

**BY-LAWS
OF
SOMERSET AT ABACOA CONDOMINIUM ASSOCIATION, INC.**

A corporation not for profit organized under the laws of the State of Florida

1. **Identity.** These are the By-Laws of **SOMERSET AT ABACOA CONDOMINIUM ASSOCIATION, INC.**, a corporation not for profit incorporated under the laws of the State of Florida (the "Association"), and organized for the purpose of administering that certain condominium located in Palm Beach County, Florida, and known as Somerset at Abacoa, a Condominium (the "Condominium").
 - 1.1 **Principal Office.** The principal office of the Association shall be at 2600 North Military Trail, Suite 100. Boca Raton, Florida 33431, or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept in Palm Beach County, Florida, or at such other place as may be permitted by the Act from time to time.
 - 1.2 **Fiscal Year.** The fiscal year of the Association shall be the calendar year. However, the Board of Directors of the Association is expressly authorized, whenever it deems advisable, to change to a different fiscal year.
 - 1.3 **Seal.** The seal of the Association shall bear the name of the corporation, the word "Florida," the words "Corporation Not for Profit," and the year of incorporation.
2. **Definitions.** For convenience, these By-Laws shall be referred to as the "By-Laws" and the Articles of Incorporation of the Association as the "Articles." The other terms used in these By-Laws shall have the same definitions and meanings as those set forth in the Declaration for the Condominium, unless herein provided to the contrary, or unless the context otherwise requires.
3. **Members.**
 - 3.1 **Annual Meeting.** The annual meeting of the members shall be held on the date, at the place and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and, in no event, later than twelve (12) months after the last annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors and to transact any other business authorized to be transacted by the members, or as stated in the notice of the meeting sent to Unit Owners in advance thereof.
 - 3.2 **Special Meetings.** Special meetings of the members shall be held at such places as provided herein for annual meetings, and may be called by the President or by a majority of the Board of Directors of the Association, and must be called by the President or Secretary upon receipt of a written request from a majority of the members of the Association. The business conducted at a special meeting shall be

limited to that stated in the notice of the meeting. Special meetings may also be called by Unit Owners in the manner provided for in the Act, including, but not limited to, the following: (i) a special meeting of the Unit Owners for purposes of recalling a member or members of the Board of Directors, in accordance with Section 718.112(2) of the Act, may be called by 10% of the voting interests giving notice of the special meeting as required for a meeting of unit owners, and (ii) such special meeting as provided for in Section 9 of these By-Laws.

- 3.3 **Notice of Meeting; Waiver of Notice.** Notice of a meeting of members (annual or special), specifically incorporating an identification of agenda items, stating the time and place and purpose(s) for which the meeting is called, shall be given by the President or Secretary. A copy of the notice shall be posted at a conspicuous place on the Condominium Property at least fourteen (14) continuous days preceding the annual meeting. The notice of the annual meeting shall be sent by mail to each Unit Owner, unless the Unit Owner waives in writing the right to receive notice of the annual meeting by mail. The delivery or mailing shall be to the address of the member as it appears on the roster of members. The posting and mailing of the notice for either special or annual meetings shall be effected not less than fourteen (14) continuous days prior to the date of the meeting. Proof of posting shall be given by affidavit, and proof of mailing of the notice shall be given by affidavit or the retention of a post office certificate of mailing.

Notice of specific meetings may be waived before or after the meeting and the attendance of any member (or person authorized to vote for such member), either in person or by proxy, shall constitute such member's waiver of notice of such meeting, except when his (or his authorized representative'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.

An Officer of the Association, or the manager or other person providing notice of the meeting, shall provide an affidavit or postal service certificate of mailing, to be included in the official records of the Association, affirming that notices of the Association meeting were posted and mailed in accordance with this Section and Section 718.112(2)(d) of the Act, to each Unit Owner at the address last furnished to the Association. No other proof of notice of a meeting shall be required.

- 3.4 **Quorum.** A quorum at meetings of members shall be attained by the presence, either in person or by proxy, of persons entitled to cast in excess of 33-1/3% of the votes of the members entitled to vote at the subject meeting.

- 3.5 **Voting.**

(a) **Number of Votes.** Each Unit shall have the number of votes set forth in the Declaration. The vote of a Unit shall not be divisible.

(b) **Majority Vote.** The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been attained shall

be binding upon all Unit Owners for all purposes, except where otherwise provided by law, the Declaration, the Articles or these By-Laws. As used in these By-Laws, the Articles or the Declaration, the terms "majority of the Unit Owners" and "majority of the members" shall mean a majority of the votes entitled to be cast by the members and not a majority of the members themselves and shall further mean more than 50% of the then total authorized votes present in person or by proxy and voting at any meeting of the Unit Owners at which a quorum shall have been attained. Similarly, if some greater percentage of members is required herein or in the Declaration or Articles, it shall mean such greater percentage of the votes of members and not of the members themselves.

(c) Voting Member. If a Unit is owned by one person, that person's right to vote shall be established by the roster of members. If a Unit is owned by more than one person, those persons (including husbands and wives) shall decide among themselves as to who shall cast the vote of the Unit. In the event that those persons cannot so decide, no vote shall be cast. A person casting a vote for a Unit shall be presumed to have the authority to do so unless the President or the Board of Directors is otherwise notified. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by an appropriate Officer of the corporation and filed with the Secretary of the Association. Such person need not be a Unit Owner. Those certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote for a Unit may be revoked by any record owner of an undivided interest in the Unit. If a certificate designating the person entitled to cast the vote for a Unit for which such certificate is required is not on file or has been revoked, the vote attributable to such Unit shall not be considered in determining whether a quorum is present, nor for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such certificate is filed.

