

BYLAWS OF
WATERGARDEN CONDOMINIUM ASSOCIATION, INC.

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

1. Identity. These are the Bylaws of WATERGARDEN CONDOMINIUM ASSOCIATION, INC. (the "Association"), a corporation not for profit incorporated under the laws of the State of Florida, and organized for the purpose of administering The WaterGarden, a Condominium (the "Condominium") located in Broward County, Florida.
 - 1.1 Principal Office. The principal office of the Association shall be at 4400 West Sample Road, Suite 200, Coconut Creek, FL 33073-3450, 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 at its principal office.
 - 1.2 Fiscal Year. The fiscal year of the Association shall be the calendar 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 Bylaws shall be referred to as the "Bylaws" and the Articles of Incorporation of the Association as the "Articles". The other terms used in these Bylaws shall have the same definition and meanings as those set forth in the Articles or Declaration for the Condominium, unless herein provided to the contrary, or unless the context otherwise requires.
3. Members.
 - 3.1 Annual Meeting. The annual members' meeting 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. To the extent possible, the annual meeting shall be held during September, October, November or December and no later than twelve (12) months after the last preceding 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 Unit Owners, or as stated in the notice of the meeting sent to Unit Owners in advance thereof.
 - 3.2 Special Meetings. Special members' meetings 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. A special meeting 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. Additionally, special members' meetings may be called as provided by the Condominium Act. Notwithstanding the foregoing, (a) as to special meetings regarding the recall of a member of the Board of Directors, reference should be made to Section 4.3 herein; and (b) as to special meetings regarding the adoption of the budget, reference should be made to Section 9 herein.

- 3.3 Notice of Meeting; Waiver of Notice. Notice of a members' meeting (annual or special) stating the time and place and the 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. The notice of the annual meeting shall be hand delivered or sent by regular 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 last furnished to the Association by the Unit Owner. However, if a Unit is owned by more than one person, the Association shall provide notice, for meetings and all other purposes, to that one address initially identified for that purpose by the Developer and thereafter as one or more of the Owners of the Unit shall so advise the Association in writing, or if no address is given or if the Owners disagree, notice shall be sent to the address for the Owner as set forth on the deed of the Unit. The posting and mailing of the notice for either special or annual meetings, which notice shall incorporate an identification of agenda items, shall be effected not less than fourteen (14) continuous days, nor more than thirty-four (34) days, prior to the date of the meeting. The Board shall adopt by rule, and give notice to Unit Owners of, a specific location on the Condominium Property upon which all notices of members' meetings shall be posted. An officer of the Association, or the manager or other person providing notice of the meetings shall provide an affidavit or United States Postal Service certificate of mailing to be included in the official records of the Association affirming that notice was mailed or hand delivered in accordance with this provision.

Notice of specific meetings may be waived before or after the meeting. 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.

- 3.4 Unit Owner's Participation in Meetings. Unit Owners shall have the right to participate in meetings of Unit Owners with reference to all designated agenda items. However, the Association may adopt reasonable rules governing the frequency, duration and manner of Unit Owner participation. Any Unit Owner may tape record or video tape a meeting of Unit Owners subject to reasonable rules adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes (the "Division").

3.5 Quorum. A quorum at members' meetings shall be attained by the presence, either in person or by proxy, of persons entitled to cast one-third (33 1/3%) of the votes of members entitled to vote at such meeting; provided, however, that except as provided in Section 4.2, there shall be no quorum requirement for the election of Directors, although at least 20% of the eligible voters must cast a ballot in order to have a valid election for members of the Board of Directors.

3.6 Voting.

- (a) Number of Votes. In any meeting of members, the Owners of Units shall be entitled to cast one vote for each Unit owned. 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 Bylaws. As used in these Bylaws, the Articles or the Declaration, the terms "majority of the Unit Owners" and "majority of the members" shall mean a majority of the votes of 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, his right to vote shall be established by the roster of members. If a Unit is owned by more than one person, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record owners of the Unit according to the roster of Unit Owners and filed with the Secretary of the Association. 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. 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 is not on file or has been revoked, the vote of the Owner(s) of 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, except if the Unit is owned

jointly by a husband and wife. If a Unit is owned jointly by a husband and wife, they may, without being required to do so, designate a voting member in the manner provided above. In the event a husband and wife do not designate a voting member, the following provisions shall apply:

- (i) If both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting, and their vote shall not be considered in determining whether a quorum is present on that subject at the meeting (and the total number of authorized votes in the Association shall be reduced accordingly for such subject only).
- (ii) If only one is present at a meeting, the person present shall be counted for purposes of a quorum and may cast the Unit vote just as though he or she owned the Unit individually, and without establishing the concurrence of the absent person.
- (iii) If both are present at a meeting and concur, either one may cast the Unit vote.

