

BY-LAWS

OF

LEMON BAY BREEZES MASTER ASSOCIATION, INC.

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ARTICLE I. GENERAL INTRODUCTION

Section 1. Name. The name of the corporation is LEMON BAY BREEZES MASTER ASSOCIATION, Inc., hereinafter referred to as the "Association". Until changed, the principal office of the Association shall be located in Charlotte County, Florida.

Section 2. Applicability. The provisions of these By-Laws are applicable to the complex known as LEMON BAY BREEZES located in Charlotte County, Florida.

Section 3. Effect. All present and future owners, and their tenants, future tenants, guests and invitees that might use the facilities of LEMON BAY BREEZES SUBDIVISION and LEMON BAY COMMERCIAL SUBDIVISION in any manner, are subject to the regulations set forth in these By-Laws and in the Declaration of Restrictions thereof as recorded in the Public Records of Charlotte County, Florida.

The acquisition or rental of any commercial lot or residential unit in the LEMON BAY BREEZES SUBDIVISION or LEMON BAY COMMERCIAL SUBDIVISION or the occupancy of any such lot or unit shall mean that the provisions of these By-Laws and the Declaration are accepted, ratified and will be observed.

ARTICLE II. VOTING RIGHTS, MAJORITY QUORUM, PROXIES

Section 1. Voting Rights. The Association shall have two (2) classes of voting members, as provided in the Association's Articles of Incorporation.

Section 2. Majority of Quorum. Unless otherwise expressly provided in these By-Laws or in the Declaration, any action which is desired to be taken by members of the Association may be so taken by a vote a majority of a quorum of the members of the Association.

Section 3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of at least thirty-three and one-half percent (33-1/2%) of the total membership of the Association shall constitute a quorum of the membership. Such members present at a duly called or held meeting at which a quorum thereof is present may continue to accomplish the business of the meeting until adjournment, notwithstanding the withdrawal during the meeting of enough members to leave less than such quorum. In the event, however, the required quorum is never present, the meeting may be rescheduled subject to the notice requirements set forth herein.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary at least twenty-four (24) hours before the appointed time of each meeting. Every proxy shall be revocable and shall automatically terminate after completion of the meeting for which the proxy was filed and upon conveyance by the member of said member's unit.

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ARTICLE III. ADMINISTRATION

Section 1. Association Responsibilities. The Association shall have the responsibility of administering the common properties, approving the annual budget, establishing and collecting all assessments, enforcing applicable Rules and Regulations and performing all other obligations of the Association hereunder and under the Declaration, including, but not limited to, arranging for the management of the common properties pursuant to an agreement containing provision relating to the duties, obligations, removal and compensation of the management company. The management company may be an affiliate of the developer.

Section 2. Place of Meetings of Members. Meetings of the members shall be held on the properties, or such other suitable place as close thereto as practicable in Charlotte County as may be designated by the Board of Directors.

Section 3. Annual Meetings of Members. The first annual meeting of members shall be held on the date at the place and at the time determined by the Board of Directors, provided, however, that said meeting shall be held within twelve (12) months after the developer's first sale of a residential unit. Thereafter, the annual meetings of the Association shall be held on the date, 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 no later than thirteen (13) months after the last preceding annual meeting. At each annual meeting there shall be elected by ballot of the members a Board of Directors, in accordance with the requirements of these By-Laws. At the first annual meeting, the directors shall be elected to serve until the second annual meeting, and at the second annual meeting, directors shall be elected for a term of one (1) year beginning with the second annual meeting. Unless a director resigns before the expiration of his term of office, each director shall hold his office until his successor has been elected and has qualified. The term of office of any director elected to fill a vacancy created by the resignation of his predecessor shall be the balance of the unserved term of his predecessor. The members may also transact such other business of the Association as may properly come before the meeting. Each institutional mortgagee may designate a nonvoting representative to attend all annual meetings of the members.

Section 4. Special Meetings of Members. Special meetings of the members may be called at any time by a majority of a quorum of the Board of Directors, or upon a petition signed by members holding at least ten percent (10%) of the voting power of each class of the members. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice. Each institutional mortgagee may designate a nonvoting representative to attend all special meetings of the members.