- 3.6 Proxies. Votes may be cast in person or by limited proxy. A proxy may be made by any person entitled to vote, but shall only be valid for the specific meeting for which originally given and any lawfully adjourned meetings thereof. All proxies must be filed with the Secretary before the appointed time of each meeting and such proxy shall be valid only for the particular meeting designated in the proxy and any lawfully adjourned meeting thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the person executing it. A proxy must be in writing, signed by the person authorized to cast the vote for the Unit (as above described), name the person(s) voting by proxy and the person authorized to vote for such person(s). Each proxy shall contain the date, time and place of the meeting for which it is given and, shall set forth the matters on which the proxy holder may vote and the manner in which the vote is to be cast. Holders of proxies need not be Unit Owners. No proxy shall be used in the election of Board members, either in general elections

or elections to fill vacancies caused by recall, resignation or otherwise except as may be otherwise provided by the Act.

3.7 **Adjourned Meetings.** If any proposed meeting cannot be organized because a quorum has not been attained, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Except as required above, proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reasons other than the new date of the meeting.

3.8 **Order of Business.** If a quorum has been attained, the order of business at annual members' meetings, and, if applicable, at other members' meetings, shall be:

- (a) Call to order by President;
- (b) Collect ballots not yet cast;
- (c) Appointment by the President of a chairman of the meeting (who need not be a member or a Director);
- (d) Appointment of inspectors of election;
- (e) Election of Directors;
- (f) Proof of notice of the meeting or waiver of notice;
- (g) Reading of minutes;
- (h) Reports of Officers;
- (i) Reports of committees;
- (j) Unfinished business;
- (k) New business;
- (l) Adjournment.

Such order may be waived in whole or in part by direction of the chairman.

3.9 **Minutes of Meetings.** The minutes of all meetings of Unit Owners shall be kept in a book available for inspection by Unit Owners or their authorized representatives and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

3.10 **Action Without a Meeting.** Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any annual or special meeting of members, or any action which may be taken at any annual or special meeting of

such members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members (or persons authorized to cast the vote of any such members as elsewhere herein set forth) having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of members at which a quorum of members (or authorized persons) entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent, notice must be given to members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

4. **Directors.**

4.1 **Membership.** The affairs of the Association shall be governed by a Board of not less than three (3) Directors, the exact number to be determined in the first instance in the Articles, and, thereafter, except as provided herein, from time to time upon majority vote of the membership; provided, however, that the number of Directors shall always be an odd number. During Developer control, Directors need not be Unit Owners; however, upon turnover, Directors shall be Unit Owners. Directors may not vote at Board meetings by proxy or by secret ballot. When Unit Owners other than Alta Commons Associates, L.L.C., a Delaware limited liability company, its successors or assigns (the “Developer”) own fifteen percent (15%) or more of the Units that will be operated ultimately by the Association, such Unit Owners, other than the Developer, shall be entitled to elect no less than one-third (1/3) of the members of the Board of Directors.

Such Unit Owners, other than the Developer, are entitled to elect not less than a majority of the members of the Board:

- (a) Three (3) years after fifty percent (50%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;
- (b) Three (3) months after ninety percent (90%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;
- (c) When all of the Units that will be operated ultimately by the Association 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;
- (d) 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; or
- (e) Seven (7) years after recordation of the Declaration.

Developer shall have the right to elect a majority of the Board until the first occurrence of any of the above events. Developer is entitled to elect at least one (1) Director as long as Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units in the Condominium. 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 members of the Board. The right reserved herein to Developer to elect and maintain Directors may be exercised by its successor(s) in interest.

4.2 **Election of Directors.** The election of Directors shall be conducted in the following manner:

- (a) Election of Directors shall be held at the annual meeting of members, except as provided herein to the contrary.
- (b) Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each Unit Owner entitled to vote, a first notice of the date of the election. Such first notice must contain the name and correct mailing address of the Secretary of the Association or person designated by the Secretary of the Association. Any Unit Owner or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the Secretary of the Association not less than forty (40) days before a scheduled election. Together with the written notice and agenda as set forth in Florida Statutes, Section 718.112(2)(d), the Association shall then mail or deliver a second notice of the election to all Unit Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8 and ½ inches by 11 inches which must be furnished by the candidate not less than thirty-five (35) days before the election, to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the Association. However, the Association has no liability for the contents of information sheets prepared by candidates. In order to reduce costs, the Association may print or duplicate the information sheets on both sides of the paper.
- (c) The election shall be by written ballot or voting machine, and by a plurality of the votes cast, each person being entitled to cast his vote for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting. There shall be no quorum requirement or minimum number of votes necessary for election of the Board of Directors; however, at least 20% of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors.

- (d) Notwithstanding the provisions of this paragraph 4.2, an election is not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the Board.

4.3 **Vacancies and Removal.**

- (a) Except as to vacancies resulting from removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors, provided that all vacancies in Directorships to which Directors were appointed by the Developer pursuant to the provisions of paragraph 4.16 hereof shall be filled by the Developer without the necessity of any meeting.
- (b) Any Director elected by the members (other than the Developer) may be removed from office, with or without cause, by concurrence of a majority of the votes of all the voting interests at a special meeting of members called for that purpose, which meeting may be called by 10% of the voting interests, giving notice of the meeting as required for a meeting of Unit Owners, and stating the purpose of the meeting, or by written agreement signed by a majority of the Owners of all Units other than the Developer.

If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall will be effective as provided herein. The Board shall duly notice and hold a Board meeting within five (5) full business days of the adjournment of the Unit Owner meeting to recall one or more Board members. At the meeting, the Board shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the Board within five (5) full business days any and all records and property of the Association in their possession, or shall proceed as set forth below regarding procedures where the Board has not certified the recall.

If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized by Chapter 48 of the Act and the Florida Rules of Civil Procedure. The Board of Directors shall duly notice and hold a meeting of the Board within five (5) full business days after receipt of the agreement in writing. At the meeting, the Board shall either certify the written agreement to recall a member or members of the Board, in which case such member or members shall be recalled effective immediately and shall turn over to the Board within five (5) full business days any and all records and property of the Association in their possession, or proceed as described below.

