

EXHIBIT "E"

VILLAGE EAST, A CONDOMINIUM

BY-LAWS OF
VILLAGE EAST CONDOMINIUM ASSOCIATION, INC.

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BYLAWS

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-E-

Declaration of Condominium for Village East, a Condominium

**BYLAWS OF
VILLAGE EAST CONDOMINIUM ASSOCIATION, INC.,
a Florida corporation not for profit
organized under the laws of the State of Florida**

**Article 1
GENERAL**

1.1 **The Name.** The name of the Corporation shall be VILLAGE EAST CONDOMINIUM ASSOCIATION, INC., hereinafter referred to as the "Association."

1.2 **Principal Office.** The principal office of the Corporation shall be at 2001 S. E. 10th Avenue, Fort Lauderdale, Florida 33316, or at such other place as may be subsequently designated by the Board of Directors.

1.3 **Identity.** In addition to these Bylaws being the Bylaws of the Association, these bylaws are established pursuant to the Florida Condominium Act, Chapter 718, Florida Statutes ("Act") for the purpose of administering, operating and managing VILLAGE EAST, A CONDOMINIUM (the "Condominium").

1.4 **Definitions.** As used herein, these Bylaws shall be referred to as the "Bylaws," the Articles of Incorporation of the Association as the "Articles," the term "Corporation" shall be the equivalent of "Association," "Developer" shall be equivalent to the "Declarant" as both may be used and interchanged throughout these Bylaws, the Articles, and the Declaration. All other words as used herein shall have the same definitions as attributed to them in the Declaration of Condominium of Village East, a Condominium ("Declaration"). Any terms not defined in the Declaration shall have those definitions established by the Act.

**Article 2
MEMBERSHIP AND VOTING PROVISIONS**

2.1 **Membership.** Membership in this Association shall be as specified in the Articles and the Declaration and shall be limited to Unit Owners in the Condominium. Transfer of Unit ownership, either voluntarily or by operation of law, shall automatically terminate membership, and the transferee shall automatically become a Member of this Association. If Unit ownership is vested in more than one person, all of the persons owning a Unit shall be eligible to hold office, attend meetings, etc.; but, as hereinafter indicated, the vote of a Unit shall be cast by the Voting Member. If Unit ownership is vested in a corporation, the corporation may designate an individual officer or employee as its Voting Member. Developer, or its assignee, nominee, designee or successor, as a Unit Owner of unsold Units, shall be deemed a Unit Owner and Member of this Association.

2.2 **Voting.** In any meeting of members, the Unit Owner of each residential Unit shall be entitled to one (1) vote. If a Unit Owner owns more than one residential Unit, he shall be entitled to one (1) vote for each residential Unit owned. The vote of a Unit shall not be divisible. Unless otherwise set forth herein or in the Act, matters shall be voted on by the membership of the

Association and shall be determined by a vote of a majority of the voting interests ("Voting Interests") to be cast by the Members in attendance at any meeting having a quorum.

2.3 **Quorum.** Unless otherwise provided in these Bylaws, the presence, in person, or by proxy, of thirty-three and one-third percent (33-1/3 %) of the Voting Interests of the Association constitutes a quorum. Voting rights of no Unit Owner may be suspended pursuant to the provisions of the Declaration of these bylaws for any violation of same, pursuant to Section 718.106, Florida Statutes. A quorum is not required for elections conducted by the Association, pursuant to Section 718.112(2)(d), Florida Statutes.

2.4 **Proxies.** Except where otherwise provided by law, in the Declaration, the Articles of Incorporation or in these Bylaws (including, but not limited to Section 4.2 hereof), votes may be cast in person or by proxy. All proxies shall be in writing, signed by the person entitled to vote, shall be filed with the Secretary of the Association prior to, or at, the meeting at which they are to be used, and shall be effective only for the specific meeting for which they were originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Unit Owner executing it. Where a Unit is owned jointly by a husband and wife, and they have not designated one of themselves as a Voting Member, a proxy must be signed by both in order to designate a third person as proxy. Limited proxies and general proxies may be used to establish a quorum. Limited proxies must be used for votes taken to: (i) waive or reduce reserves; (ii) waive financial statement requirements; (iii) amend the Declaration; (iv) amend the Articles of Incorporation or Bylaws; and (v) for any other matter for which the Florida Condominium Act requires or permits a vote of the Unit Owners. (No proxy, limited or general, shall be used in the election of Board members.) 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 provision of this subsection 2.4, Unit Owners may vote in person at Unit Owner meetings.)

