

Director shall continue to serve on the Board if, during the Board member's term of office, the Board member's membership in the Association is terminated for any reason.

3.6 **Resignation.** Any Director may resign at any time by sending or personally delivering a written notice of resignation to the Association, addressed to the Secretary. The resignation shall take effect on receipt of the notice by the Association, unless it states some fixed date in the resignation, and then from the date so fixed. Acceptance of a resignation shall not be required to make it effective. Resignation of any Director, mandated pursuant to Section 3.1 of these Bylaws, shall be controlled by that Section to the extent of any inconsistency between these resignation procedures.

3.7 **Organizational Meeting.** The organizational meeting of a newly elected Board of Directors shall be held within 10 days of the election at a place and time that shall be fixed by the Directors at the meeting at which they were elected and without further notice except notice to Unit Owners required by F.S. 718.112(2)(c). The Board of Directors may meet immediately following the meeting at which they are elected for the purpose of electing officers and changing banking resolutions without further notice, except for an announcement at the Unit Owners' meeting.

3.8 **Regular Meetings.** The Board of Directors may establish a schedule of regular meetings to be held at a time and place as a majority of them shall determine from time to time. Notice of regular meetings, however, shall be given to each Director personally or by mail, telephone, telegraph by fax or by e-mail at least three days before the day named for the meeting with the notice of each meeting posted conspicuously on the Condominium property at least 48 continuous hours before the meeting, except in an emergency.

3.9 **Special Meetings.** Special meetings of the Board of Directors may be called by the

President and, in his or her absence, by the Vice President, and must be called by the Secretary at the written request of one third of the Directors. Notice of the meeting shall be given personally or by mail, telephone, telegraph, by fax or e-mail. The notice shall state the time, place, and purpose of the meeting and shall be transmitted not less than three days before the meeting. A copy of the notice of any special meeting shall be posted conspicuously on the Condominium property at least 48 continuous hours before the meeting, except in an emergency.

3.10 Waiver of Notice. Any Director may waive notice of a meeting before, at, or after the meeting and that waiver shall be considered equivalent to the giving of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of the meeting, except when the Director's attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

3.11 Quorum. A quorum at the meetings of the Directors shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors except when approval by a greater number of Directors is required by the Declaration, the Articles, or these Bylaws.

3.12 Adjourned Meetings. If there is less than a quorum present at any meeting of the Board of Directors, the majority of those present may adjourn the meeting until a quorum is present. At any adjourned meeting, any business that might have been transacted at the meeting originally called may be transacted without further notice.

3.13 No Proxy. There shall be no voting by proxy at any meeting of the Board of Directors.

3.14 Presumed Assent. A Director present at any Board meeting at which action on any

corporate matter is taken shall be presumed to have assented to the action taken unless he or she votes against the action or abstains from voting because of an asserted conflict of interest.

3.15 Joinder in Meeting by Approval of Minutes. A Director may join in the action of a meeting by signing and concurring in the minutes of that meeting. That concurrence, however, shall not constitute the presence of that Director for the purpose of determining a quorum.

3.16 Attendance by Conference Telephone. When a telephone conference is used, a telephone speaker shall be attached so that the discussion may be heard by the Board members and by any Unit Owners present in an open meeting. Board members utilizing telephone conference calls may be counted toward obtaining a quorum and may vote over the telephone.

3.17 Meetings Open to Members. Meetings of the Board of Directors shall be open to all Unit Owners to attend, observe, and speak with reference to all designated agenda items subject to reasonable time limitations for speaking by Unit Owners as may be established by the presiding officer at the Board meeting. Notice of any meeting in which assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and set out the nature of the assessments.

3.18 Presiding Officer. The presiding Officer at Board meetings shall be the President or, in his or her absence, the Vice President, and in his or her absence, the Directors present shall designate any one of their number to preside.

3.19 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book open to inspection by any Association member or the authorized representative of the member and Board members at all reasonable times. The Association shall retain these minutes for a period of not

less than seven years. Association members and their authorized representatives shall have the right to make or obtain copies, at the reasonable expense, if any, of the Association member.

3.20 Executive Committee. The Board of Directors, by resolution, may appoint an executive committee to consist of three or more members of the Board. The executive committee shall have and may exercise all of the powers of the Board in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board insofar as may be permitted by law. The executive committee, however, shall not have power to: (1) determine the common expenses required for the operation of the Condominium; (2) determine the assessments payable by the Unit Owners to meet the common expenses of the Condominium; (3) adopt or amend rules and regulations covering the details of the operation and use of the Common Elements; (4) purchase, lease, or otherwise acquire Units in the Condominium in the name of the Association; (5) approve any actions or proposals required by the Act, the Declaration, the Articles, or these Bylaws to be approved by Unit Owners; or (6) fill vacancies on the Board of Directors. Meetings of the executive committee shall be open to Unit Owners and shall be noticed in the same manner as a regular board meeting.

3.21 Compensation. Directors shall serve without pay, but shall be entitled to reimbursement for expenses reasonably incurred in the discharge of their duties.

3.22 Order of Business. The order of business at meetings of Directors shall be:

- a. Calling of roll.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading and disposal of any unapproved minutes.
- d. Reports of Officers and committees.

- e. Unfinished business.
- f. New business.
- g. Adjournment.

3.23 Election of Directors by Unit Owners Other than Developer. Unit Owners other than the developer are entitled to elect a member or members of the Board of Directors of the Association, under the following schedule:

a. When Unit Owners other than the Developer own 15% or more of the units in the Condominium that will be operated ultimately by the Association, the Unit Owners other than the Developer shall be entitled to elect one third of the members of the Board of Directors of the Association.

b. Unit Owners other than the Developer are entitled to elect a majority of the members of the Board of Directors of the Association on the earliest of the following events:

1. Three years after 50% of the units that will be operated ultimately by the Association have been conveyed to purchasers.

2. Three months after 90% of the units that will be operated ultimately by the Association have been conveyed to purchasers.

3. When all the units that will be operated ultimately by the Association have been completed, some of them have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business.

4. When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business.

5. Seven years after recordation of the Declaration creating the initial phase. The

Developer is entitled to elect at least one member of the Board of Directors of the Association as long as the Developer holds for sale in the ordinary course of business at least 5% of the units. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned units in the same manner as any other Unit Owner except for purposes of reacquiring control of the Association or selecting the majority of the members of the Board of Directors.

3.24 Relinquishment of Control. At the time the Unit Owners other than the Developer elect a majority of the members of the Board of Directors of the Association, the Developer shall relinquish control of the Association and the Unit Owners shall accept control. Not more than 90 days after Developer relinquishes control of the Association, Developer shall deliver to the Association at the Developer's expense, Association financial records listed in section 718.301(4)(c), Florida Statutes. Developer shall deliver all records set forth in Section 718.301(4) and (5), other than those set forth in Section 718.301(4)(c), simultaneously with Developer's relinquishment of control of the Association. Nothing contained in these Bylaws shall be deemed to prevent the Developer from transferring control of the Association to Unit Owners other than the Developer before the occurrence of the events described in this subsection.