If the Board determines not to certify the written agreement to recall a member or members of the Board, or does not certify the recall by a vote

at a meeting, the Board shall, within five (5) full business days after the meeting, file with the Division a petition for arbitration pursuant to the procedures in Florida Statutes, Section 718.1255. For the purposes of this section, the Unit Owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the Board, the recall will be effective upon mailing of the final order of arbitration to the Association. If the Association fails to comply with the order of the arbitrator, the Division may take action pursuant to Florida Statutes, Section 718.501. Any member or members so recalled shall deliver to the Board any and all records of the Association in their possession within five (5) full business days of the effective date of the recall.

If the Board fails to duly notice and hold a Board meeting within five (5) full business days of service of an agreement in writing or within five (5) full business days of the adjournment of the Unit Owner recall meeting, the recall shall be deemed effective and the Board members so recalled shall immediately turn over to the Board any and all records and property of the Association.

If a vacancy occurs on the Board as a result of a recall and less than a majority of the Board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining Directors, notwithstanding any provision to the contrary contained in Section 4 herein. If vacancies occur on the Board as a result of a recall and a majority or more of the Board members are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the Division.

- (c) Anything to the contrary herein notwithstanding, until a majority of the Directors are elected by the members other than the Developer of the Condominium, neither the first Directors of the Association, nor any Directors replacing them, nor any Directors named by the Developer, shall be subject to removal by members other than the Developer. The first Directors and Directors replacing them may be removed and replaced by the Developer without the necessity of any meeting.
- (d) If the Association's failure to fill vacancies on the Board of Directors results in the inability to obtain a quorum of Directors in accordance with these By-Laws, any Owner may apply to the Circuit Court within whose jurisdiction the Condominium lies for the appointment of a receiver to manage the affairs of the Association. At least thirty (30) days prior to applying to the Circuit Court, the Unit Owner shall mail to the Association and post in a conspicuous place on the Condominium Property a notice describing the intended action and giving the Association an opportunity to fill the vacancy(ies) in accordance with these By-Laws. If, during such

time, the Association fails to fill the vacancy(ies), the Unit Owner may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs and attorneys' fees. The receiver shall have all powers and duties of a duly constituted Board of Directors, and shall serve until the Association fills the vacancy(ies) on the Board sufficient to constitute a quorum in accordance with these By-Laws.

- 4.4 **Term.** Except as provided herein to the contrary, the term of each Director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and has taken office, or until he is removed in the manner elsewhere provided. Notwithstanding the foregoing, any Director designated by the Developer shall serve at the pleasure of the Developer and may be removed and replaced by the Developer at any time.
- 4.5 **Organizational Meeting.** The organizational meeting of newly-elected or appointed Directors shall be held within ten (10) days of their election or appointment at such place and time as shall be fixed by the Directors at the meeting at which they were elected or appointed. The organizational meeting shall be noticed in the same manner as the regular meeting of the Board of Directors.
- 4.6 **Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings which specifically incorporates an identification of agenda items shall be given to each Director, personally or by mail, telephone or telegraph, and shall be transmitted at least forty-eight (48) hours prior to the meeting. Regular meetings of the Board of Directors shall be open to all Unit Owners and notice of such meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the Condominium Property at least forty-eight (48) continuous hours in advance for the attention of the members of the Association, except in the event of an emergency. Such meetings shall be open to all Unit Owners and Unit Owners shall have the right to speak with reference to all designated agenda items. The Board may adopt reasonable rules governing the frequency, duration and manner of Unit Owner statements. Unit Owners may tape record or videotape meetings of the Board in accordance with the rules of the Division. Directors may not vote by proxy or secret ballot at Board meetings. A vote or abstention of each Director present shall be recorded in the minutes.

A Director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless that Director votes against such action or abstains from voting in respect thereto, because of an asserted conflict of interest.

- 4.7 **Special Meetings.** Special meetings of the Directors may be called by the President, and must be called by the President or Secretary at the written request

of one-third (1/3) of the Directors. For so long as the Developer is in control of the Association, special meetings of the Directors may be called by the Developer. Notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than forty-eight (48) hours prior to the meeting. Special meetings of the Board of Directors shall be open to all Unit Owners, and notice of such meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the Condominium Property at least forty-eight (48) continuous hours in advance for the attention of the members of the Association except in the event of an emergency, and Unit Owners shall have a reasonable right to participate. The Board may adopt reasonable rules governing the frequency, duration and manner of Unit Owner statements. Unit Owners may tape record or videotape meetings of the Board in accordance with the rules of the Division. Directors may not vote by proxy or secret ballot at Board Meetings. A vote or abstention for each Director present shall be recorded in the Minutes.

Notwithstanding the foregoing, written notice of any meeting of the Board at which non-emergency special assessments, or at which amendment to rules regarding Unit use will be considered shall be mailed or delivered to the Unit Owners and posted conspicuously on the Condominium Property not less than fourteen (14) days prior to the meeting.

- 4.8 **Waiver of Notice.** Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said Director of notice. Attendance by any Director at a meeting, except when his 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, shall be deemed equivalent to the due receipt by said Director of notice.
- 4.9 **Quorum.** A quorum of Directors' meetings 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 specifically required by the Declaration, the Articles or these By-Laws.

Meetings of the Board of Directors and any committee thereof at which a quorum of the members of that committee are present shall be open to all Unit Owners. The right to attend such meetings includes the right to speak with reference to all designated agenda items; provided, however, the Association may adopt reasonable rules governing the frequency, duration and manner of Unit Owner statements. Unit Owners shall have the right to tape record or videotape the meetings of the Board of Directors, subject to reasonable rules adopted by the Division.

- 4.10 **Adjourned Meetings.** If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the

meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted.

