenditures, deferred maintenance, or contingency reserves for unanticipated operating expenses. Board adopted reserve funds are not controlled by Chapter 720, Florida Statutes, and therefore may be spent, waived, or used as approved by the Board. Membership adopted reserves are restricted by Chapter 720, Florida Statutes, and therefore membership adopted reserves may only be used, waived, or reduced on a yearly basis according to Chapter 720, Florida Statutes. The purpose of reserves is to provide financial stability and to avoid the need for Special Assessments. The annual amounts proposed to be so reserved shall be shown in the annual budget.

6.5 Assessments; Installments. The regular annual Assessment based on an adopted budget shall be paid in quarterly installments, in advance, due on the first day of the quarter of each year. Written notice of the annual Assessment shall be sent to the Owners of each Lot prior to the first quarterly installment being due, but failure to send (or receive) such notice does not excuse the obligation to pay. If an annual budget for a new fiscal year has not been adopted, or if notice of any increase has not been made at the time the payment for the first quarterly installment is due, it shall be presumed that the amount of such installment is the same as the last quarterly installment, and payments shall be continued at such rate until a budget is adopted and new annual Assessments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each Lot's next due quarterly installment. Any Assessments which are not paid when due shall be delinquent. If the Assessment is not paid within ten (10) days after the due date shall accrue interest from the due date at the highest rate allowed by law and shall incur a late fee in the highest amount allowed by law.

6.6 Special Assessments. Special Assessments may be imposed by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted, or non-recurring expenses, or for such other purposes as are authorized by the Declaration and these Bylaws. Special Assessments are due on the day specified in the resolution of the Board approving such Assessment. The notice of any Board meeting at which a Special Assessment will be considered shall be given as provided in Section 4.8 above; and the notice to the Owners that the Assessment has been levied must contain a statement of the purpose(s) of the Assessment.

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

6.8 Resale Assessments. Funds from the Resale Assessments shall be placed in the capital fund. Excess operating proceeds from any fiscal year may, at the discretion of the Board, be placed in the capital fund. The purpose of the capital fund shall be to provide capital for the upgrade, improvement, and expansion of the Common Areas, and the acquisition of such personal property or equipment as may be

deemed desirable by the Board, subject to any limitations in the Declaration. The capital fund may be used for operating expenses, in the discretion of the Board.

6.9 Financial Reports. Not later than ninety (90) days after the close of each fiscal year, the Board shall cause to be prepared a financial report as prescribed in 720.303, Florida Statutes. Within twenty-one (21) days after that statement or report is completed or received from the third party, the Association shall mail, hand deliver or electronically transmit (if the Member has previously consented to electronic notices) to each Member a copy of the financial statement or report, as required by the Act, or a notice that a copy of the financial statement or report is available upon request at no charge to the Member.

6.10 Audits. A formal, certified audit of the accounts of the Association, if required by law, by vote of a majority of the Voting Interests, or by a majority of the Directors, shall be made by a certified public accountant, and a copy of the audit report shall be available to all Members.

6.11 Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each calendar year and end on December 31 that same calendar year.

7. RULES AND REGULATIONS; USE RESTRICTIONS. The Board of Directors may, from time to time, adopt, and amend administrative Rules and Regulations governing the use, maintenance, management, and control of the Association Property and the Lots, and the operation of the Association.

8. COMPLIANCE AND DEFAULT; REMEDIES. In addition to the remedies provided in the Declaration, the following shall apply.

8.1 Fines; Suspensions. The Board of Directors may levy fines and/or suspensions against Members, or Members' tenants or guests, or both, who commit violations of Chapters 617 or 720, Florida Statutes, the provisions of the Governing Documents, or the Rules and Regulations, or who condone such violations by their family members, guests or lessees. Fines shall be in amounts deemed necessary by the Board to deter future violations, but in no event shall any single fine exceed the maximum amount allowed by law. The maximum fine for a continuing violation shall be \$1,000.00. As allowed by law fines shall be secured by a lien on the Owner's Lot. Suspensions of the use of Association Property, facilities and common non-essential services (e.g. transponder gate access) may be imposed for a reasonable period of time to deter future violations. The procedure for imposing fines or suspending use rights shall be as follows:

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

- (1) a statement of the date, time and place of the hearing;
- (2) a short and plain statement of the specific facts giving rise to the alleged violation(s); and
- (3) the possible amounts of any proposed fine and/or possible use rights of Association Property or facilities to be suspended.

(B) Hearing. At the hearing the party against whom the fine and/or suspensions may be levied shall have a reasonable opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved, and to review, challenge, and respond to any evidence or testimony

presented by the Association. The hearing shall be conducted before a panel of three (3) residential Lot Owners appointed by the Board none of whom may then be serving as Directors or officers, or who are employees of the Association, or the spouse, parent, child, brother or sister of an officer, director or employee. If the committee, by majority vote, does not agree with the proposed fine and/or suspension, it may not be levied or imposed. If the committee agrees with the proposed fine and/or suspensions, the Board of Directors shall levy same.

8.2 Suspensions and Fines without Hearing. The foregoing notwithstanding, as provided in Chapter 720, Florida Statutes, no prior notice or opportunity for a hearing is required for the imposition of a fine or suspension upon any Member because of the failure of the Member to pay Assessments or other charges when due.

8.3 Correction of Health and Safety Hazards. Any violations of the Association rules which creates conditions of the property which are deemed by the Board of Directors to be a hazard to the public health or safety may be dealt with immediately as an emergency matter by the Association, and the cost thereof shall be charged to the Lot Owner.

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

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

9.1 Proposal. Amendments to these Bylaws shall be proposed by a majority of the Board of Directors or upon petition of twenty-five percent (25%) of the Voting Interests and shall be submitted to a vote of the Members not later than the next annual meeting.

9.2 Vote Required. Except as otherwise required by the Act or as provided elsewhere in these Bylaws, these Bylaws may be amended if the proposed amendment is approved by the affirmative vote of at least two-thirds (2/3rds) of the Voting Interests present and voting, in person or by proxy, at a duly called meeting of the Members of the Association.

9.3 Effective Date. An amendment shall become effective upon the recording of a copy in the Public Records of Collier County, Florida with the same formalities as are required in the Declaration for recording amendments to the Declaration.

10. MISCELLANEOUS.

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

10.2 Severability. If any portion of these Bylaws is void or become unenforceable, the remaining provisions shall remain in full force and effect.