3.25 Failure to Elect Director Quorum. If the Association or the Board of Directors fails to fill vacancies on the Board of Directors sufficient to constitute a quorum, any Unit Owner may apply to the circuit court within whose jurisdiction the Condominium is situated for the appointment of a receiver to manage the affairs of the Association, in the manner prescribed in the Act. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs, and attorneys' fees. The receiver shall have all the powers and duties of a duly-constituted Board of Directors and shall serve until the Association fills vacancies on the Board sufficient to constitute a quorum.

IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association existing under the Act, the Declaration, the Articles, and these Bylaws shall be exercised exclusively by the Board of Directors, or its duly authorized agents, contractors, or employees, subject only to the approval by Unit Owners when that approval specifically is required. The powers of the Board shall include, but shall not be limited to, the following:

4.1 Corporate Seal. To have a corporate seal, which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed, affixed, or in any other manner reproduced provided, however, such seal shall always contain the words "corporation not for profit".

4.2 Purchase or Acquire Unit. To purchase, take, receive, lease, take by gift, devise or bequest or otherwise acquire, own, hold, improve, use, and otherwise deal in and with real or personal property or any interest therein, wherever situated.

4.3 Sell, Convey and Mortgage Real Property. To sell, convey, mortgage, pledge, create security interests in, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets.

4.4 Loan Money. To lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested.

4.5 Sell, Convey and Purchase Personal Property. To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise sell and deal in and with, shares or other interests in, or obligations of, other domestic or foreign corporations, whether for profit or not for profit Associations, partnerships or individuals, or direct or indirect obligations of the United States or of any other government, state, territory, governmental

district, or municipality or of any instrumentality thereof.

4.6 **Contracts and Guarantees.** To make contracts and guarantees and incur liabilities, borrow money at such rates of interest as its Board of Directors may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises, and income. To enter into, make, receive assignments of, grant assignments of, and perform contracts of every nature and kind for any lawful purpose.

4.7 **Conduct Business.** To conduct its business, carry on its operations, and have offices and exercise the powers granted by the Florida Not For Profit Corporation Act or by other applicable law within or without the State of Florida.

4.8 **Elect Officers and Agents.** To elect or appoint officers and agents and define their duties and allow them reasonable compensation.

4.9 **Enact and Amend Bylaws.** To make and alter bylaws, not inconsistent with its Articles of Incorporation or with the laws of the State of Florida, for the administration and regulation of its affairs.

4.10 **Promote Educational and Charitable Endeavors.** To promote, by all proper and legitimate agencies and means, education and educational institutions generally, and any and all charitable, religious, scientific and educational movements, purposes or causes; to make gifts and donations for the public welfare or for charitable, religious, scientific, educational purposes or other similar purposes.

4.11 **Dedicate Real and Personal Property to Governmental Entities.** To dedicate to the public or to any governmental entity or other entity whatsoever for any public or other purpose any of its real or personal property or any interest therein.

4.12 **Transact Lawful Business.** To transact any lawful business which its Board of Directors

shall find will be in aid of governmental policy.

4.13 **General Powers.** To have and exercise all powers necessary or convenient to effect its general purpose.

4.14 **Right of Access to Units.** The Association has the irrevocable right of access to each Unit during reasonable hours as necessary for the maintenance, repair, or replacement of any common elements or for making emergency repairs necessary to prevent damage to the common elements or to another Unit or Units.

4.15 **Lien and Foreclosure for Unpaid Assessments.** The Association has a lien on each Condominium parcel for any unpaid assessments with interest and for reasonable attorneys' fees, costs, and expenses incurred in the collection of the assessment or enforcement of the lien. It also has the power to purchase the Condominium parcel at the foreclosure sale and to hold, lease, mortgage, or convey it.

4.16 **Grant or Modify Easements.** The Association, without the joinder of any Unit Owner, may grant, modify, or move any easement if the easement constitutes part of or crosses common elements.

4.17 **Purchase Land or Recreation Lease.** Any land or recreation lease may be purchased by the Association on the approval of two thirds of the voting interests of the Association.

4.18 **Acquire Use Interest in Recreational Facilities.** The Association may enter into agreements, acquire leaseholds, memberships, and other possessory or use interest in lands or facilities, such as country clubs, golf courses, marinas, and other recreational facilities, whether contiguous to the Condominium property or not if they are intended to provide enjoyment, recreation, or other use or benefit to the Unit Owners.

4.19 **Authorize Certain Amendments.** If it appears that through a drafter's error in the

Declaration that the common elements, common expenses, or common surplus have been stated or distributed improperly, an amendment to the Declaration correcting that error may be approved by the Board of Directors or a majority of the voting interests.

4.20 **Adopt Rules and Regulations.** The Association may adopt reasonable rules and regulations for the operation and use of the common elements, common areas, and recreational facilities serving the Condominium.

4.21 **Employ Personnel.** The Association may employ and dismiss personnel as necessary for the maintenance and operation of the Condominium property and may retain those professional services that are required for those purposes.

4.22 **Impose Fines.** The Board of Directors may impose fines on Unit Owners in reasonable sums as the Board may deem appropriate, not to exceed \$50 for violations of the Declaration, these Bylaws, or lawfully adopted rules and regulations, by Owners, their guests, invitees, or tenants.

4.23 **Suspend Approval for Delinquent Unit Owner.** The Board of Directors may disapprove the prospective tenant of any Unit Owner as long as the Unit Owner is delinquent in the payment of assessments for Common Expenses.

4.24 **Authorize Private Use of the Common Elements.** The Board of Directors may authorize Unit Owners or others to use portions of the Common Elements, such as social rooms and meetings rooms, for private parties and gatherings. Reasonable charges may be imposed provided a lease is entered into between the Association and the Unit Owner.

The duties of the Board shall include, but shall not be limited to, the following:

4.25 **Maintain Official Records.** The Association shall maintain all of the records, when

applicable, set forth in Article IX of these Bylaws, which shall constitute the official records of the Association.

4.26 Obtain Insurance. The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association, the Association property, and the Condominium property.

4.27 Furnish Annual Financial Reports to Members.

4.28 Give Notice of Liability Exposure. If the Association may be exposed to liability in excess of insurance coverage in any legal action, it shall give notice of the exposure to all Unit Owners, who shall have the right to intervene and defend.

4.29 Provide Certificate of Unpaid Assessment. Any Unit Owner or unit mortgagee has the right to request from the Association a certificate stating the amount of all assessments and other monies owed to the Association with respect to the Condominium parcel.

4.30 Pay Annual Fee to the Division of Florida Land Sales, Condominiums, and Mobile Homes for Each Residential Unit Operated by the Association.

4.31 Approve or Disapprove Unit Transfer and Impose Fee. The Association may charge a preset fee of up to \$100 in connection with the approval or disapproval of any proposed mortgage, lease, sublease, sale, or other transfer of a Unit in the Condominium as provided in the Declaration.

4.32 Pay Taxes or Assessments Against the Common Elements or Association Property.

4.33 Pay Costs of Utilities Service Rendered to the Condominium and Association Property and Not Billed Directly to Individual Unit Owners.