3.7 Proxies. Except as specifically otherwise provided in the Condominium Act, Unit Owners may not vote by general proxy, but may vote by limited proxies substantially conforming to a limited proxy form adopted by the Division. Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes taken to: (a) waive or reduce reserves; (b) amend the Declaration; (c) amend the Articles or Bylaws; and (d) for any other matter for which the Condominium Act requires or permits a vote of the Unit Owners. No proxy, limited or general, shall be used in the election of the Board of Directors. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given. Notwithstanding the provisions of this subparagraph, Unit Owners may vote in person at Unit Owners' meetings. A proxy may be made by any person entitled to vote, but shall only be effective for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than 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) and filed with the Secretary before the appointed time of the meeting, or before the time to which the meeting is adjourned. Holders of proxies need not be Unit Owners, but no person other than a designee of the Developer may hold more than 5 proxies.

3.8 Adjourned Meetings. If any proposed meeting, other than for the election of Directors, 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 provided by law, 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.

3.9 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) Collection of election ballots;
- (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) Proof of notice of the meeting or waiver of notice;
- (f) Election of Directors and counting of ballots;
- (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.

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

3.11 Action Without A Meeting. Notwithstanding anything herein to the contrary and to the extent lawful, any action required or which may be taken at any annual or special meeting of 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 set forth elsewhere herein) 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 all members (or authorized persons) entitled to vote thereon were present and voted. In order to be effective, the action must be evidenced by one or more written consents describing the action taken, dated and signed by approving members having the requisite number of votes entitled to vote on such action, and delivered to the Secretary of the Association or other authorized agent of the Association. Written consent shall not be effective to take the corporate action referred to in the consent unless signed by members having the requisite number of votes necessary to authorize the action within sixty days of the date of the earliest dated consent and delivered to the Association as set forth above. Any written consent may be revoked prior to the date the Association receives the required number of consents to authorize the proposed action. A revocation is not effective unless in writing and until received by the Secretary of the Association or other authorized agent of the Association. Within ten 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. A consent signed in accordance with the foregoing has the effect of a meeting vote and may be described as such in any document.

4. Directors.

- 4.1 Membership. The affairs of the Association shall be managed and governed by a Board of not less than three, nor more than nine Directors, the exact number initially to be as set forth in the Articles, and thereafter, except as provided herein, to be determined from time to time upon majority vote of the membership. Directors other than designees of the Developer shall be Unit Owners (or authorized representatives of corporate/partnership/trust Unit Owners). A person who has been convicted of a felony by any court of record in the United States and who has not had his or her right to vote restored pursuant to law in the jurisdiction of his or her residence is not eligible for Board membership. However, the validity of an action by the Board is not affected if it is later determined that a member of the Board is ineligible for Board membership due to having been convicted of a felony.
- 4.2 Election of Directors. The Election of the Board of Directors shall be held at the annual members' meeting, except as herein provided to the contrary. Not less than sixty (60) days prior to a scheduled election, the Association shall mail or deliver to each Unit Owner entitled to vote a first notice of the date of election. Any Unit Owner or other eligible person desiring to be a candidate for the Board shall give written notice to the Secretary of the Association not less than forty (40) days prior to the scheduled election. Together with the notice of meeting and agenda sent in accordance with Section 3.3 above, the Association shall then mail or deliver a second notice of the meeting 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 ½ inches by 11 inches furnished by the candidate, which must be furnished by the candidate to the Association not less than thirty-five (35) 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. The Association is not liable for the contents of the information sheets prepared by the candidates. In order to reduce costs, the Association may print or duplicate the information sheets on both sides of the paper.

The election of Directors shall be by written ballot or voting machine. Proxies shall in no event be used in electing the board at general elections or to fill vacancies caused by recall, resignation, or otherwise, except that proxies may be used to elect replacement Board members if a majority or more of the Board is recalled at a Unit Owner meeting. Unless otherwise provided in the Condominium Act, elections shall be decided by a plurality of those ballots and votes cast. There shall be no quorum requirement, although at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board.

Notwithstanding the provisions of this Section 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.

There shall be no cumulative voting. No Unit Owner shall permit any other person to vote his ballot, and any such ballot improperly cast shall be deemed invalid. A Unit Owner who needs assistance in casting the ballot for reasons of blindness, disability or inability to read or write may obtain assistance in casting the ballot. Any Unit Owner violating this provision may be fined by the Association in accordance with the provisions of the Condominium Act and these Bylaws.