- 4.11 **Joinder in Meeting by Approval or Disapproval of Minutes.** The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the approval or disapproval of that Director of the business conducted at the meeting, but such joinder by agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.
- 4.12 **Presiding Office.** The presiding Officer at the Directors' meetings shall be the President or, in his absence, the Vice President, and in his absence, the Directors present shall designate any of their number to preside.
- 4.13 **Order of Business.** If a quorum has been attained, the order of business at Directors' meetings shall be:
- (a) Election of Chairman;
 - (b) Roll Call;
 - (c) Proof of due notice of meeting;
 - (d) Reading and disposal of any unapproved minutes;
 - (e) Reports of Officers and committees;
 - (f) Election of Inspectors of Election;
 - (g) Election of Officers;
 - (h) Unfinished business;
 - (i) New Business;
 - (j) Adjournment.

Such order may be waived in whole or in part by direction of the presiding Officer.

- 4.14 **Minutes of Meetings.** The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Unit Owners, or their authorized representatives, and Board members at any reasonable time. The Association shall retain minutes of all meetings of the Board of Directors for a period of not less than seven (7) years.

- 4.15 **Executive Committee; Other Committees.** The Board of Directors may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Directors. Such Executive Committee shall have and may exercise all of the powers of the Board of Directors in management of the business and affairs of the Condominium during the period between the meetings of the Board of Directors insofar as may be permitted by law, except that the Executive Committee shall not have power to (a) determine the Common Expenses required for the affairs of the Condominium, (b) determine the Assessments payable by the Unit Owners to meet the Common Expenses of the Condominium, (c) adopt or amend any rules and regulations covering the details of the operation and use of the Condominium Property, or (d) exercise any of the powers set forth in paragraphs (f), (g), (h), (n) and (o) of Section 5 below.

The Board may by resolution also create other committees and appoint persons to such committees and vest in such committees such powers and responsibilities as the Board shall deem advisable. Such other committees shall have and may exercise all of the powers of the Board of Directors in management of the business and affairs of the Condominium during the period between the meetings of the Board of Directors insofar as may be permitted by law, except that such other committees shall not have power to (a) determine the Common Expenses required for the affairs of the Condominium, (b) determine the Assessments payable by the Unit Owners to meet the Common Expenses of the Condominium, (c) adopt or amend any rules and regulations covering the details of the operation and use of the Condominium Property, or (d) exercise any of the powers set forth in paragraphs (f), (g), (h), (n) and (o) of Section 5 below.

Meetings of any committee of the Board at which a quorum of the members of that committee are present shall be open to all Unit Owners. Written notice, which notice shall specifically incorporate an identification of agenda items, of all committee meetings shall be posted conspicuously on the Condominium Property at least forty-eight (48) continuous hours preceding the meeting, except in an emergency.

- 4.16 **Proviso.** Notwithstanding anything to the contrary contained in this Section 4 or otherwise, the Board shall consist of three Directors during the period that the Developer is entitled to appoint a majority of the Directors, as hereinafter provided. The Developer shall have the right to appoint all of the members of the Board of Directors until Unit Owners other than the Developer own 15% or more of the Units that will be operated ultimately by the Association. When Unit Owners other than the Developer own 15% or more of the Units that will be operated ultimately by the Association, the Unit Owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. Upon the election of such Director(s), the Developer shall forward to the Division of Land Sales, Condominiums and Mobile Homes the name and mailing address of the Director(s) elected. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors (a) three years after 50% of the Units that will be operated ultimately by

the Association have been conveyed to purchasers; (b) three months after 90% of the Units that will be operated ultimately by the Association have been conveyed to the purchasers; (c) when all of the Units that will be operated ultimately by the Association 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; (d) 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, or (e) seven (7) years after recordation of the Declaration of Condominium in the public records, whichever occurs first. The Developer is entitled (but not obligated) to elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least 5% of the Units in the Condominium that ultimately will be operated by the Association. 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 Owners except for purposes of reacquiring control of the Association or selecting the majority of members of the Board of Directors.

The Developer can voluntarily turn over control of the Association to Unit Owners other than the Developer prior to the dates specified herein, in its sole discretion, by causing all of its appointed Directors to resign, whereupon it shall be the affirmative obligation of Unit Owners other than the Developer to elect Directors and assume control of the Association. Provided at least seventy-five (75) days' notice of Developer's decision to cause its appointees to resign is given to Unit Owners, neither the Developer, nor such appointees, shall be liable in any manner in connection with such resignations even if the Unit Owners other than the Developer refuse or fail to assume control.

Within seventy-five (75) days after the Unit Owners other than the Developer are entitled to elect a member or members of the Board of Directors, or sooner if the Developer has elected to accelerate such event as aforesaid, the Association shall call, and give not less than sixty (60) days' notice of a meeting of the Unit Owners to elect such member or members of the Board of Directors. The election shall proceed as herein before provided for the election of Directors in paragraph 4.2 hereof. The meeting may be called and the notice given by any Unit Owner if the Association fails to do so.

At the time that 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 such Unit Owners shall accept control. At that time, Developer shall deliver to the Association all property of the Unit Owners and of the Association held or controlled by the Developer, including, but not limited to, the following items, if applicable:

- (a) The original or a photocopy of the recorded Declaration of Condominium, and all amendments thereto. If a photocopy is provided, the Developer

must certify by affidavit that it is a complete copy of the actual recorded Declaration.

- (b) A certified copy of the Articles of Incorporation of the Association.
- (c) A copy of the By-Laws of the Association.
- (d) The minute books, including all minutes, and other books and records of the Association.
- (e) Any rules and regulations which have been promulgated.
- (f) Resignations of resigning Officers and Board members who were appointed by the Developer.
- (g) Association funds or the control thereof.
- (h) All tangible personal property that is the property of the Association which is or was represented by the Developer to be part of the Common Elements or is ostensibly part of the Common Elements, and an inventory of such property.
- (i) A copy of the plans and specifications utilized in the construction or remodeling of Improvements and the supplying of equipment and for the construction and installation of all mechanical components serving the Improvements and the Condominium Property, with a certificate, in affidavit form, of the Developer or the Developer's agent or an architect or engineer authorized to practice in Florida, that such plans and specifications represent, to the best of his knowledge and belief, the actual plans and specifications utilized in the construction and improvement of the Condominium Property and for the construction and installation of the mechanical components serving the Improvements and the Condominium Property.
- (j) A list of the names and addresses, of which the Developer had knowledge at any time in the development of the Condominium, of all contractors, subcontractors, and suppliers utilized in the construction or remodeling of the Improvements and in the landscaping of the Condominium or Association property.
- (k) Insurance policies.
- (l) Copies of all Certificates of Occupancy which may have been issued for the Condominium Property.
- (m) Any other permits issued by governmental bodies applicable to the Condominium Property in force or issued within one (1) year prior to the date the Unit Owners take control of the Association.