4.34 Repair or Reconstruct Improvements After Casualties.

4.35 Master Association's Lien Rights. The Master Association shall have the right pursuant

to Article VI, Section 14 of the Master Declaration to file a lien against a Unit whose Owner(s) are delinquent in their payment of Master Association Assessments.

V. OFFICERS

5.1 Executive Officers. The executive Officers of the Association shall be a President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer, a Secretary, and an Assistant Secretary. The Officers shall be elected annually by the Board of Directors and may be removed without cause at any meeting by a vote of a majority of all of the Directors. A person may hold more than one office except that the President may not also be the Secretary or Assistant Secretary. No person shall sign an instrument nor perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect other Officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.2 President. The President shall be the Chief Executive Officer of the Association. He or she shall have all of the powers and duties that usually are vested in the office of President of an Association, including but not limited to the power to appoint committees from among the members to assist in the conduct of the affairs of the Association as he or she may determine to be appropriate. The President shall preside at all meetings of the Board.

5.3 Vice President. The Vice President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He or she also shall assist the President and exercise those other powers and perform those other duties as shall be prescribed by the Directors.

5.4 Secretary and Assistant Secretary. The Secretary shall keep the minutes of all proceedings

of the Directors and the members. He or she shall attend to the serving of all notices to the members and Directors and other notices required by law. The Secretary shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He or she shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the Secretary of an Association and as may be required by the Directors or the President. The Assistant Secretary shall support the Secretary and shall perform the Secretary's duties in the Secretary's absence.

5.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He or she shall keep books of account for the Association in accordance with good accounting practices, that, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. The Treasurer shall submit a treasurer's report to the Board at reasonable intervals and shall perform all other duties incident to the office of treasurer. All money and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board.

5.6 Compensation. The compensation, if any, of all Officers and other employees of the Association shall be fixed by the Board of Directors.

VI. FISCAL MANAGEMENT

6.1 Board Adoption of Budget. The Board of Directors shall adopt a budget for the common expenses of the Association in advance of each fiscal year at a special meeting of the Board called for that purpose at least 45 days before the end of each fiscal year.

6.2 Budget Requirements. The proposed annual budget of common expenses shall be detailed

and shall show the amount budgeted by accounts and expense classifications, including, when applicable, but not limited to:

- a. Administration of the Association.
- b. Management fees.
- c. Maintenance.
- d. Rent for recreational and other commonly used facilities.
- e. Taxes on Association property.
- f. Taxes on leased areas.
- g. Insurance.
- h. Security provisions.
- i. Other expenses.
- j. Operating capital.
- k. Fees payable to the Division of Florida Land Sales, Condominiums, and Mobile Homes.
- l. Reserve accounts for capital expenditures and deferred maintenance, including, but not

limited to, roof replacement, building, painting, and pavement resurfacing. The amount to be reserved shall be computed by means of a formula based on estimated remaining useful life and estimated replacement cost of each reserve item. Reserves must be included in the proposed annual budget, but may be removed from the final budget if, by vote of the majority of the members present at a duly called meeting of the Association, they shall determine for a fiscal year to provide no reserves or reserves less adequate than required by F.S. 718.112(2)(f). If a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and the result is not attained or a quorum is not

attained, the reserves, as included in the budget, shall go into effect.

6.3 Notice of Budget Meeting. The Board of Directors shall mail a meeting notice and copies of the proposed annual budget to the Unit Owners not less than 14 days before the meeting at which the budget will be considered. The meeting shall be open to all the Unit Owners.

6.4 Member Rejection of Excessive Budget. If a budget adopted by the Board of Directors requires assessments against the Unit Owners in any fiscal year exceeding 115% of the assessment for the previous year, the Board, on written application of 10% of the voting interests shall call a special meeting of the Unit Owner within 30 days. The special meeting shall be called on not less than 10 days written notice to each Unit Owner. At the special meeting, Unit Owners shall consider and adopt a budget, which adoption requires an affirmative vote of not less than a majority of all voting interests. If at the special meeting, a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board of Directors shall go into effect as scheduled. Provisions for reasonable reserves for repair or replacement of the Condominium property, nonrecurring expenses, and assessments for betterment of the Condominium property shall be excluded from the computation in determining whether assessments exceed 115% of similar assessments in the previous year.

6.5 Alternative Budget Adoption by Members. At its option, for any fiscal year, the Board of Directors may propose a budget to the Unit Owners at a meeting of members or in writing. If the proposed budget is approved by the Unit Owners at the meeting or by a majority of all voting interests in writing, the budget shall be adopted.

6.6 Budget Restraints on Developer. As long as the Developer is in control of the Board of Directors, the Board shall not impose an assessment for any year greater than 115% of the previous year's

assessment without approval of a majority of all voting interests other than those held by the Developer.

6.7 Accounting Records and Reports. The Association shall maintain accounting records in the county in which the Condominium is located, according to good accounting practices. The records shall be open to inspection by any Association member or the authorized representative of the members at all reasonable times. The records shall include, but are not limited to:

- a. Accurate, itemized, and detailed records of all receipts and expenditures.
- b. A current account and a monthly, bimonthly, or quarterly statement of the account for each Unit designating the name of the Unit Owner, the due date and amount of each assessment, the amount paid on the account, and the balance due.
- c. All audits, reviews, accounting statements, and financial reports of the Association or Condominium.
- 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. Within 60 days after the end of each fiscal year, the Board of Directors shall mail or furnish by personal delivery to each Unit Owner a complete financial report of actual receipts and expenditures for the previous 12 months.

6.8 Depository. The depository of the Association shall be those banks or savings and loan Associations, state or federal, located in Florida, as shall be designated from time to time by the Board of Directors and in which the money for the Association shall be deposited. Withdrawal of money from those accounts shall be only by checks or other withdrawal instruments signed by those persons authorized by the Board of Directors.

6.9 Fidelity Bonding. Each Officer and Director of the Association who controls or disburses

its funds shall be bonded by a fidelity bond in an amount not less than the maximum funds that will be in the custody of the association or its management agent at any one time. The cost of bonding shall be at the expense of the Association.

6.10 Developer's Guarantee. Commencing with the recording of the Declaration and continuing until the end of the first fiscal year of the Association, Developer guarantees that the assessment of common expenses shall not exceed \$175.00 per month for each Unit in the Condominium. Thereafter, Developer in its discretion, shall have the option of extending the guarantee for additional one-month periods of time; provided, however, that notwithstanding any provision to the contrary, the guarantee shall automatically terminate on the date of the meeting of the Unit Owners at which transfer of control of the Association to Unit Owners other than the Developer occurs. Cash funding requirements during the guarantee. The cash payments required from the Developer during the guarantee period shall be determined as follows:

(a) If at any time during the guarantee period the funds collected from the Unit Owner assessments at the guaranteed level are not sufficient to provide payment, on a timely basis, of all common expenses, including the fill funding of the reserves unless properly waived, the Developer shall advance sufficient cash to the association at the time such payments are due; and (b) No revenues or capital contributions other than regular periodic assessments, and cash payments by the Developer as provided in sub-paragraph (a) of this rule, may be utilized for the payment of common expenses during the guarantee period. This restriction includes items such as interest revenues, vending revenues, laundry revenues, other non-assessment revenue, and capital contributions.