4.3 Vacancies and Removal.

- (a) Except as to vacancies resulting from removal of Directors by Unit Owners (as addressed in Section 4.3 (b)), vacancies in the Board of Directors occurring between annual meetings of Unit Owners shall be filled by majority action of the remaining Directors (even if the remaining Directors constitute less than a quorum), provided that all vacancies in directorships to which Directors were appointed by the Developer pursuant to the provisions of paragraph 4.14 hereof shall be filled by the Developer without the necessity of any meeting.
- (b) Any Director elected by the members (other than Developer) may be removed by concurrence of a majority of the votes of the members present (in person or by proxy) at a special meeting of members called for that purpose at which a quorum has been attained, or by an agreement in writing of a majority of all voting interests. The vacancy in the Board of Directors so created shall be

filled by the members at the same meeting at which the recall is voted or the written agreement of recall is certified; provided, however, that if the vacancies are caused by the removal of a majority or more of the Board of Directors, the vacancies shall be filled in accordance with procedural rules to be adopted by the Division. The conveyance of all Units owned by a Director in the Condominium who owned one or more Units at the time he was elected or appointed (other than appointees of the Developer) shall constitute the resignation of such Director.

- (c) Anything to the contrary notwithstanding, Directors appointed by the Developer may only be recalled by the Developer, and Directors appointed by non-Developer Unit Owners may only be recalled by non-Developer Unit Owners. 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, without the necessity of a meeting.
- (d) If a vacancy on the Board of Directors results in there being no incumbent Directors, any Unit 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 30 days prior to applying to the Circuit Court, the Unit Owner shall mail to the Association and post in a conspicuous place in the Condominium a notice describing the intended action and giving the Association an opportunity to fill the vacancy(ies) in accordance with these Bylaws. 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 Bylaws.

- 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 or her successor is duly elected and qualified, or until he or she is removed in the manner elsewhere provided.
- 4.5 Organizational Meeting. The organizational meeting of newly-elected or appointed members of the Board of Directors shall be held within ten 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 Directors calling the meeting shall give at least three days advance notice thereof, stating the time and place of the meeting.
- 4.6 Board Meetings. Meetings of the Board of Directors and any Committee thereof at which a majority of the members of the Committee are present shall be open to all Unit

Owners; this requirement is inapplicable to meetings between the Board or a Committee and the Association's attorney, with respect to proposed or pending litigation, when the meeting is held for the purpose of seeking or rendering legal advice.

Meetings of the Board or Committee may be held by telephone conference; those Board or Committee members attending by telephone may be counted toward the quorum and may vote by telephone, provided that a telephone speaker is used so that the conversation of those Board or Committee members attending by telephone may be heard by the Board or Committee members attending in person as well as by any Unit Owners present at such meeting. Any Unit Owner may tape record or videotape meetings of the Board of Directors. The Unit Owner's right to attend meetings includes the right to speak at such meetings with reference to all designated agenda items. The Association may adopt reasonable rules governing the frequency, duration, and manner of member statements. Adequate notice of all meetings, which notice shall include an agenda, shall be posted conspicuously on the Condominium Property at least 48 continuous hours preceding the meeting except in an emergency. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one of the members of the Board of Directors. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. However, written notice of any meeting at which non-emergency Special Assessments, or at which new rules, or amendments to existing 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 14 days prior to the meeting. Evidence of compliance with this 14-day notice requirement shall be made by an affidavit executed by the person providing notice of the meeting and filed among the official records of the Association. Upon notice to the Unit Owners, the Board shall by duly adopted rule designate a specific location on the Condominium Property upon which all notices of Board meetings shall be posted. If there is no Condominium Property or Association Property upon which notices can be posted, notices of Board meetings shall be mailed or delivered at least 14 days in advance to the owner of each Unit. Notice of any meeting in which regular 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.

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

A Director or member of a Committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that he or she did not attend. This agreement or disagreement shall not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

- 4.7 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 shall constitute a waiver of notice of such 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.
- 4.8 Quorum. A quorum at Directors' meetings shall consist of a majority of the then incumbent 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 Bylaws.
- 4.9 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, as long as notice of such business to be conducted at the rescheduled meeting is given, if required (e.g., with respect to the adoption of a budget).
- 4.10 Presiding Officer. The presiding officer at the Directors' meetings shall be the President (who may, however, designate any other person to preside).
- 4.11 Order of Business. If a quorum has been attained, the order of business at Directors' meetings shall be:
- (a) Proof of due notice of meeting;
 - (b) Reading and disposal of any unapproved minutes;
 - (c) Reports of officers and committees;
 - (d) Election of officers;
 - (e) Unfinished business;
 - (f) New business;
 - (g) Adjournment.