Section 5. Notice of Meetings of Members. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of members, stating the purpose thereof, as well as the day, hour and place where it is to be held, to each owner and to each institutional mortgagee which has filed a written request for such notice with the Secretary, at least ten (10), but not more than sixty (60), days prior to such meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The mailing of a notice, postage prepaid, in the manner provided in this Section 5, shall be considered notice served. If no address has been furnished the Secretary, notice shall be deemed to have been given to a member if delivered to his unit and posted in a conspicuous place on the common properties.

Section 6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days, nor more than thirty (30) days, from the time the original meeting was called. Such adjourned meetings may be held only upon a new notice thereof as provided in this Article III, except that notice shall be given by announcement at the meeting at which such adjournment is taken. If a meeting is adjourned for more than thirty (30) days, notice of the adjourned meeting shall be given as in the case of an original meeting.

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Section 7. Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice, waiver of notice; (c) reading of minutes of preceding meetings; (d) reports of officers; (e) reports of committees; (f) election of inspectors of election; (g) election of directors; (h) unfinished business; and (i) new business. Meetings of members shall be conducted by the officers of the Association, in order of their priority.

Section 8. Action Without Meeting. Any action which under the provisions of Florida law may be taken at a meeting of the members, may be taken without a meeting if authorized in writing by the requisite percentage of all members who would be entitled to vote at a meeting for such purpose, and if thereafter filed with the Secretary.

Section 9. Consent of Absentees. The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, a majority of the members not present in person or by proxy signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of members, when signed by the president or Secretary, shall be presumed truthfully to evidence the matters set forth therein.

A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. Number and Qualification. The property, business and affairs of the Association shall be governed and managed by a Board of Directors composed of at least three (3) persons, each of whom, except for those appointed and serving as first directors, must either be an owner of a residential unit or commercial lot or an agent of the developer. The Board of Directors may increase, by resolution, the authorized number of members of the Board. Directors shall not receive any stated salary for their services as directors, provided, however, that (a) nothing herein contained shall be construed to preclude any director from serving the Association in some other capacity and receiving compensation therefor, and (b) any director may be reimbursed for his actual expenses incurred in the performance of his duties. In any event at least one director must be a commercial lot owner.

Section 2. Powers and Duties. The Board of Directors has the powers and duties necessary for the administration of the affairs of the Association and may take all such acts and do such things as are not by law, the Declaration, the Articles of Incorporation or by these By-Laws required to be exercised and done exclusively by the owners.

Section 3. Special Powers and Duties. Without prejudice to the foregoing general powers and duties and such powers and duties as are set forth in the Declaration and the Articles, the Board of Directors is vested with, and responsible for, the following powers and duties:

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(a) To select, appoint and remove all officers, agents and employees of the Association, to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation, the Declaration and these By-Laws, to fix their compensation, if any, and to require from them security for faithful service when deemed advisable by the Board.

(b) To conduct, manage and control the affairs and business of the Association, and to make and enforce such rules and regulations therefore consistent with law, with the Articles of Incorporation, the Declaration and these By-Laws, as the Board may deem necessary or advisable.

(c) To change the principal office for the transaction of the business of the Association; to designate any place for the holding of any annual or special meeting or meetings of members consistent with the provisions hereof; and to adopt and use a corporate seal and to alter the form of such seal from time to time, as the Board, in its sole judgment, may deem best, provided that such seal shall at all times comply with the provisions of law.

(d) To borrow money and to incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and security therefor, provided no action authorized hereunder shall be taken without the prior written consent of the developer as long as the developer owns any units.