The Developer's total financial obligation to the association at the end of the guarantee period shall be determined on the accrual basis using the following formula:

(a) The Developer shall fund the total common expenses incurred during the guarantee period; less (b) The total regular periodic assessments earned by the association from the Unit Owners other than the Developer during the guarantee period regardless of whether the actual level charged was less than the maximum guaranteed amount.

VII. ASSESSMENTS AND COLLECTION

7.1 Assessments, Generally. Assessments shall be made against the Units not less frequently than quarterly in the discretion of the Board of Directors. The assessments shall be made in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. The assessment funds shall be collected against Units in the proportions or percentages provided in the Declaration.

7.2 Special Assessments. The specific purpose or purposes of any special assessment, including emergency assessments, that cannot be paid from the annual assessment for common expenses, as determined by the Board of Directors, shall be set forth in a written notice of the assessment sent or delivered to each Unit Owner. The notice shall be sent or delivered within the time before the payment or initial payment thereunder shall be due, as may be reasonable or practicable in the circumstances. Special assessments shall be paid at the times and in the manner that the Board may require in the notice of the assessment. The funds collected under a special assessment shall be used only for the specific purpose or purposes set forth in the notice, or returned to the Unit Owners. Excess funds may be used to reduce the next year's annual assessments. On completion of the specific purpose or purposes, however, any excess funds shall be considered common surplus.

7.3 Charges for Other than Common Expenses. Charges by the Association against individual members for other than common expenses shall be payable in advance and the billing and collection thereof may be administered by the Association. Charges for other than common expenses may be made only after approval of a member or when expressly provided for in the Declaration or other Condominium documents. These charges may include, without limitation, charges for the use of the Condominium property or recreation area, maintenance services furnished at the expense of a member, and other services furnished for the benefit of a member.

7.4 Liability for Assessments. Each Unit Owner, regardless of how his or her title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments that come due while he or she is the Unit Owner. Each Unit Owner is jointly and severally liable with the previous owner of the Unit for all unpaid assessments that came due up to the time of transfer of title. A first mortgagee or its successor or assignee who acquires title to a unit by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due before the mortgagee's acquisition of title is limited to the lesser of:

- a. the unit's unpaid common expenses and regular periodic assessments that accrued or came due during the six months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or
- b. one percent of the original mortgage debt.

The provisions of this paragraph shall not apply unless the first mortgagee joined the Association as a defendant in the foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a

location that was known to or reasonably discoverable by the mortgagee.

A Unit Owner's liability for assessments may not be avoided by waiver of the use or enjoyment of any common element or by abandonment of the unit for which the assessments are made.

7.5 Assessments; Amended Budget. If the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the year for which an amended assessment is made shall be payable in as many equal installments as there are installment payment dates remaining in the budget year as of the date of the amended assessment. The budget shall not be amended for emergency or special nonrecurring expenses.

7.6 Collection: Interest, Administrative Late Fees, Application of Payment. Assessments and installments on them, if not paid within 10 days after the date they become due, shall bear interest at the rate of 18% per year until paid. The Association may charge an administrative late fee not to exceed the greater of \$25.00 or 5% of each installment of the assessment for each delinquent installment that the payment is late. All assessment payments shall be applied first to any interest then to any administrative late fee, then to any cost, reasonable attorneys fees incurred in collection, and then to the delinquent assessment payment due.

7.7 Lien for Assessment. The Association has a continuing lien on each Condominium parcel to secure the payment of assessments. The lien is effective for one year after the claim of lien is recorded in the Public Records of Lake County unless, within that time, an action to enforce the lien is commenced. The claim of lien shall secure all unpaid assessments that are due and that may accrue after the recording of the claim of lien and before the entry of a certificate of title, as well as interest and all reasonable costs and attorney's fees incurred by the Association incident to the collection process.

7.8 Collection: Suit, Notice. The Association may bring an action to foreclose any lien for assessments in the manner that a mortgage of real property is foreclosed. It also may bring an action to recover a money judgment for the unpaid assessment without waiving any claim of lien. The Association shall give notice to the Unit Owner of its intention to foreclose its lien at least 30 days before the foreclosure action is filed. The notice shall be given by delivery of a copy of it to the Unit Owner or by certified or registered mail, return receipt requested, addressed to the Unit Owner at the last known address.

7.9 Fines. Before levying a fine under Section 4.22 of these Bylaws, the Board of Directors shall afford an opportunity for hearing to the party against whom the fine is sought to be levied, after reasonable notice of not less than 14 days. Said hearing shall be before a committee of Unit Owners other than the Board. The notice shall include:

- a. a statement of the date, time and place of the hearing;
- b. a statement of the provisions of the Declaration, these Bylaws, and lawfully adopted rules and regulations that have allegedly been violated; and
- c. a short and plain statement of the matters asserted by the Association.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved to the Board of Directors and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. Each day of violation shall be a separate violation. The affected Unit Owner, whether the offending party or not, shall be given notice of the hearing. No fine shall become a lien against a Unit. No fines may be levied against unoccupied Units. No fine shall exceed \$100 per violation.

VIII. ASSOCIATION CONTRACTS, GENERALLY

8.1 Fair and Reasonable; Cancellation. Any contracts made by the Association before the Unit Owners assume control from the Developer shall be fair and reasonable. All contracts for the operation, maintenance, or management of the Association or property serving the Unit Owners, made by the Association, whether before or after assumption of control of the Association by the Unit Owners, shall not be in conflict with the powers and duties of the Association or the rights of the Unit Owners. Contracts made by the Association before the Unit Owners assume control may be canceled by the Unit Owners after assumption of control in the manner and under the circumstances as provided in the Act.

8.2 Escalation Clauses in Management Contracts Prohibited. No management contract entered into by the Association shall contain an escalation clause, since such have been declared to be against the public policy of the state of Florida.

8.3 Requirements for Maintenance and Management Contracts. Written contracts for operation, maintenance, and management entered into by the Association shall contain certain elements in order to be valid and enforceable. These include, but are not limited to:

- a. Specification of the services, obligations, and responsibilities of the service provider.
- b. Specification of costs for services performed.
- c. An indication of frequency of performance of services.
- d. Specification of minimum number of personnel to provide the contracted services.
- e. The disclosure of any financial or ownership interest that the Developer has in the service provider, if the Developer is in control of the Association.