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

- 4.12 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 these minutes for a period of not less than seven years.
- 4.13 Committees. The Board may by resolution create committees and appoint persons to such committees and invest in such committees such powers and responsibilities as the Board shall deem advisable.
- 4.14 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 percent or more of the Units in the Condominium. When Unit Owners other than the Developer own 15 percent or more of the Units in the Condominium, the Unit Owners other than the Developer shall be entitled to elect not less than one-third of the members of the Board of Directors. 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 percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (b) three months after 90 percent 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 years after recordation of the Declaration, whichever occurs first. The Developer is entitled (but not obligated) to elect at least one member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business 5 percent of the Units that will be operated ultimately by the Association.

The Developer may turnover control of the Association to Unit Owners other than the Developer prior to such dates 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 60 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 75 days after the Unit Owners other than the Developer are entitled to elect a member or members of the Board of Directors, or earlier if the Developer has elected to accelerate such event as aforesaid, the Association shall call, and give not less than

60 days' notice of an election for the member or members of the Board of Directors. The election shall proceed as provided in Fla.Stat. 718.112(2)(d). The notice may be given by any Unit Owner if the Association fails to do so. Upon election of the first Unit Owner other than Developer to the Board of Directors, the Developer shall forward to the Division the name and address of the Unit Owner Board member.

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 the Unit Owners shall accept control. Simultaneously, or for the purposes of subparagraph (g) below not more than 90 days thereafter, the Developer shall deliver to the Association, at the Developer's expense, 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, to the Condominium:

- (a) The original or a photocopy of the recorded Declaration of Condominium, and all amendments thereto. If a photocopy is provided, the Developer, or an officer or agent of the Developer, shall certify by affidavit that it is a complete copy of the actual recorded Declaration;
- (b) A certified copy of the Articles of Incorporation for the Association;
- (c) A copy of the Bylaws of the Association;
- (d) The minute books, including all minutes, and other books and records of the Association, if any;
- (e) Any rules and regulations which have been adopted;
- (f) Resignations of resigning officers and Board members who were appointed by the Developer;
- (g) 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 Florida Statutes, Chapter 473. 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 billings, cash receipts and related records to determine that the Developer was charged and paid the proper amounts of Assessments;

- (h) Association funds or the control thereof;
- (i) All tangible personal property that is the property of the Association or is or was represented by the Developer in writing to be part of the Common Elements or is ostensibly part of the Common Elements, and an inventory of such property;
- (j) A copy of the plans and specifications utilized in the construction or remodeling of the improvements and the supplying of equipment to the Condominium and in the construction and installation of all mechanical components servicing the improvements and the Condominium Property, with a certificate, in affidavit form, of an officer of the Developer 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 the construction and installation of the mechanical components serving the improvements and the Condominium Property;
- (k) Insurance policies;
- (l) Copies of any 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 year prior to the date the Unit Owners take control of the Association;
- (n) All written warranties of contractors, sub-contractors, 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; and
- (s) 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.

5. Authority of the Board.

5.1 Powers and Duties of the Board. The Board of Directors shall have the powers and duties necessary for the management and 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(s), the Articles or these Bylaws 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 of each Condominium and Association Property.
- (b) Determining the expenses required for the operation of the Condominium and the Association.
- (c) Collecting the Assessments (Common and Special) from Unit Owners.
- (d) Levying fines against appropriate Unit Owners for violations of the rules and regulations established by the Association to govern the conduct of such Unit Owners. 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. The hearing must be held before a committee of other Unit Owners. If the committee does not agree with the fine, the fine may not be levied. No fine may exceed \$100.00 per violation, however, a fine may be levied on the basis of each day of a continuing violation with a single notice and opportunity for hearing, provided however, that no such fine shall in the aggregate exceed \$1,000.00. No fine shall become a lien upon a Unit.
- (e) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements and Association Property.
- (f) Adopting and amending rules and regulations concerning the details of the operation and use of the Condominium Property and Association Property, subject to a right of the Unit Owners to overrule the Board as provided in Section 13 hereof.