- (n) All written warranties of contractors, subcontractors, suppliers and manufacturers, if any, that are still effective.
- (o) A roster of Unit Owners and their addresses and telephone numbers, if known, as shown on the Developer's records.
- (p) Leases of the Common Elements and other leases to which the Association is a party, if applicable.
- (q) Employment contracts or service contracts in which the Association is one of the contracting parties, or service contracts in which the Association or Unit Owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person or persons performing the service.
- (r) All other contracts to which the Association is a party.

Within ninety (90) days after Unit Owners other than the Developer elect a majority of members of the Board of Directors of the Association, the Developer shall deliver the financial records, including financial statements of the Association, and source documents from the incorporation of the Association through the date of turnover. The records shall be audited for the period from the incorporation of the Association or from the period covered by the last audit, if an audit has been performed for each fiscal year since incorporation, by an independent certified public accountant. All financial statements shall be prepared in accordance with generally accepted accounting principles and shall be audited in accordance with generally accepted auditing standards, as prescribed by the Florida Board of Accountancy, pursuant to Chapter 473 of the Florida Statutes. The accountant performing the audit shall examine to the extent necessary supporting documents and records, including the cash disbursements and related paid invoices to determine if expenditures were for Association purposes and the billings, cash receipts, and related records to determine that the Developer was charged and paid the proper amounts of Assessments.

5. **Powers and Duties.** The Board of Directors shall have the powers and duties granted to it by law, the Declaration, the Act, the Articles, and these By-Laws necessary for the administration of the affairs of the Condominium and may take all acts, through the proper Officers of the Association, in executing such powers, except such acts which by law, the Declaration, the Articles or these By-Laws may not be delegated to the Board of Directors by the Unit Owners. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

- (a) Operating and maintaining the Common Elements and Association Property.
- (b) Determining the expenses required for the operation of the Condominium and the Association.

- (c) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements.
- (d) Adopting and amending rules and regulations concerning the details of the operation and use of the Units, the Condominium Property and Association Property, subject to a right of the Unit Owners to overrule the Board as provided in Section 13 hereof.
- (e) Maintaining bank accounts on behalf of the Association and designating the signatory or signatories required therefor.
- (f) Purchasing, leasing or otherwise acquiring Units or other property in the name of the Association, or its designee.
- (g) Purchasing Units at foreclosure or other judicial sales, in the name of the Association, or its designee.
- (h) Selling, leasing, mortgaging or otherwise dealing with Units acquired, and subleasing Units leased, by the Association, or its designee.
- (i) Organizing corporations and appointing persons to act as designees of the Association in acquiring title to or leasing Units or other property.
- (j) Obtaining and reviewing insurance for the Condominium Property and Association Property.
- (k) Making repairs, additions and improvements to, or alterations of, Condominium Property and Association Property, and repairs to and restoration of the Condominium Property and Association Property, in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise.
- (l) Enforcing obligations of the Unit Owners, allocating profits and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of the Condominium.
- (m) Levying reasonable fines against appropriate Unit Owners for violations by the Unit Owners, their occupants, licensees or invitees of the Declaration, these By-Laws, or the rules and regulations established by the Association. No fine shall exceed the highest amount permitted under the Act (as it may be amended from time to time). However, a fine may be levied on the basis of each day of a continuing violation, provided that the maximum fine shall not exceed the aggregate maximum permitted under the Act (as it may be amended from time to time). No fine shall be levied except after giving reasonable notice and opportunity for a hearing to the affected Unit Owner and, if applicable, his tenant, licensee or invitee. No

fine shall become a lien upon a Unit, unless permitted by the Act (as it may be amended from time to time) or by the Declaration.

- (n) Purchasing or leasing Units for use by resident superintendents and other similar persons.
- (o) Borrowing money on behalf of the Condominium or the Association when required in connection with the operation, care, upkeep and maintenance of the Common Elements or the acquisition of property, and granting mortgages on and/or security interests in Association owned property; provided, however, that the consent of the Owners of at least 75% of the Units represented at a meeting at which a quorum has been attained in accordance with the provisions of these By-Laws shall be required for the borrowing of any sum which would cause the total outstanding indebtedness of the Association to exceed \$10,000.00. If any sum borrowed by the Board of Directors on behalf of the Condominium pursuant to the authority contained in this subparagraph (o) is not repaid by the Association, a Unit Owner who pays to the creditor such portion thereof as his interest in his Common Elements bears to the interest of all of the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against, or which will affect, such Unit Owner's Unit; provided always, however, the Association shall take no action authorized in this paragraph without the prior written consent of the Developer as long as the Developer owns any Unit.
- (p) Contracting for the management and maintenance of the Condominium Property and Association Property and authorizing a management agent (who may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair, and replacement of the Common Elements with such funds as shall be made available by the Association for such purposes. The Association and its Officers shall, however, retain at all times the powers and duties granted by the Condominium documents and the Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.

Notwithstanding the foregoing, in the event that a lawsuit is to be brought against the Developer for any reason whatsoever, seventy-five percent (75%) of the membership must agree, at a meeting duly called for such purpose, prior to institution of any such litigation.

- (q) At its discretion, but within the parameters of the Act, authorizing Unit Owners or other persons to use portions of the Common Elements or

Association Property for private parties and gatherings and imposing reasonable charges for such private use.