IX. ASSOCIATION OFFICIAL RECORDS

9.1 The Association, from its inception, shall maintain each of the following items when applicable and to the extent such is required by the Act, which items shall constitute the official records of the Association (“Official Records”):

- a. A copy of the plans, permits, warranties, and other items provided by the Developer under F.S. 718.301(4).
- b. A photocopy of the recorded Declaration of each Condominium operated by the Association and all amendments thereto.
- c. A photocopy of the recorded Bylaws of the Association and all amendments thereto.
- d. A certified copy of the Articles of Incorporation of the Association and all amendments thereto.
- e. A copy of the current rules of the Association.
- f. A book or books containing the minutes of all meetings of the Association, of the Board of Directors, and of Unit Owners, which minutes shall be retained for a period of not less than seven years.
- g. A current roster of all Unit Owners, their mailing addresses, Unit identifications, voting certifications, and, if known, telephone numbers. Additionally, the Association may require a copy of the deed or other instrument showing each Unit's ownership, together with a copy of any mortgage on the Unit and any satisfaction of that mortgage.
- h. All current insurance policies of the Association and Condominiums operated by the Association.
- i. 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 Unit Owners have an obligation or responsibility.

j. Bills of sale or transfer for all property owned by the Association.

k. The accounting records and reports of the Association as set forth in Section 6.7 of these

Bylaws.

l. Ballots, sign-in sheets, and voting proxies, which shall be maintained for a period of one year from the date of the election, vote, or meeting to which the proxy relates.

m. All rental records when the Association is acting as agent for the rental of Condominium Units.

n. A copy of the current Frequently Asked Questions and Answers Sheet in a form adopted by the Division of Florida Land Sales, Condominiums, and Mobile Homes.

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

The Official Records of the Association shall be maintained within the state of Florida and shall be open to inspection by any Association member or the authorized representative of the 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 shall provide the records within 10 working days after receipt of a written request. The Association shall not be obligated to send copies of Official Records to the requesting Association member. To the extent same is required by the Act, copies of the Declaration, Articles of Incorporation, Bylaws, rules, and all amendments to each of the foregoing, as well as the Frequently Asked Question and Answer Sheet provided for in F.S. 718.504, shall

be kept on the Condominium property and be made available to Unit Owners and prospective purchasers on payment by Unit Owners and prospective purchasers of the actual costs for preparing and furnishing these documents to those requesting the same. The Association shall also maintain copies of the year-end financial information required to be provided by F.S. 718.111 (12)(c).

X. OBLIGATIONS OF OWNERS

10.1 Violations, Notice, Actions. In the case of a violation (other than the nonpayment of an assessment) by a Unit Owner of any of the provisions of the Act, the Declaration, the Articles, these Bylaws, or any lawfully adopted rules and regulations, the Association by direction of its Board of Directors may transmit to the Unit Owner by certified mail, return receipt requested, a notice of the violation. If the violation shall continue for a period of 30 days from the date of the notice, the Association shall have the right to treat the violation as an intentional and material breach of the provision cited in the notice. It then, at its option, may take the following actions:

a. File an action to recover for its damages on behalf of the Association or on behalf of other Unit Owners.

b. File an action for injunctive relief requiring the offending Unit Owner to cease or desist from taking certain actions or to take such actions as are required to be taken to come into compliance or correct the violation.

c. File an action for both damages and injunctive relief.

The foregoing action may be taken in addition to the Association's right to impose fines under Section 4.22 of these Bylaws.

A Unit Owner may bring an action against the Association or any Director for damages, injunctive relief, or both, if the Association or a Director willfully and knowingly fails to comply with the provisions of the Act, the Declaration, the Articles, these Bylaws, or the rules and regulations.

10.2 Attorneys' Fees. In any action brought under the provisions of Section 10.1 of these Bylaws, the prevailing party is entitled to recover costs and reasonable attorneys' fees and paralegal fees, whether suit is brought or not and at all levels of any litigation, including any appeals.

10.3 No Waiver of Rights. Neither a Unit Owner nor the Association may waive a provision of the Act if that waiver would adversely affect the rights of a Unit Owner or the purposes of the provision, except that Unit Owners or Board members may waive notice of specific meetings in writing.

XI. ARBITRATION OF INTERNAL DISPUTES

All issues or disputes that are recognized by the Act or by administrative rules promulgated under the Act as being required for mediation or arbitration shall be resolved through the alternative dispute resolution procedures instead of civil litigation. Any issues or disputes that are so recognized as being appropriate, but not required, for mediation or arbitration may be, but are not required to be, resolved through said alternative dispute resolution procedures, or same may be resolved or enforced through civil litigation.

XII. LIABILITY SURVIVES MEMBERSHIP TERMINATION

Termination of membership in the Association shall not relieve or release a former member from any liability or obligation incurred with respect to the Condominium during the period of membership nor

impair any rights or remedies that the Association may have against the former member arising out of membership and his or her covenants and obligations incident to that membership.

XIII. LIMITATIONS ON UNIT OWNER LIABILITY FOR USE OF COMMON ELEMENTS

Each Unit Owner may be personally liable for the acts or omissions of the Association relating to the use of the Common Elements. That liability shall be shared with other Unit Owners in the same percentages as their respective interests in the Common Elements. No individual Unit Owner's liability shall exceed the value of his or her Unit.

XIV. PARLIAMENTARY RULES

Unless suspended or other rules are approved by the body so meeting, ROBERT'S RULES OF ORDER (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Act, the Declaration, the Articles, or these Bylaws.

XV. RULES AND REGULATIONS

15.1 Board May Adopt. The Board of Directors from time to time may adopt and amend reasonable rules and regulations governing the details of the use and operation of the Common Elements, Association property, and recreational facilities serving the Condominium.

15.2 Posting and Furnishing Copies. A copy of the rules and regulations adopted from time to time by the Board of Directors, and any amendments to existing rules and regulations, shall be posted in a conspicuous place on the Condominium property and a copy furnished to each Unit Owner. No rule,

regulation, or amendment shall become effective until 30 days after posting, except in the case of an emergency, in which case the rule, regulation, or amendment shall become effective immediately on posting.

15.3 Reasonableness Test. Any rule or regulation created and imposed by the Board of Directors must be reasonably related to the promotion of the health, happiness, and peace of mind of the Unit Owners and uniformly applied and enforced.

XVI. RESTRICTIONS ON AND REQUIREMENTS FOR USE, MAINTENANCE, AND APPEARANCE OF UNITS

16.1 Where Contained. Restrictions on the use, maintenance, and appearance of the individual Condominium Units shall be as stated in the Declaration and in the Rules and Regulations and amendments to the Declaration shall only be adopted pursuant to the amendment provisions set forth in Declaration.

16.2 Tests for Validity of Restrictions. Restrictions contained in the Declaration and any amendments duly adopted by a vote of the Unit Owners shall be valid and in the nature of covenants running with the land, unless it is shown that such (1) are wholly arbitrary in their application; (2) are in violation of public policy; or (3) abrogate some fundamental constitutional right.

XVII. PRIORITIES IN CASE OF CONFLICT

17.1 In the event of conflict between or among the provisions of any of the following, the order of priorities shall be, from highest priority to lowest:

- a. The Act, as it existed on the date of recording the Declaration.
- b. The Declaration.

- c. The Articles.
- d. These Bylaws.
- e. The rules and regulations.

XVIII. INDEMNIFICATION

Every Officer and Director of the Association shall be indemnified by the Association against all expenses and liabilities, including reasonable attorneys' fees incurred and imposed in connection with any proceedings to which he or she may be a party, or in which he or she may become involved by reason of being or having been an Officer or Director of the Association, whether or not an Officer or Director at the time the expenses are incurred. The Officer or Director shall not be indemnified if adjudged guilty of gross negligence or willful misconduct or if he or she shall have breached the fiduciary duty to the members of the Association. The Association shall not be 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.