(e) To fix and levy from time to time common assessments, special assessments, and reconstruction assessments upon the owners, as provided in the Declaration; to improvement assessments applicable to that year only for capital improvements to the common properties; to determine and fix and due date for the payment of such assessments, and the date upon which the same shall become delinquent; provided, however, that such assessments shall be fixed and levied only to provide for the taxes and governmental assessments upon real or personal property owned, leased, controlled or occupied by the Association, or for the payment of expenses for labor rendered or materials or supplies used and consumed, or equipment and appliances furnished for the maintenance, improvement or development of such property or for the payment of any and all obligations in relation thereto, or in performing or causing to be performed any of the purposes of the Association for the general benefit and welfare of its members, all in accordance with the provisions of the Declaration. The Board of Directors is hereby authorized to incur any and all such expenditures for any of the foregoing purposes and to provide, or cause to be provided, adequate reserves for replacements as it shall deem to be necessary or advisable, if any, in the interest of the Association or for the welfare of its members. The funds collected by the Board of Directors from the owners, attributable to replacement reserves for maintenance recurring less frequently than annually, and for capital improvements to the common properties, shall at all times be held in trust for the owners and shall not be commingled with other assessments collected from the owners. Disbursements from such trust reserve fund shall be made only in accordance with the provisions of the Declaration. Such common assessments, reconstruction assessments, special assessments and capital improvement

assessments shall be fixed in accordance with the provisions of the Declaration. Should any owner fail to pay such assessments before delinquency, the Board of Directors, in its discretion, is authorized to enforce the payment of such delinquent assessments as provided in the Declaration. Nothing herein shall require the establishment of reserves.

(f) To enforce the provisions of the Declaration, the Articles, these By-Laws, applicable rules and regulations of other agreements of the Association.

(g) To contract and pay for fire, casualty, errors and omissions, blanket liability, malicious mischief, vandalism, and other insurance, insuring the owners, the Association, the Board of Directors and other interested parties, in accordance with the provisions of the Declaration, covering and protecting against such damages or injuries as the Board deems advisable, which may include, without limitation, medical expenses of persons injured on the common properties, and to bond the agents and employees of any management body, if deemed advisable by the Board. The Board shall review, not less frequently than annually, all insurance policies and bonds obtained by the Board on behalf of the Association.

(h) To contract and pay for maintenance, gardening, utilities, materials and supplies, and services relating to the common properties, and to employ personnel necessary for the operation of the common properties and the Association, including legal and accounting services (subject to limitations set forth in the Articles regarding claims against the declarant), and to contract for and pay for improvements to common properties. In case of damage by fire or other casualty to the common properties, if insurance proceeds exceed Twenty-Five Thousand Dollars (\$25,000) or the cost of repairing or rebuilding exceeds available insurance proceeds by more than Five Thousand Dollars (\$5,000), then the Board of Directors shall obtain firm bids from two (2) or more responsible contractors to rebuild any original plans and specifications with respect thereto, and shall, as soon as possible thereafter, call a special meeting of the members to consider such bids.

(i) To delegate its powers according to law.

(j) To grant easements where necessary for utilities, sewer facilities and other services over the common properties.

(k) To fix, determine and name from time to time, if necessary or advisable, the public agency, fund, foundation or nonprofit corporation or association, which is then organized, to which the assets of this Association shall be distributed upon liquidation or dissolution, according to the Articles of Incorporation of the Association. The assets so distributed shall be those remaining after satisfaction of all just debts and obligations of the Association, and after distribution of all property held or acquired by the Association under the terms of a specific trust or trusts.

(l) To adopt such rules and regulations as the Board may deem necessary for the management of the common properties, which rules and regulations shall become effective and binding after (1) they are adopted by a majority of the Board at a meeting called for that purpose, or by the written consent of such number of directors attached to a copy of the rules and regulations of the Association, and (2) they are posted in a conspicuous place in the common properties. Such rules and regulations shall not materially adversely affect the rights, privileges or preferences of the developer as established by the Declaration, the

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Articles of Incorporation of the Association and these By-Laws without the prior written approval of the developer. Such rules and regulations may concern, without limitation, use of the common properties; signs, parking restrictions, minimum standards of property maintained consistent with the Declaration and the procedures of the Architectural Committee; and any other matter within the jurisdiction of the Association as provided in the Declaration; provided, however, that such rules and regulations shall be enforceable only to the extent that they are consistent with the Declaration, the Articles of Incorporation and these By-Laws.