- (g) Maintaining bank accounts on behalf of the Association and designating the signatories required therefor.
- (h) Purchasing, leasing or otherwise acquiring Units or other property in the name of the Association, or its designee, for the use and benefit of the members. The power to acquire property shall be exercised by the Board of Directors. The power to acquire real property shall be exercised as described herein and in the Declaration.
- (i) Purchasing, leasing or otherwise acquiring units or other property at foreclosure or other judicial sales, in the name of the Association, or its designee.
- (j) Selling, leasing, mortgaging or otherwise dealing with Units acquired, and subleasing Units leased, by the Association, or its designee.
- (k) Organizing corporations and appointing persons to act as designees of the Association in acquiring title to or leasing Units or other property.
- (l) Obtaining, maintaining and reviewing insurance for the Condominium Property and Association Property.
- (m) Making repairs, additions and improvements to, or alterations of, the Condominium Property and the 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.
- (n) 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.
- (o) Borrowing money on behalf of the Association or the Condominium when required in connection with the acquisition of property or the operation, care, upkeep and maintenance of the Common Elements (if the need for funds is unanticipated), and granting mortgages on and/or security interests in Association Property; provided, however, that the consent of the Owners of a least two-thirds (2/3) of the Units represented at a meeting at which a quorum has been attained in accordance with the provisions of these Bylaws shall be required for the borrowing of any sum in excess of \$150,000.00. If any sum borrowed by the Board of Directors on behalf of the Association 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 the Common Elements or in the Association Property bears to the interest of all the Unit Owners in the Common Elements or in Association Property 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. 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 or 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 or Association Property with 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 Condominium Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.
- (q) At its discretion, authorizing Unit Owners or other persons to use portions of the Common Elements of each Condominium or Association Property for private parties and gatherings and imposing reasonable charges for such private use.
- (r) Contracting with a cable operator licensed by the County to provide cable television service on a bulk rate basis to Unit Owners.
- (s) Imposing a lawful fee in connection with the approval of the sale, mortgage, lease, sublease or other transfer of Units, not to exceed the maximum amount permitted by law in any one case.
- (t) Contracting with and creating special taxing districts.
- (u) Bringing, settling or compromising any claims or lawsuits involving matters in which all Unit Owners have a common interest.
- (v) Exercising (i) all powers specifically set forth in the Declaration, the Articles, these Bylaws, and in the Condominium Act, and (ii) all powers incidental thereto, and all other powers of a Florida corporation not for profit.

5.2 Contracts. All contracts as further described herein or any contract that is not to be fully performed within one (1) year after the making thereof, for the purchase, lease or renting of materials or equipment to be used by the Association in accomplishing

its purposes, and all contracts for the provision of services, shall be in writing. If a contract for the purchase, lease or renting of materials or equipment, or for the provision of services, requires payment by the Association that exceeds 5 percent of the total annual budget of the Association, including reserves, the Association shall obtain competitive bids for the materials, equipment, or services. Nothing contained herein shall be construed to require the Association to accept the lowest bid. Notwithstanding the foregoing, contracts with employees of the Association, and contracts for attorney, accountant, architect, community association manager, timeshare management firm, engineering, and landscape architect services are not subject to the provisions of this section. Nothing contained herein: (a) is intended to limit the ability of an Association to obtain needed products and services in an emergency; (b) shall apply if the business entity with which the Association desires to contract is the only source of supply within the county serving the Association; (c) shall excuse a party contracting to provide maintenance or management services from compliance with Florida Statute §718.3025.

6. Officers.

- 6.1 Executive Officers. The executive officers of the Association shall be a President, Vice-President, a Treasurer and a Secretary (none of whom need be Directors), all of whom shall be elected by the Board of Directors and who may be preemptorily removed at any meeting at which a quorum of Directors is attained by concurrence of a majority of all of the present 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 the 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, shall 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 shall otherwise be prescribed by the Directors or the President.
- 6.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the Members. The Secretary shall attend to the giving of all notices to the Members and Directors and other notices required by law. The Secretary shall have custody of

the seal of the Association and shall affix it to instruments requiring the seal when duly signed. The Secretary 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. The Treasurer 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 at reasonable intervals and shall perform all other duties incident to the office of treasurer and as may be required by the Director 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 Developer Appointees. No officer appointed by the Developer may be removed except as provided in Section 4.14 hereof and by law.
7. Compensation. Neither Directors nor officers shall receive compensation for their services. 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 later 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 the conveyance of all Units owned by an entity for which the Director or officer is a representative (other than appointees of the Developer), 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 and the Association (which shall detail all accounts and items of expenses 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 the Condominium and the Association and allocate and assess such expenses among the Unit Owners in accordance with the provisions of the Declaration. If the Association maintains limited common elements with the cost to be shared only by those entitled to use the limited common elements, the budget

or a schedule attached thereto shall show amounts budgeted therefor. In addition to annual operating expenses, the budget shall, to the extent required by law, include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000. The amount of reserves shall be computed by means of a formula which is based upon estimated life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. Reserves shall not be required if the members of the Association have, by a majority vote (in person or by limited proxy) at a duly called meeting of members, determined for a specific fiscal year to provide no reserves or reserves less adequate than required hereby. However, prior to turnover of control of the Association by the Developer to Unit Owners other than the Developer, the Developer may vote to waive reserves for the first two fiscal years of the 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. No waiver, except any waiver of the Developer for two fiscal years, shall be effective for more than one fiscal year. If a meeting of the 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. After turnover, the Developer may vote its voting interest to waive or reduce the funding of reserves.