XIX. DEFECTIVE CONDOMINIUM DOCUMENTS; CURATIVE PROVISIONS

Under F.S. 718.110(10), the Association or a Unit Owner may petition the circuit court having jurisdiction in the county in which the Condominium property is situated to correct an error or omission in the Declaration or any other documents required to establish the Condominium, affecting its valid existence, and which errors or omissions are not correctable by the amendment procedures in the Declaration or the Act. In any case, after three years from the filing of the Declaration, it shall be deemed to be effective under

the Act to create a Condominium, whether in fact it substantially complies with the mandatory requirements of the Act or not.

XX. AMENDMENTS

20.1 Amendments to these Bylaws shall be proposed and adopted in the following manner:

- a. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.
- b. Adoption. An amendment may be proposed either by a majority of the Board of Directors or by not less than one-third of the voting interests of the Association. The amendment shall be adopted if it is approved by not less than two thirds of the voting interests of the Association.
- c. Limitation. No amendment shall be made that is in conflict with the Act or the Declaration, nor shall any amendment abridge, alter, or amend the rights of the Developer or mortgagees of Units without their consent.
- d. Recording. A copy of each amendment shall be attached to or included in a certificate certifying that the amendment was duly adopted as an amendment of the Bylaws. The certificate, which shall identify the first page of the book and page of the public records where the Declaration of each Condominium operated by the Association is recorded, shall be executed by the President or Vice President and attested by the Secretary or Assistant Secretary 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 Lake County.

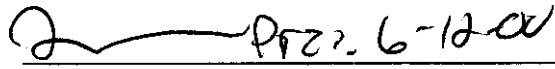
- e. Format. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended. New words shall be underlined and words to be deleted shall be lined through with hyphens. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying "SUBSTANTIAL REWORDING OF BYLAW. SEE BYLAW NUMBER..... FOR PRESENT TEXT."
- f. Developer Rights. No amendment of these Bylaws may be adopted which effects the rights of Developer unless Developer joins in and consents to such amendment.

XXI. CONSTRUCTION

Whenever the context permits or requires, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

The foregoing were adopted as the Bylaws of **CHATEAU CONDOMINIUMS AT MAGNOLIA POINTE CONDOMINIUM ASSOCIATION, INC.**, on

June 12, 1999, ²⁰⁰⁰



**CHATEAU CONDOMINIUMS AT
MAGNOLIA POINTE CONDOMINIUM
ASSOCIATION, INC.**

ATTEST:

EXHIBIT "F"
**UNIT OWNERS SHARES OF COMMON ELEMENTS,
COMMON SURPLUS AND COMMON EXPENSES**

Each unit shall have an equal, undivided share in the common elements, common expenses and common surplus which shall be adjusted as new phases are added to the condominium. For example, if the condominium consists only of Phase I which consists of 12 units, each unit owner shall have a one-twelfth interest in the common elements, common expenses and common surplus. Upon a second phase also consisting of 12 units being added, the Condominium will, at that point, consist of 24 units and each unit shall have a one-twenty-fourth interest in common elements, common expenses and common surplus.

Secretary

By: _____
Its: President

F:\Clients - Developer\Magnolia Pointe Development, Inc\General\Condominium Filing
Docs\New Docs as of 11-24-99\Bylaws - Chateau Condominiums at Magnolia
Pointe-2.wpd

EXHIBIT "E"

**RULES AND REGULATIONS
OF
CHATEAU CONDOMINIUMS AT MAGNOLIA POINTE
CONDOMINIUM ASSOCIATION, INC.**

**RULES AND REGULATIONS
OF
CHATEAU CONDOMINIUMS AT MAGNOLIA POINTE
CONDOMINIUM ASSOCIATION, INC.**

In addition to the provisions of the Bylaws of CHATEAU CONDOMINIUMS AT MAGNOLIA POINTE CONDOMINIUM ASSOCIATION, INC. (hereinafter referred to as "Association") and the Declaration of Condominium, the following Rules and Regulations, together with such additional rules and regulations as hereafter may be adopted by the Board of Administration ("Board of Directors") of the Association, shall govern the use of all units located in CHATEAU CONDOMINIUMS AT MAGNOLIA POINTE CONDOMINIUM ASSOCIATION, INC., and the conduct of all residents thereof whether the same are unit owners, approved lessees or the guests of unit owners and lessees.

1. Residential Purposes Only

Each unit on the condominium property shall be used only for residential purposes and as a single-family private dwelling for the unit owner, members of his family, approved tenants and social guests and for no other purposes.

- (a) Family. For purposes of Section 4.14 of the Declaration of Condominium, the term "family" shall mean and be defined as one natural person or a group of two or more natural persons, each of whom is related to each of the others by blood, marriage, or adoption (exclusive of household servants); or not more than two adult persons not so related, who reside together as a single not-for-profit housekeeping unit.

(b) Use and Occupancy of Units.

(1) Due to the restrictions as contained in the Declaration of Condominium relating to single-family use and occupancy of units, unit owners, whether present or not, shall be allowed to have the following persons occupy the unit; husband and/or wife; children; grandchildren; all with written permission of the Association, which shall not be unreasonably withheld.

(2) In the absence of the unit owner, guests may occupy the unit with the prior written consent of the Association. Such visits are limited to a two (2) week period, twice in any calendar year.

2. Insurance Provisions

Unit owners shall not permit or suffer anything to be done or kept in their units which will increase the rate of insurance or the insurance premiums on the condominium property.

3. Nuisance

Unit owners shall not permit or suffer any unreasonable noise, disturbance or nuisance whatsoever on the condominium property which will obstruct or interfere with the rights of other unit owners; nor shall the unit owners commit or permit any nuisance, immoral or illegal act in or about the condominium property.

4. Compliance With Laws

Unit owners shall comply with all laws, orders and regulations of federal, state, county, municipal and other governmental authorities, and with the directions of any public officer pursuant to law, which shall impose any violation, order or duty upon the unit owners with respect to the condominium property or the use or occupancy thereof.

5. Legal Use Requirements

The use of the units shall be consistent and in compliance with existing laws, the provisions of the Declaration of Condominium, the Articles of Incorporation, the Bylaws, and these Rules and Regulations.

6. Manager

The management of the condominium property shall be under the direct supervision of the Board of Directors or a manager contracted with for the purpose of managing the condominium project by the Association. The Board of Directors or manager are hereinafter collectively referred to as "Manager." It shall be the Manager's responsibility to provide for the maintenance of the buildings and grounds located on the condominium property as well as to enforce these Rules and Regulations. No resident shall direct, supervise or in any manner attempt to assert control or authority over any employee of the condominium association. The Manager and his designated representatives shall have access to all units for maintenance, repairs and replacement, as necessary, of any common elements and to otherwise prevent any damage to the common elements or other units.

In all instances where a unit owner or approved lessee has tendered the keys to a particular unit

to another person, it is incumbent upon the unit owner or approved tenant to provide the Manager or, in his absence, his authorized representative with the name, telephone number and apartment number of such person.