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Section 4. Management Agent. To select a managing agent to manage the common properties and the affairs of the Association, who shall perform such duties and services as the Board shall authorize, provided, however, that the Board of Directors need not be required to have a professional manager.

Section 5. Election and Term of Office. At the first annual meeting of the Association, and thereafter at each annual meeting of the members, directors shall be elected by written ballot by a plurality of members as provided in these By-Laws, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting. In the event that an annual meeting is not held, or the Board is not then elected, the Board may be elected at a special meeting of the members held for that purpose. Each director shall hold office until his successor has been elected and has qualified or until his death, resignation, removal or judicial adjudication of mental incompetence. Any person serving as a director may be re-elected, and there shall be no limitation on the number of terms during which he may serve. The conveyance of all units owned by any director (except directors appointed by the developer) shall result in the resignation of such director.

Section 6. Books, Audit. The Board of Directors shall cause to be maintained a full set of books and records showing the financial condition of the Association in a manner consistent with accounting practices established by the Association or management company, and at no greater than annual intervals shall obtain a summary (which need not be certified) of such books and records. A copy of each such summary shall be delivered to members within thirty (30) days after the completion of such summary.

Section 7. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected at the next annual meeting of the members of the Association, or at a special meeting of the members called for that purpose. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of any director, increases in the size of the Board or in case the members fail to elect the full number of authorized directors at any meeting at which such election is to take place.

Section 8. Removal of Directors. At any regular or special meeting of the members duly called, any one or more of the directors (other than the developer's appointees) may be removed with or without cause by a majority vote of the members of the Association, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. If any or all of the directors are so removed, new directors may be elected at the same meeting.

Section 9. Organization Meeting. The first regular meeting of a newly elected Board of Directors shall be held within ten (10) days of election of the Board, at such place as shall be fixed and announced by the directors at the meeting at which such directors were elected, for the purpose of organization, election of officers and the transaction of other business. No notice shall be necessary to the newly elected directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

Section 10. Other Regular Meetings. Other regular meetings of the Board of Directors shall be open to the members (who shall not be recognized or entitled to participate) and may be held at such time and place within the properties as shall be determined, from time to time, by a resolution adopted by the majority of a quorum of the directors; provided, however, that such meeting shall be held no less frequently than annually. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least seventy-two (72) hours prior to the date named for such meeting, and shall be posted at a prominent place or places within the common properties.

Section 11. Special Meetings. Special meetings of the Board of Directors shall be open to all members (who shall not be recognized or entitled to participate) and may be called by the president (or, if the president is absent or refuses to act, by the vice president) or by any two (2) directors. At least seventy-two (72) hours' notice shall be given to each director, personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and the purpose of the meeting, and shall be posted at a prominent place or places within the common properties. If served by mail, each such notice shall be sent, postage prepaid, to the address reflected on the records of the Association, and shall be deemed given, if not actually received earlier, at 5.00 P.M. on the second day after it is deposited in a regular depository of the United States mail as provided herein. Whenever any director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such director, as required by law and as provided herein.

Section 12. Waiver of Notice. Before, or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by said director of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. The transactions at any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs such written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

Section 13. Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any 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. At any such adjourned meeting, any business which

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might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Action Without Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the vote or written consent of all the directors. Any action so approved shall have the same effect as though taken at a duly constituted meeting of the directors.

Section 15. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

Section 16. Committees. The Board of Directors by resolution may, from time to time, designate such committees as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its members, as well as a chairman, and shall state the purposes of the committee, and shall provide for reports, termination and other administrative matters as deemed appropriate by the Board.