Reserve funds and any interest accruing thereon shall remain in the reserve account and be used only for authorized reserve expenditures and shall not be used for other purposes, except payment of income taxes on the interest earned and other direct expenses of maintaining reserve accounts, unless their use for other purposes is approved in advance by a vote of the majority of the members present at a duly called meeting of the Association. Prior to turnover of control of the Association to the Unit Owners from Developer, the Association shall not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all non-Developer voting interests voting in person or by limited proxy at a duly called meeting of the Association.

The adoption of a budget for the Condominium and Association by the Board of Directors shall comply with the requirements hereinafter set forth:

- (i) Notice of Meeting. A copy of the proposed budget shall be mailed to each Unit Owner at the address last furnished to the Association, 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. An officer or manager of the Association, or other person providing notice of such meeting, shall execute an affidavit evidencing compliance with such notice requirement, and such affidavit shall be filed among the official records of the Association.

- (ii) Special Membership Meeting. If the Board adopts in any fiscal year an annual budget which requires assessments against Unit Owners which exceed 115 percent of the assessments for the preceding fiscal year, the Board shall conduct a special meeting of the Unit Owners to consider a substitute budget if the Board receives, within 21 days after adoption of the annual budget, a written request for a special meeting from at least 10 percent of all voting interests. The special meeting shall be conducted within 60 days after adoption of the annual budget. At least 14 days prior to such special meeting, the Board shall hand deliver to each Unit Owner, or mail to each Unit Owner at the address last furnished to the Association, a notice of the meeting. An officer or manager of the Association, or other person providing notice of such meeting shall execute an affidavit evidencing compliance with this notice requirement, and such affidavit shall be filed among the official records of the Association. Unit Owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of all voting interests unless the bylaws require adoption by a greater percentage of voting interests. If there is not a quorum at the special meeting or a substitute budget is not adopted, the annual budget previously adopted by the Board shall take effect as scheduled.

- (iii) Determination of Budget Amount. Any determination of whether assessments exceed 115 percent of assessments for the prior fiscal year shall exclude any authorized provision for reasonable reserves for repair or replacement of the Condominium Property, anticipated expenses of the Association which the board does not expect to be incurred on a regular or annual basis, or assessments for betterments 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 a year greater than one hundred fifteen percent (115%) of the prior fiscal year's Assessments, as herein defined, without the approval of Unit Owners owning a majority of all voting interests.

- (b) Adoption by Membership. In the event that the Board of Directors shall be unable to adopt a budget in accordance with the requirements of Subsection 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 subsection, 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 the Unit Owners for their share of the items of the budget shall be made for the applicable fiscal year annually, if possible at least twenty (20) days preceding the year for which the Assessments are made. Such Assessments shall be due in equal installments, payable in advance on the first day of each month (or quarterly at the election of the Board) of the year for which the Assessments are made. If an annual Assessment is not made as required, an Assessment shall be presumed to have been made in the amount of the last prior Assessment, and monthly (or quarterly) installments on such Assessment shall be due upon each installment payment date until changed by an amended Assessment. In the event the annual Assessment proves to be insufficient, the budget and Assessments may be amended at any time by the Board of Directors, subject to the provisions of Section 9.1 hereof, if applicable. Unpaid Assessments for the remaining portion of the fiscal year for which an amended Assessment is made shall be payable in as many equal installments as there are full months (or quarters) of the fiscal year left as of the date of such amended Assessment. Each such monthly (or quarterly) installment shall be paid on the first day of the month (or quarter), commencing the first day of the next ensuing month (or quarter). If only a partial month (or quarter) remains, the amended Assessment shall be paid with the next regular installment in the following year, unless otherwise directed by the Board in its resolution.

9.3 Special Assessments. Special Assessments (as defined in the Declaration) shall be levied as provided in the Declaration and shall be paid in such manner as the Board of Directors may require in the notice of such assessments. The funds collected pursuant to a Special Assessment shall only be used for the specific purpose(s) set forth in the notice of adoption of same. However, upon completion of such specific purpose(s), any excess funds will be considered common surplus and may, at the Board's discretion, either be refunded to the Unit Owners or applied as a credit towards future assessments.