In the event of an emergency whereupon, in the judgment of the Manager or his authorized representative, it becomes necessary to forcibly enter a unit of the condominium property, the cost of any damage incurred in said property shall be borne by the particular unit owner where said damage took place.

7. Complaints and Grievances

Any and all complaints and grievances should be directed, in writing, to the Manager.

8. Obstruction of Common Elements

Common elements shall not be obstructed, littered, defaced or misused in any manner whatsoever.

9. Structural Changes

No structural changes or alterations shall be made in any unit, except upon the written approval of the Board of Directors and the written approval of the institutional first mortgagee of the first mortgage, if any, encumbering said unit.

10. Advertisement Displays

No unit owner or occupant of a unit shall display any advertisement or posters of any kind, in or on the condominium unit or the condominium property except upon written approval of the Board of Directors.

11. Noise

Owners and occupants of units shall exercise extreme care to regulate the use and occupancy of their units and to minimize noises in the use of musical instruments, radios, television sets, amplifiers or other loudspeaker devices in said units so as not to disturb the other persons occupying units within the condominium property. None of these devices shall be operated between the hours of 11:00 p.m. and the following 8:00 a.m. if the same shall disturb or annoy other occupants of the condominium property.

12. Installation of Over-the-Air Reception Devices

INSTALLATION OF OVER-THE-AIR RECEPTION DEVICES

1. The United States Federal Communications Commission, pursuant to the Federal Telecommunications Reform Act of 1996, has promulgated certain regulations regarding Over-the-Air Reception Devices (OTARDs), under Title 47 of the United States Code of Federal Regulations, § 1.4000. OTARDs include satellite dishes, wireless cable antennas, and television broadcast signal antennas. These Regulations preclude the Association from imposing certain restrictions upon the ~~Let~~ Unit Owner to erect or maintain OTARDs. However, the Board of Directors is authorized to issue Rules and Regulations, by a majority vote, regulating such

OTARDs, providing such Board adopted rule and Regulation is not inconsistent with any Federal or State Law or Regulation.

2. No ~~Lot~~ Unit Owner may erect an OTARD on any common property.
3. No ~~Lot~~ Unit Owner may erect an OTARD more than twelve (12) feet in height without obtaining the approval of the appropriate local building department confirming that such OTARD is erected in a safe manner.
4. No Unit Owner may erect a satellite dish that exceeds one meter in diameter on any Unit.
5. It is the intent of this provision that the Board of Directors retains the authority to issue further regulations of OTARDs in the event and to the extent that the Association's ability to regulate such OTARDs is challenged or increased by further actions of the United States Congress or the Federal Communications Commission.

13. Use of Balcony

No owner or occupant of a unit shall use the terrace or balcony of a unit for the drying of laundry or the airing of bedding, or in such other manner as shall alter the exterior appearance of said terrace or balcony.

14. Maintenance of Units

Each unit owner and the occupants of a unit shall maintain his unit in good condition and repair, including, but not limited to, all interior surfaces within or surrounding said unit (such as the surfaces of the walls, ceilings, floors), whether part of the unit or the common elements, shall maintain and repair the fixtures therein and shall pay for the costs of all utilities as are separately metered to his unit. Expenses of maintenance and repair relating to the interior surfaces of the terraces and balconies of the units shall be borne by and assessed against the individual unit owner.

15. Pets

Only unit owners may keep pets in a unit. A unit owner may keep not more than 3 pets at one time - 2 of which may be dogs. Pets shall be kept under control at all times and will not be permitted to cause any unnecessary noise or disturbance. Tenants and guests shall not be permitted to have pets.

Notwithstanding the above paragraph, all pets must be registered with the Association. Prior to any unit owner keeping a pet within the condominium property, a majority of the Board of Directors must approve each particular pet, in writing. The right to keep said pets by any unit owner may be revoked at any time by the decision of a majority of the Board of Directors in the exercise of their sole judgment and discretion; and upon such revocation, the unit owner shall forthwith remove the pet from the unit. The unit owner will have no recourse against the members of the Association or the Board of Directors for any decision made regarding the removal of pets from the unit.

During such time when a pet is housed in a unit, the unit owner will be required to indemnify and

hold the Association harmless against any and all claims, liabilities, demands, debts, obligations, costs and expenses which may be sustained by or asserted against the Association and the members of its Board of Directors by reason of acts of said pets committed in or about the condominium property, and the unit owner shall also be responsible for the repair of all damage resulting from acts of said pet.

16. Trash Areas

Trash areas must be kept clean at all times. In addition, trash must be securely wrapped and/or bagged, and it is suggested that plastic disposal bags be used for this purpose, thus eliminating odors and damage.

17. Parking

Residents with one or two cars must park their cars and other motor vehicles only in their garages and their garage doors must remain down when their cars are parked. Unit Owners with three or more cars may park one vehicle overnight in their driveways, but not in a manner that would obstruct other owners from access to and from their units.

All parking spaces outside the garages may be used by the Unit Owners, their guests and invitees subject to rules and regulations promulgated by the Association.

No boat trailers, or other trailers, trucks, vans, campers, mobile homes and commercial vehicles, other than private passenger cars, may be parked upon the condominium property. Vehicles necessary to the maintenance and management of the condominium by the Association are exempted from the provisions contained herein.

Illegally parked cars may be towed away at the owner's risk and expense. Compliance with designated speed limits will be strictly enforced.

18. Children

Children will be the direct responsibility of their parents or legal guardians, including full supervision of them while within the condominium property and including full compliance by them with these Rules and Regulations - and all other provisions of the Declaration and Bylaws of the Association. No playing shall be permitted in any of the hallways, stairways, elevators or clubhouse, and loud noises will not be tolerated.

19. Specific Rules and Regulations Regarding Sale or Lease of Units

Although detailed rules have been outlined in the Declaration regarding sale or lease of units, several specific Rules and Regulations are also provided for herein, viz.:

- (a) No unit owner may sell or lease his apartment without first giving written notice to the Board of Directors of the Association and without first obtaining the written approval of a majority of the Board of Directors.
- (b) Lease of a unit shall not release or discharge the owner of the unit from compliance with any and all of his obligations, duties and responsibilities as a unit owner and a member of the Association.
- (c) Notice is hereby given that, if any unit owner contemplates selling or leasing his unit, it is necessary that he obtain a confidential information form from the Board of Directors. This form must be filled out in every detail by the prospective

purchaser or tenant, giving all the information requested. After completion, this form must then be sent to the attention of the Board of Directors for processing, together with a check for the established fee. All applicants for purchase or rental of a unit are may be required to appear before a screening board. If the application is denied, no reason need be given to the applicant, and no return of the processing fee need be made.