- (r) Exercising (i) all powers specifically set forth in the Declaration, the Articles, these By-Laws and in the Act, (ii) all powers incidental thereto, and (iii) all other powers of a Florida corporation not for profit.
- (s) Contracting with and creating or joining in the creation of special taxing districts, joint councils and the like.
- (t) Acquiring and conveying Common Elements for the purposes of providing utility easements, right-of-way expansion or other public purpose whether negotiated or as part of the eminent domain procedure which authority can be exercised by the Board of Directors without approval of the Unit Owners.

6. **Officers.**

- 6.1 **Executive Officers.** The executive Officers of the Association shall be a President, a Vice-President, a Treasurer and a Secretary (none of whom need be Directors), all of whom shall be elected by the Board of Directors (which may create and fill other offices as provided herein) and who may be peremptorily removed at any meeting by concurrence of a majority of all the Directors. A person may hold more than one office, except that the President may not also be the Secretary. No person shall sign an instrument or perform an act in a capacity of more than one office. The Board of Directors from time to time shall elect such other Officers and designate their powers and duties as the Board shall deem necessary or appropriate to manage the affairs of the Association. Officers, other than designees of the Developer, must be Unit Owners (or authorized representatives of corporate/partnership/trust Unit Owners).
- 6.2 **President.** The President shall be the chief executive Officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of an association.
- 6.3 **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 also shall assist the President and exercise such other powers and perform such other duties as are incident to the office of the vice president of an association and as may be required by the Directors or the President.
- 6.4 **Secretary.** The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He 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.

- 6.5 **Treasurer.** The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. He shall submit a treasurer's report to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of treasurer and as may be required by the Directors or the President. All monies 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 of Directors.
- 6.6 **Additional Offices.** The Board of Directors may create additional offices from time to time and appoint persons to fill such offices, subject to removal at the discretion of the Board.
- 6.7 **Developer Appointees.** No Officer appointed by the Directors may be removed except as provided in paragraph 4.16 hereof and by law.
7. **Compensation.** Neither Directors nor Officers shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a Director or Officer as an employee of the Association, nor preclude contracting with a Director or Officer for the management of the Condominium or for any other service to be supplied by such Director or Officer. Directors and Officers shall be compensated for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.
8. **Resignations.** Any Director or Officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Units owned by any Director or Officer (other than appointees of the Developer or Officers who were not Unit Owners) shall constitute a written resignation of such Director or Officer.
9. **Fiscal Management.** The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:
- 9.1 **Budget.**
- (a) **Adoption by Board; Items.** The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium (which shall detail all accounts and items of expense and contain at least all items set forth in Section 718.504 (21) of the Act, if applicable), determine the amount of Assessments payable by the Unit Owners to meet the expenses of such Condominium and allocate and assess such expenses among the

Unit Owners in accordance with the provisions of the Declaration. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance (to the extent required by law). These accounts shall include, but not be limited to, roof replacement, building painting, and pavement resurfacing. The amount of reserves shall be computed by means of a formula which is based upon the estimated remaining useful life and the estimated replacement cost of each reserve item. However, prior to turnover of control of the Association by the Developer pursuant to Section 718.301 of the Act, the Developer may vote to waive the reserves or reduce the funding of reserves for the first two years of operation of the Association, after which time reserves may only be waived or reduced upon the vote of a majority of all non-developer voting interests voting in person or by limited proxy at a duly called meeting of the Association. If a meeting of Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts and shall be used only for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the voting interest voting in person or by limited proxy at a duly called meeting of the Association.

The adoption of a budget for the Condominium shall comply with the requirements hereinafter set forth:

- (i) Notice of Meeting. A copy of the proposed budget of Common Expenses shall be mailed to each Unit Owner not less than fourteen (14) days prior to the meeting of the Board of Directors at which the budget will be considered, together with a notice of that meeting indicating the time and place of such meeting. The meeting shall be open to the Unit Owners, and the Unit Owners shall have a reasonable right to participate with reference to all agenda items. The Board may adopt reasonable rules governing the frequency, duration and manner of Unit Owners statements.
- (ii) Special Membership Meeting. If a budget is adopted by the Board of Directors which requires Assessments against such Unit Owners in any fiscal or calendar year exceeding 115% of such Assessments for the preceding year, as hereinafter defined, and the Board of Directors receives within twenty-one (21) days after adoption of the annual budget a written request from at least 10% of the Unit Owners, for a special meeting of the Unit Owners, such a meeting shall be held within sixty (60) days after adoption of the annual budget. Each Unit Owner shall be given at least fourteen (14) days written notice of said meeting. At the special meeting, Unit Owners shall consider and adopt a budget. The adoption of said

budget shall require a vote of Owners of not less than a majority of all the voting interests of Units (including Units owned by the Developer). If a meeting of the Unit Owners has been called as aforesaid and a quorum is not obtained or a substitute budget has not been adopted by the Unit Owners, the budget adopted by the Board of Directors shall go into effect as scheduled.

(iii) Determination of Budget Amount. In determining whether a budget requires Assessments against Unit Owners in any year exceeding 115% of Assessments for the preceding year, there shall be excluded in the computations any authorized provisions for reasonable reserves made by the Board of Directors in respect of repair or replacement of the Condominium Property or in respect of anticipated expenses of the Association which are not anticipated to be incurred on a regular or annual basis, and there shall be excluded further from such computation Assessments for improvements to the Condominium Property.

(iv) Proviso. As long as the Developer is in control of the Board of Directors of the Association, the Board shall not impose Assessments for any year greater than 115% of the prior year's Assessments, as herein defined, without the approval of a majority of Unit Owners other than the Developer.

(b) Adoption by Membership. In the event that the Board of Directors shall be unable to adopt a budget for a fiscal year in accordance with the requirements of paragraph 9.1 (a) above, the Board of Directors may call a special meeting of Unit Owners for the purpose of considering and adopting such budget, which meeting shall be called and held in the manner provided for such special meetings in said paragraph, or propose a budget in writing to the members, and if such budget is adopted by the members, upon ratification by a majority of the Board of Directors, it shall become the budget for such year.