Section 17. Proviso. Notwithstanding Section 5, developer (or developer's successor) shall designate and control the initial directors and fill vacancies on the initial Board of Directors. Directors need not be unit owners; however, transfer of control shall take place as follows:

(a) When unit owners other than the developer own fifteen percent (15%) or more of the units in the condominium (all phases), the unit owners other than the developer shall be entitled to elect one-third (1/3) of the members of the Board of Directors of the Association. Unit owners other than the developer are entitled to elect a majority of the members of the Board of Directors of an Association:

(1) Three (3) years after fifty percent (50%) of the units (all phases) have been conveyed to the purchasers;

(2) Three (3) months after ninety percent (90%) of the units (all phases) have been conveyed to the purchasers;

(3) When all the units (all phases) 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; or

(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, whichever occurs first. The developer is entitled to elect at least one (1) 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 five percent (5%) of the units ultimately to be operated by the Association.

(b) Within sixty (60) days after the unit owners other than the developer are entitled to elect a member or members of the Board of Directors of the Association, the Association shall call, and give not less than thirty (30) days' or more than 40 days' notice of, a meeting of the unit owners to elect the members of the Board of Directors. The meeting may be called and the notice given by any unit owner if the Association fails to do so.

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(c) If a developer holds units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the developer:

(1) Assessment of the developer as a unit owner for capital improvements.

(2) Any action by the Association that would be detrimental to the sales of units by the developer. However, an increase in assessments for common expenses without discrimination against the developer shall not be deemed to be detrimental to the sales of units.

(d) Prior to, or not more than sixty (60) days after, the time that unit owners other than the developer elect a majority of the members of the Board of Directors of the Association, and the unit owners shall accept control.

ARTICLE V. OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, Vice President, Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in their judgment may be necessary. Officers need not be directors. Any two offices may be held by the same person, but the office of President and Secretary may not be held by the same person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors, and each officer shall hold his office at the pleasure of the Board of Directors, until he shall resign or be removed or otherwise disqualified to serve or his successor shall be elected and have qualified to serve.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein, and unless otherwise specified in said notice, acceptance of such resignation by the Board of Directors shall not be necessary to make it effective. The conveyance by an officer (other than an officer appointed by the developer) of all units owned by such officer shall be a resignation of such officer.

Section 4. Compensation. Officers, agents and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board. Appointment of any officer, agent or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent or employee, provided that no officer, employee or director of declarant or any affiliate of Declarant may receive any compensation.

Section 5. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of a corporation. The President shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business of the Association. The President shall be ex officio a member of all standing committees, and he shall have

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such other powers and duties as may be prescribed by the Board of Directors or these By-Laws of the Association.

Section 6. Vice President. The Vice President shall take the place of President and perform his duties whenever the President shall be absent, disabled or refuses or is unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or these By-Laws.

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Section 7. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association at the principal office of the Association or at such other place as the Board of Directors may order. The Secretary shall keep the seal of the Association in safe custody and shall have charge of such books and papers as the Board of Directors may direct; and the Secretary shall, in general, perform all of the duties incident to the office of the Secretary. The Secretary shall give, or cause to be given, notices of meetings of the members of the Association and of the Board of Directors required by these By-Laws or by law to be given. The Secretary shall maintain a list of owners, listing the names and addresses of the owners as furnished the Association, and such list shall be changed only at such time as satisfactory evidence of a change in ownership is presented to the Secretary. The Secretary shall perform such other duties as may be prescribed by the Board of Directors.

Section 8. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and other records of business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall co-sign all checks on behalf of the Association. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with the Declaration, shall render to the President and directors, upon request, an account of all of his transactions as Treasurer and of the financial condition of the Association, and shall have such powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

ARTICLE VI. OBLIGATIONS OF OWNERS

Section 1. Assessments.

(a) All owners and members are obligated to pay, in accordance with the provisions of the Declaration of Restrictions, all assessments imposed by the Association to meet all expenses (and reserves, if imposed) of the Association, which may include, without limitation, liability insurance policy premiums and insurance premiums for a policy to cover repair and reconstruction work in case of hurricane, fire, flood or other hazard, as more fully provided in these By-Laws. The assessments shall be allocated among the commercial lots and residential units subject to assessment under the Declaration of Restrictions as provided therein.

(b) All delinquent assessments shall be enforced, collected or foreclosed in the manner provided in the Declaration or the Declaration of Condominium as to a condominium unit.

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Section 2. Maintenance and Repair.