- 9.4 Charges. Charges by the Association against Members for other than Common Expenses of their Condominium or the Association shall be payable in advance. These charges shall be collected separately from Assessments for Common Expenses. Charges for other than Common Expenses may be made only after approval of a member or when expressly provided for in the Declaration or the exhibits annexed thereto, as the same may be amended from time to time, which charges may include, without limitation, charges for the exclusive use of portions of the Condominium Property or other Association Property, maintenance services furnished at the expense of an Owner, other services furnished for the benefit of an Owner and fines and damages and other sums due from such Owner.
- 9.5 Depository. The depository of the Association shall be such bank(s) or savings and loan association(s) in the State as may be required by the provisions of the Condominium Act and 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 funds of the Association shall be maintained separately in accounts in the Association's name. After being received by the Association, reserve funds shall be maintained separately from operating funds. No manager, agent, employee, officer, or Director of the Association shall commingle any Association funds with his funds or with the funds of any other person.
- 9.6 Acceleration of Installments upon Default. If a Unit Owner shall be in default in the payment of an installment upon his Assessments, the Board of Directors or its agent may accelerate the remaining installments of the Assessments so long as such acceleration is made in connection with foreclosure of the lien for Assessments.
- 9.7 Fidelity Bonds. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association, which shall include, without limitation, those individuals authorized to sign Association checks and the President, Secretary and Treasurer of the Association. The insurance policy or fidelity bond shall be in such amount as shall be determined by a majority of the Board, but must be sufficient to cover the maximum funds that will be in the custody of the Association or its management agent at any one time. The premiums on such bonds and/or insurance shall be paid by the Association as a Common Expense.
- 9.8 Accounting Records and Reports. The Association (or the manager under any applicable management contract) shall maintain accounting records for the Association according to good 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. 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 each Assessment, 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 the fiscal year, the Association shall prepare and complete, or contract for the preparation and completion of, a financial report for the preceding fiscal year. Within 21 days after the financial report is completed by the Association or received from the third party, but not later than 120 days after the end of the fiscal year, the Association shall mail to each Unit Owner at the address last furnished to the Association by the Unit Owner, or hand deliver to each Unit Owner, a copy of the financial report 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.

Financial reports shall be prepared in accordance with the rules established by the Division. The type of financial report to be prepared shall be based upon the annual revenues of the Association, as follows:

1. an Association with total annual revenues of \$100,000 or more, but less than \$200,000, shall prepare compiled financial statements.
2. an Association with total annual revenues of at least \$200,000, but less than \$400,000, shall prepare reviewed final statements.
3. an Association with total annual revenues of \$400,000 or more shall prepare audited financial statements.
4. an Association with total annual revenues of less than \$100,000 or an Association which operates less than 50 units (regardless of the annual revenues) shall prepare a report of cash receipts and expenditures in lieu of the financial statements required by paragraphs (1) through (3) above.

Notwithstanding the foregoing, the Association may prepare or cause to be prepared, without a meeting of or approval by the Unit Owners: (a) compiled, reviewed, or audited financial statements, if the Association is required to prepare a report of cash receipts and expenditures; (b) reviewed or audited financial statements, if the Association is required to prepare compiled financial statements; or (c) audited financial statements if the Association is required to prepare reviewed financial statements.

A report of cash receipts and disbursements must disclose the amount of receipts by accounts and receipt classifications and the amount of expenses by accounts and expense classifications, including, but not limited to, the following, as applicable: costs for security, professional

management fees and expenses, taxes, costs for recreation facilities, expenses for refuse collection and utility services, expenses for lawn care, costs for building maintenance and repair, insurance costs, administration and salary expenses, and reserves accumulated and expended for capital expenditures, deferred maintenance, and any other category for which the Association maintains reserves.

If approved by a majority of the voting interests present at a properly called meeting of the Association, an Association may prepare or cause to be prepared: (1) a report of cash receipts and expenditures in lieu of a compiled, reviewed, or audited financial statement; (2) a report of cash receipts and expenditures or a compiled financial statement in lieu of a reviewed or audited financial statement; or (3) a report of cash receipts and expenditures, a compiled financial statement, or a reviewed financial statement in lieu of an audited financial statement.

Such meeting and approval must occur prior to the end of the fiscal year and is effective for the fiscal year in which the vote is taken. Prior to the time that the Developer has turned over control of the Association to the Unit Owners, all Unit Owners, including the Developer, may vote on issues related to the preparation of financial reports for the first 2 fiscal years of the Association's operation. Thereafter, all Unit Owners except the Developer may vote on such issues until control is turned over to the Association by the Developer.