9.2 Assessments. Assessments against Unit Owners for their share of the items of the budget shall be made for the applicable fiscal year annually at least twenty (20) days preceding the year for which the Assessments are made. Such Assessments shall be due in equal quarterly installments, payable in advance on the first day of each quarter (i.e., January, April, July and October) (or each month at the election of the Board) of the year for which the Assessments are made. If annual Assessments are not made as required, Assessments shall be presumed to have been made in the amount of the last prior Assessments, and quarterly (or monthly) installments on such Assessments shall be due upon each installment payment date until changed by amended Assessments by the Board of Directors, subject to the terms herein. In the event the annual Assessments prove to be insufficient, the budget and Assessments may be amended at any time by the Board of Directors, subject to the provisions of paragraph 9.1 hereof, if applicable. Unpaid

Assessments for the remaining portion of the fiscal year for which amended Assessments are made shall be payable in as many equal installments as there are full quarters (or months) of the fiscal year left as of the date of such amended Assessments, each such quarterly (or monthly) installment to be paid on the first day of the quarter (or month), commencing the first day of the next ensuing quarter (or month). If only a partial quarter (or month) remains, the amended Assessments shall be paid with the next regular installment in the following year, unless otherwise directed by the Board in its resolution.

- 9.3 **Assessments for Emergencies or Special Purposes.** Assessments for Common Expenses for emergencies or for other special purposes (“Special Assessments”), as determined by the Board of Directors, that cannot be paid from the annual Assessments for Common Expenses, shall be due only after ten (10) days' notice is given to the Unit Owners concerned, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of such Assessments.
- 9.4 **Late Assessments.** Assessments not paid within ten (10) days from the date due may bear interest from the date when due until paid at the then highest rate allowed by law. Additionally, the failure to pay any assessment within ten (10) days from the date due shall entitle the Association to levy a late charge against the defaulting Unit Owner, in such amount as the Board may determine from time to time; provided, however, such late charge shall not exceed the maximum amount allowed under the Act (as amended from time to time).
- 9.5 **Depository.** The depository of the Association shall be those banks or savings and loan institutions, state or federal, located in Florida, as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from those accounts shall be made only by checks signed by such person or persons as are authorized by the Directors. All sums collected by the Association from Assessments or contributions to working capital or otherwise shall be maintained separately in the Association's name. In addition, reserve funds shall be maintained separately from operating funds in separate accounts and shall not be commingled. No manager or business entity required to be licensed or registered under Florida Statutes, Section 468.432, and no agent, employee, Officer, or Director of the Association shall commingle Association funds with his, her or its own funds or another Association or entity's funds.
- 9.6 **Acceleration of Installments Upon Default.** As an additional right and remedy of the Association, if a Unit Owner shall be in default in the payment of an installment of his Assessments after thirty (30) days prior written notice to the applicable Unit Owner, the Board of Directors or its agent may accelerate the Assessments due for the remainder of the quarter, and thereafter, if a claim of lien has been filed, the Assessments shall be accelerated for the balance of the budget year. The unpaid balance of the Assessments for the balance of the accelerated period shall be due and payable on the date the claim of lien has been filed, but

not less than five (5) days after delivery of the notice to the Unit Owner, or not less than ten (10) days after the mailing of such notice to him by certified mail, whichever shall first occur.

- 9.7 **Enforcement of Assessments.** In the event an Assessment is not paid within ten (10) days of the date same shall be due and payable, the Association, through the Board of Directors, may proceed to enforce and collect said Assessments from the delinquent Unit Owner in any manner provided for by the Condominium Act, the Declaration of Condominium and these By-Laws. Each Unit Owner shall be individually responsible for the payment of assessments against his Unit and for the payment of reasonable attorneys' fees and costs incurred by the Association in the collection of sums due and enforcement of any lien held by the Association.
- 9.8 **Fidelity Bonds.** Fidelity bonds shall be required by the Board of Directors for all persons handling or responsible for Association funds in such amount as shall be determined by a majority of the Board provided that such amount is not less than that required by the Act. The premiums on the amount of the bonds shall be paid by the Association as a Common Expense.
- 9.9 **Accounting Records and Reports.** The Association shall maintain accounting records within the State of Florida, according to accounting practices normally used by similar associations. The records shall be open to inspection by Unit Owners or their authorized representatives at reasonable times and written summaries of them shall be supplied at least annually. Such records shall also be open to inspection by holders, insurers, and guarantors of first mortgages that are secured by Units in the Condominium Property. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, and (b) an account for each Unit designating the name and current mailing address of the Unit Owner, the amount of Assessments, the dates and amounts in which the Assessments come due, the amount paid upon the account and the dates so paid, and the balance due. Written summaries of the records described in clause (a) above, in the form and manner specified below, shall be supplied to each Unit Owner annually.

Within ninety (90) days after the end of a fiscal year, the Association shall prepare and complete, or cause to be prepared and completed by a third party, a financial report for the preceding fiscal year. Within twenty-one (21) days after the financial report is completed or received by the Association from the third party, the Association shall mail, or furnish by personal delivery, to each Unit Owner, a copy of the financial report, in accordance with the uniform accounting principles and standards adopted by the Division or, a notice that a copy of the financial report will be mailed or hand delivered to the Unit Owner, without charge, upon receipt of a written request from the Unit Owner. The report of cash receipts and disbursements shall disclose the amount of receipts by accounts and receipt classifications and shall show the amount of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following:

- (a) Cost for security;
- (b) Professional and management fees and expenses;
- (c) Taxes;
- (d) Cost for recreation facilities;
- (e) Expenses for refuse collection and utility services;
- (f) Expense for lawn care;
- (g) Cost for building maintenance and repair;
- (h) Insurance costs;
- (i) Administrative and salary expenses; and
- (j) Reserves accumulated and expended for capital expenditures, deferred maintenance, and any other category for which the Association maintains reserves.