- (d) In the event of an approved sale of a unit, the corporation will issue a Certificate of Approval, in recordable form. Prospective tenants must also be approved by the Board of Directors, prior to occupancy.
- (e) Before issuing the Certificate of Approval or approving a tenant, the Board of Directors may request an interview with the prospective buyer or tenant of a unit.
- (f) To defray the cost of investigation, processing of forms and recording, an assessment of \$50 will be made against the seller of a unit, payable to the Association. An assessment of \$50 will be made against an owner wishing to lease his unit in accordance with the provisions of the Declaration of Condominium. The term of lease must be a minimum of 12-months in length. No tenant is permitted to sublet.
- (g) Tenants of any unit shall not be permitted to have pets of any kind.
- (h) All provisions of the Declaration of Condominium, as amended, the Articles of Incorporation, as amended, Bylaws, as amended, and the Rules and Regulations of the Association pertaining to the use and occupancy of the condominium shall

be applicable and enforceable against any and all persons occupying a unit as a tenant to the same extent and effect as against the unit owners.

20. Specific Rules and Regulations Regarding Assessments and Fines

- (a) Maintenance and assessment payments are due on the first of every month, payable in advance, to the Association. No statement shall be sent, as this would incur an unnecessary expense of the Association. In addition, fines and assessments may be levied by the Board of Directors for violations of any of the Rules and Regulations contained herein, or adopted from time to time by the Board of Directors.
- (b) The Association shall have a lien against each condominium parcel for any unpaid maintenance and assessment charges provided same are not paid by the 10th day of the particular month in which said payments are due. All such liens may be foreclosed by suit filed in the name of the Association.

21. General Rules and Regulations

- (a) Unit doors are the responsibility of the unit owner and must be kept clean at all times.
- (b) Fire regulations do not permit open fires in Units except when fires are contained in fireplaces.
- (c) Arrangements must be made to permit the exterminator service employee to enter

each unit when such service is required.

- (d) Cigarette receptacles shall not be used for trash items.
- (e) Children are not permitted to play or ride bicycles in any portions of the parking area, for their own safety. Children's toys are to be stored within units and not in parking areas.
- (f) All storm shutters or other allowable enclosures of any balcony and window shall be of such a material, design and color which is in keeping with the architectural design, integrity and color coordination of the exterior of the condominium buildings, and shall be approved by the Board of Directors.
- (g) Unit owners shall not permit rubbish, refuse or garbage to accumulate in the vicinity of the units, nor permit any fire hazard to exist.
- (h) Unit owners, tenants and their guests shall not at any time enter upon the roof of the building.
- (i) Unit owners shall be responsible for the acts and conduct of their guests and tenants. Owners shall advise such guests and tenants of these Rules and Regulations and shall require them to comply herewith.
- (j) The Manager shall have access to a unit owner's unit in case of an emergency. Lacking this access, any forcible entry made to cope with an emergency shall be the responsibility of the unit owner.
- (k) In case of emergency originating in or threatening any unit regardless of whether or not the unit owner is present, the Manager shall have the right to enter such Unit

to remedy such emergency. Such right of entry shall be immediate.

- (l) Any complaints, comments or suggestions as to the operation or maintenance of the common areas and/or building should be in writing and given to the Manager and they must be signed by the owner.
- (m) No unit owner or occupant is authorized to reprimand or give orders to any other unit owner, guest, tenant or employee of the condominium.
- (n) Complaints concerning misconduct, poor decorum or infractions of the regulations should be reported to the Manager.
- (o) No individual member of the Board of Directors is empowered to receive complaints or interpret or enforce provisions of the regulations.
- (p) No additions to, changes in, or deletions from the landscaping and structure of this development may be made without prior approval from the Board of Directors.
- (q) The sidewalk entrances, passages, elevators, if applicable, vestibules, stairways, corridors, halls, and all of the common elements must not be obstructed by shopping carts, chairs, benches, tables or any other object of a similar type nature, or encumbered or used for any purposes other than ingress and egress.
- (r) The personal property of all unit owners shall be stored within their condominium units, or where applicable, in assigned storage space.
- (s) No garbage cans, supplies, milk bottles or other articles shall be placed in the common elements, nor shall any linens, cloths, clothing, including bathing suits and towels, curtains, rugs, mops or laundry of any kind or other articles, be shaken or

hung from any of the windows, doors, terrace or balconies or exposed on any part of the common elements. Fire exits shall not be obstructed in any manner, and the common elements shall be kept free and clear of rubbish, debris and other unsightly material.

- (t) Refuse and bagged garbage shall be deposited only in the area provided therefor.
- (u) No unit owner or lessee shall direct, supervise or in any manner attempt to assert any control over the employees of the Manager or the Association.
- (v) No inflammable, combustible or explosive fluid, chemical or substance, shall be kept in any unit or within the limited common elements assigned thereto or storage areas, except such as are required for normal household use.
- (w) Each unit owner who plans to be absent from his unit during the hurricane seasons must prepare his unit prior to his departure by:
 - (vi) Removing all furniture, plants and other objects from his balcony; and
 - (ii) Designating a responsible firm or individual, if other than the Manager, to care for his unit should the unit suffer hurricane damage, and furnishing the Manager with the name of such firm or individual. Such firm or individual shall contact the Manager for clearance to install or remove hurricane shutters, and such party shall be subject to the approval of the Manager.
- (x) The Board of Directors, reserves the right to make additional Rules and Regulations as may be required from time to time without consent of the Association and its members. These additional Rules and Regulations shall be as

binding as all other Rules and Regulations previously adopted.

- (y) Rules and Regulations as to the use of the recreation facilities and recreation area shall be promulgated and posted as required. Each unit owner and tenant shall observe all Rules and Regulations.
- (z) Sunbathing, playing of any kind, and work of any kind, is not permitted on the roof or in any parking area.
- (aa) Unit owners and lessees are reminded that they are responsible for their actions, the actions of their children and their guests, and will be held responsible for any misbehavior or any damages to property or for failure to obey the Rules and Regulations.
- (bb) There shall be no soliciting anywhere in the complex for any reason, cause, charity or purpose whatsoever. A small notice on the bulletin board of the building, or on any community bulletin board at the recreation facility, if applicable, regarding the charity and a request that people contribute to the charity if they are interested in contributing is permitted.
- (cc) Use of the Recreation Facilities for religious purposes is expressly forbidden.
- (dd) Unit Owners may not park a vehicle weighing more than one (1) ton on their property. Commercial vehicles and recreational vehicles are prohibited. Boats and trailers owned by Unit Owners are permitted only if they are parked in the Unit Owner's garage and the garage door is kept closed.

22. Units Owned by Corporations

Due to the restriction on single-family use of units, units owned by corporations must designate a natural single family who will use and occupy the unit. This designation may be changed a maximum of once per calendar year. All designations shall be on forms promulgated by the Association, and subject to approval of the Association, which approval shall not be unreasonably withheld.

23. Compliance with Rules and Regulations

Each unit owner, tenant and guest of the unit owner shall comply with and abide by all the above Rules and Regulations and also those rules and regulations as may hereafter be adopted from time to time the Board of Directors. Notwithstanding any of the above Rules and Regulations, the Board of Directors has the authority, under special circumstances, and in its sole discretion, to grant exceptions to these Rules and Regulations, provided same are approved in writing by a majority of the Board of Directors. Additionally, the Board of Directors reserve the right to change or revoke the existing rules and make such additional rules and regulations from time to time, as in their discretion shall be deemed necessary or desirable for the safety and protection of the Condominium buildings or their occupants.