(a) As further provided in the Declaration of Restrictions, all alterations, replacement and repair of improvements of the Subdivision shall be subject to control of the Master Association.

(b) Each member, residential unit owner and commercial lot owner shall reimburse the Association for any expenditures incurred in repairing or replacing any portion of the Subdivision common facilities owned or controlled by the Master Association which is damaged through the fault of such person. Such expenditures shall include all court costs and reasonable attorneys' fees incurred in enforcing any provision of these By-Laws or the Declaration of Restrictions.

ARTICLE VII. AMENDMENT TO BY-LAWS

These By-Laws may be amended by the Association at a duly-constituted meeting of the members for such purposes. No amendment to these By-Laws shall take effect unless approved by the developer (so long as the developer shall be a member of the Master Association) and at least a majority of a quorum of the members other than developer present, in person or by proxy, at a duly-constituted regular or special meeting of the members. No amendment may be adopted which adversely affects the rights of any institutional mortgagee (if it holds a mortgage made in good faith and for value on a unit or commercial lot) or the developer without the prior written consent of such institutional mortgagee or the developer (as the case may be). This Article VII may not be amended.

ARTICLE VIII. NOTICES

Section 1. Notice to Association. An owner who mortgages his unit or lot shall notify the Association, through the management company or the Secretary of the Board of Directors in the event there is no management company, of the name and address of his mortgagee, and the Association shall maintain such information. Any such owner shall likewise notify the Association as to the release or discharge of any such mortgage.

Section 2. Notice of Unpaid Assessments. The Board of Directors of the Association shall at the request of a mortgagee of a unit report any unpaid assessments due from the owner of such unit, in accordance with the provisions of the Declaration.

ARTICLE IX. MEANING OF TERMS

Any capitalized term appearing herein shall have the meaning, if any, applied to it in the Declaration, unless the context would prohibit such a meaning.

ARTICLE X. CONFLICTING PROVISIONS

In case any of these By-Laws conflict with any provisions of the laws of the State of Florida, such conflicting By-Laws shall be null and void upon final court determination to such effect, but all other provisions of these By-Laws shall remain in full force and effect. In case of any conflicts between the Articles and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XI. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Except to the extent that such liability or damage or injury is covered by insurance proceeds, the Board of Directors shall authorize the Association to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, a present

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or former director, officer, committee or tribunal member, or employee of the Association, in any action brought by a third party against such person, whether or not the Association is joined as a party defendant, to impose a liability or penalty on such person for an act alleged to have been committed by such person while a director, officer, committee or tribunal member or employee, provided such director, officer, member or employee was acting in good faith within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interests of the Association or its members. Payments authorized hereunder include amounts paid and expenses incurred in settling any such action or threatened action. The provisions of this Article XI shall apply to the estate, personal representative(s), administrator, heirs, legatees or devisees of a director, officer, committee or tribunal member or employee and may not be amended.

ARTICLE XII. MISCELLANEOUS

Section 1. Execution of Documents. The Board of Directors, except as in these By-Laws otherwise provided, hereby authorizes its President, or any Vice President, to enter into any contract or execute any instrument in the name and on behalf of the Association.

Section 2. Inspection of By-Laws. The Association shall keep in its office for the transaction of business the original or a copy of these By-Laws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the owners and all first mortgagees at all reasonable times during office hours.

Section 3. Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors and having been so determined, is subject to change from time to time as the Board of Directors shall determine. In the absence of a specific determination, the fiscal year shall be the calendar year.

Section 4. Membership. The Association shall keep and maintain in its office for the transaction of business the name and address of each member. Termination or transfer of ownership of any unit by an owner shall be recorded, together with the date on which such ownership was transferred, in accordance with the provisions hereof and of the Declaration.

Section 5. Board of Directors. Unless specific actions are specifically required to be taken by the members, all such actions may be taken by the Board through its proper officers with or without a specific authorization.

WE HEREBY CERTIFY that the foregoing By-Laws of the Master Association were duly adopted by the Board of Directors of the Association on the _____ day of _____, 1984.

APPROVED:

President

Secretary