9.10 **Application of Payment.** All payments made by a Unit Owner shall be applied as provided in these By-Laws, the Declaration or as otherwise determined by the Board.

9.11 **Notice of Meetings.** Notice of any meeting where Assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such Assessments.

10. **Roster of Unit Owners.** Each Unit Owner shall file with the Association a copy of the deed and closing statement or other document showing his ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Unit Owners of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other Owners shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of such meeting.

11. **Parliamentary Rules.** Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, the Act, the Articles or these By-Laws.

12. **Amendments.** Except as in the Declaration provided otherwise, these By-Laws may be amended in the following manner:

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

- 12.2 **Adoption.** A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than 1/3 of the members of the Association. Any proposed amendment to these By-Laws must be made by ballot or by limited proxy, delivered to the Secretary of the Association at or prior to the meeting. The approval must be:
- (a) by not less than a majority of the votes of those members of the Association who are present or represented at a meeting at which a quorum has been attained and by not less than 66-2/3% of the entire Board of Directors; or
 - (b) after control of the Association has been turned over to Unit Owners other than the Developer, by not less than 66-2/3% of the votes of the members of the Association represented at a meeting at which a quorum has been attained; or
 - (c) by not less than 100% of the entire Board of Directors.
- 12.3 **Proviso.** No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer or mortgagees of Units without the consent of said Developer and mortgagees in each instance. No amendment shall be made that is in conflict with the Act, the Articles or Declaration. No amendment to this Section shall be valid.
- 12.4 **Execution and Recording.** A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the By-Laws, which certificate 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, or by the Developer alone if the amendment has been adopted consistent with the provisions of the Declaration allowing such action by the Developer. The amendment shall be effective when the certificate and a copy of the amendment are recorded in the Public Records of the County.
13. **Rules and Regulations.** Attached hereto as Schedule "RR" and made a part hereof are initial rules and regulations concerning the use of portions of the Condominium and Association Property. The Board of Directors may, from time to time, modify, amend or add to such rules and regulations, except that subsequent to the date control of the Board is turned over by the Developer to Unit Owners other than the Developer, Owners of a majority of the Units may overrule the Board with respect to any such modifications, amendments or additions. Copies of such modified, amended or additional rules and regulations shall be furnished by the Board of Directors to each affected Unit Owner not less than ten (10) days prior to the effective date thereof. At no time may any rule or regulation be adopted which would prejudice the rights reserved to the Developer.

14. **Construction.** Wherever the context so permits or requires, the singular shall include the plural, the plural shall include the singular, and use of any gender shall be deemed to include all genders.
15. **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define or limit the scope of these By-Laws or the intent of any provision hereof.
16. **Official Records.** From the inception of the Association, the Association shall maintain a copy of each of the following, where applicable, which shall constitute the official records of the Association:
 - (a) The plans, permits, warranties, and other items provided by the Developer pursuant to Section 718.301(4) of the Act.
 - (b) A photocopy of the recorded Declaration of Condominium and all amendments thereto.
 - (c) A photocopy of the recorded By-Laws of the Association and all amendments thereto.
 - (d) A certified copy of the Articles of Incorporation of the Association, or other documents creating the Association, and all amendments thereto.
 - (e) A copy of the current Rules and Regulations of the Association.
 - (f) A book or books containing the minutes of all meetings of the Association, of the Board of Directors, and of the Unit Owners, which minutes shall be retained for a period of not less than 7 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 the Condominium.
 - (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) Accounting records for the Association and the accounting records for the Condominium, according to good accounting practices. All accounting records shall be maintained for a period of not less than 7 years. The accounting records shall include, but not be limited to:

- (i) Accurate, itemized, and detailed records for all receipts and expenditures.
 - (ii) A current account and a monthly, bi-monthly 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 upon the account, and the balance due.
 - (iii) All audits, reviews, accounting statements, and financial reports of the Association or Condominium.
- (l) 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 (1) year.
 - (m) Ballots, sign-in sheets, voting proxies and all other paper relating to voting by Unit Owners and elections, which shall be maintained for a period of one (1) year from the date of the election, vote or meeting to which the document relates.
 - (n) All rental records when the Association is acting as agent for the rental of Units.
 - (o) A copy of the current question and answer sheet as described in Section 718.504 of the Act.
 - (p) All other records of the Association not specifically included in the foregoing which are related to the operation of the Association.

The official records of the Association shall be maintained in the County or at such other place as may be permitted by the Act (as amended from time to time).

The official records of the Association shall be open to inspection by any Association member or the authorized representative of such member or by holders, insurers, and guarantors of first mortgages that are secured by Units in the Condominium Property at all reasonable times in accordance with reasonable rules regarding the frequency, time, location, notice and manner of records inspections and copying adopted by the Association. Inspection may only take place at the building in which the records are located and said records shall not be removed from said location. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the Association member.

17. **Indemnification**. Every Officer and Director of the Association shall be indemnified by the Association against all expenses and liabilities, including reasonable attorneys' fees incurred by or imposed upon him in connection with any proceedings to which he may be a party, or in which he 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 shall have breached his 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 in writing by the Board of Directors. The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which the Director or Officer may be entitled.

18. **Priorities in Case of Conflict.** In the event of conflict between or among the provisions of any of the following, the order of priority shall be, from highest priority to lowest:

- (a) The Act, as it existed on the date of recording of the Declaration;
- (b) The Declaration;
- (c) The Articles;
- (d) These By-Laws; and
- (e) The Rules and Regulations of the Association.

The foregoing was adopted as the By-Laws of Somerset at Abacoa Condominium Association, Inc., a corporation not for profit under the laws of the State of Florida, on the _____ day of _____ 2003.

SOMERSET AT ABACOA CONDOMINIUM ASSOCIATION, INC., a Florida not for profit corporation

By: _____
Name: _____
Title: President

Attest: _____
Name: _____
Its: Secretary

SCHEDULE "RR"

Rules and Regulations