- 9.9 Application of Payment. All payments made by a Unit Owner shall be applied as provided in these Bylaws and in the Declaration or as determined by the Board.
- 9.10 Percentage of Association Common Expenses. Association Expenses shall be apportioned among all Units operated by the Association as provided in the Declaration of Condominium.
- 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. The Association shall maintain current information regarding the title holders of all Units. Such information shall be obtained by engaging the services of a qualified title company, or if the Board so elects, by requiring each Unit Owner to file with the Association a copy of the deed or other document showing his ownership. The Association may rely upon the accuracy of any such information for all purposes until notified in writing of changes therein. 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 Articles or these Bylaws.

However, a strict or technical reading of Roberts' Rules shall not be made so as to frustrate the will of the persons properly participating in said meeting.

12. Amendments. Except as in the Declaration provided otherwise, these Bylaws 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 and shall comply with the provisions of Section 718.112(2)(h), Florida Statutes.
 - 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 one-third (1/3) of the members of the Association. Directors and members not present in person or by limited proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting. The approval must be:
 - (a) at any time, by not less than a majority of the votes of all members of the Association 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 is turned over to Unit Owners other than the Developer, by not less than 80% of the votes of the Members of the Association represented at a meeting at which a quorum has been attained; or
 - (c) After control of the Association is turned over to Unit Owners other than the Developer, by not less than 100% of the entire Board of Directors; or
 - (d) before control of the Association is turned over to Unit Owners other than the Developer, by not less than 66 2/3% 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 or mortgagees in each instance. No amendment shall be made that is in conflict with the Articles or the 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 Declaration and Bylaws, 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 is recorded in the Public Records of Broward County, Florida.

13. Rules and Regulations. Attached hereto as Exhibit 1 and made a part hereof are rules and regulations concerning the use of portions of the Condominium and other 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 represented at a meeting at which a quorum is present 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 thirty (30) 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, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders. If any portion hereof shall be found by competent judicial authority to be unenforceable, then only that portion shall be deemed deleted and the remainder shall be given its nearest permissible meaning and effect.
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 Bylaws or the intent of any provision hereof.
16. Arbitration. In the event of a dispute as dispute is defined in Florida Statutes Section 718.1255, there shall be mandatory non-binding arbitration as provided for in said Statute.
17. Certificate of Compliance. A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Board as evidence of compliance of the Units to the applicable condominium fire and life safety code.
18. Conflicts. In the event of any irreconcilable conflict, the provisions of the Declaration shall be superior to the provisions of the Articles, which shall be superior to the provisions of these Bylaws.
19. Notice and Hearing For Fines. Prior to imposition of any fine by the Association on any Owner, occupant, licensee or invitee for violating any provision of the Declaration, Articles, Bylaws, or rules and regulations of the Association, such person shall be given reasonable notice and opportunity to be heard. The party sought to be fined shall be given at least fourteen (14) days prior notice of a hearing, which notice shall include (i) a statement of the date, time and place of the hearing, (ii) a statement of the provision of the Declaration, Articles, Bylaws, or rules claimed to have been violated, and (iii) a short and plain statement of the matters asserted by the Association. The party sought to be fined shall have an opportunity to respond, present evidence, provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any

material considered by the Association. No fine shall become a lien against a Unit. No fine may exceed \$100 per violation. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000. No fine may be levied except after giving reasonable notice and opportunity for a hearing to the Unit Owner and, if applicable, its licensee or invitee. The hearing must be held before a committee of other Unit Owners. If the Committee does not agree with the fine, the fine may not be levied. The provisions of this Section 19 do not apply to unoccupied Units.

20. Unit Owner Inquiries. When a Unit Owner files a written inquiry by certified mail with the Board of Directors, the Board of Directors shall respond in writing to the Unit Owner within 30 days of receipt of the inquiry. The Board's response shall either give a substantive response to the inquirer, notify the inquirer that a legal opinion has been requested, or notify the inquirer that advice has been requested from the Division. If the Board requests advice from the Division, the Board shall, within 10 days of receipt of the advice, provide in writing a substantive response to the inquirer. If a legal opinion is requested, the Board shall, within 60 days after receipt of the inquiry, provide in writing a substantive response to the inquiry. The failure to provide a substantive response to the inquiry as provided herein precludes the Board of Directors from recovering attorneys' fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the inquiry. The Association may through its Board of Directors adopt reasonable rules and regulations regarding the frequency and manner of responding to Unit Owner inquiries, one of which may be that the Association is only obligated to respond to one written inquiry per unit in any given 30 day period. In such a case, any additional inquiry or inquiries must be responded to in the subsequent 30 day period or periods, as applicable.

The foregoing was adopted as the Bylaws of WATERGARDEN CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at its first meeting of the Board of Directors on the 17 day of March, 2003.

Approved:



President



Secretary