2.5 **Designation of Voting Member.** If a Unit is owned by one person, his right to vote shall be established by the record title to the Unit. If a Unit is owned by more than one person, the person entitled to cast the Unit's vote shall be designated in a certificate to be filed with the Secretary, signed by all of the record Unit Owners of the Unit. If a Unit is owned by a corporation, it shall designate the officer, employee or agent entitled to cast the Unit's vote by executing a certificate to be filed with the Secretary of the Association, signed by its President or Vice President and attested to by its Secretary or Assistant Secretary. The person designated in such certificate shall be known as the Voting Member. If, for a Unit owned by more than one person or by a corporation, such certificate is not on file with the Secretary of the Association, the vote of the Unit shall not be counted in determining the presence of a quorum, or for any purpose requiring the approval of the person entitled to cast the vote for the Unit, except if said Unit is owned jointly by a husband and wife. Such certificate shall be valid until revoked or superseded by a subsequent certificate, or until a change occurs in the ownership of the Unit. If a Unit is owned jointly by a husband and wife, the following provisions are applicable:

- A. They may, but they shall not be required to, designate a Voting Member;

B. If they do not designate a Voting Member, and 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;

C. Where they do not designate a Voting Member, and only one is present at a meeting, the person present may cast the Unit's vote.

Article 3 MEMBERSHIP AND MEETINGS

3.1 **Place.** All meetings of Members shall be held at the principal office of the Association or at such other place and at such time as shall be designated by the Board and stated in the notice of meeting.

3.2 **Notice.** It shall be the duty of the Secretary to send by regular mail or deliver a notice of each annual or special meeting to each Unit Owner, and to post a copy of said notice in a conspicuous place on the property, at least fourteen (14) continuous days but not more than thirty-five (35) days prior to such meeting pursuant to Section 718.112(2)(d)(2), Florida Statutes. Notwithstanding the foregoing, not less than sixty (60) days before a scheduled election, the Secretary shall mail or deliver to each Unit Owner a first notice of the date of election in accordance with Section 718.112(2)(d)(3), Florida Statutes, and as detailed in Section 4.2 herein. Together with the notice to be provided in accordance with the first sentence of this Section 3.2, the Secretary shall mail or deliver a second notice of election. Notice of any meeting shall list the time, place and purpose thereof and shall incorporate an identification of agenda items. 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 Unit Owner meetings shall be posted. Unless a Unit Owner waives in writing the right to receive notice of the annual meeting by mail, the notice of the annual meeting shall be sent by mail to each Unit Owner. All notices shall be mailed to or served at the address of the Unit Owner as it appears on the books of the Association. Proof of posting, delivery or mailing of the notice (if required) shall be given by the affidavit of the person serving the notice or by a U.S. post office certificate of mailing and such proof shall be retained in the official records of the Association as proof of such mailing. Notice of specific meetings may be waived before or after the meeting.

3.3 **Annual Meeting.** There shall be an annual meeting of the Unit Owners for the purpose of electing directors and transacting any other authorized business. Such annual meeting shall be held at 8:00 p.m., Eastern Standard Time, on the first Tuesday in December of each year, or at such other time as shall be selected by the Board of Directors. At the annual meeting, the Members shall elect a Board by plurality vote (cumulative voting prohibited), and shall transact such other business as may be properly brought before the meeting.

3.4 **Special Meetings.** Special meetings of the Members for any purpose, unless otherwise prescribed by statute, may be called by the President, or shall be called by the President or Secretary at the request, in writing, of a majority of the Board of Directors or at the request, in writing, of Voting Members representing forty percent (40%) of the Voting Interests. Such requests shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice of meeting.

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

3.6 **Adjourned Meeting.** If any meeting of Members cannot be organized because a quorum is not present, either in person or by proxy, the meeting shall be adjourned from time to time until a quorum is present.

3.7 **Order of Business.** The order of business at annual Members' meetings, and as far as practical at other Members' meetings, shall be:

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- A. Collection of election ballots (if applicable);
 - B. Calling to order by President or Chairman;
 - C. Appointment of chairman of the meeting by the President or, in his absence, by a majority of the Board of Directors. The chairman may be the attorney for the Association or a representative of the Association's management company who will conduct the meeting without vote;
 - D. Calling of the roll and certifying of proxies;
 - E. Proof of notice of the meeting or waiver of notice;
 - F. Reading and disposal of any unapproved minutes;
 - G. Reports of officers;
 - H. Reports of committees;
 - I. Appointment of inspectors of election;
 - J. Determination of number of directors;
 - K. Election of directors;
 - L. Unfinished business;

M. New business; and

N. Adjournment.

3.8 **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 representative and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

Article 4 DIRECTORS

4.1 **Membership.** The affairs of the Association shall be managed by a Board of not less than three (3), nor more than nine (9) Directors.

The exact number of Directors will be determined from time to time upon majority vote of the membership. The Board may not appoint other officers without the majority vote of the membership. All Directors shall be Unit Owners, or, in the case of partnership Unit Owners, shall be members or employees of such partnerships; or, in the case of corporate Unit Owners, shall be directors, officers, stockholders or employees of such Corporation; or, in the case of fiduciary Unit Owners, shall be the fiduciaries or their beneficiaries, or directors, officers, stockholders or employees of a corporate fiduciary, or their corporate beneficiary, or partners or employees of a partnership fiduciary. No Director shall continue to serve on the Board after he ceases to be a Unit Owner or an interested party in a Unit Owner as specified in the preceding sentence. The above provisions of this subsection 4.1 and subsection 4.2 shall not apply to Directors elected by the Developer in accordance with subsection 4.15 hereof.

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

A. Election of directors shall be held at the annual Members' meeting, except as provided herein to the contrary.

B. The Board of Directors shall be elected by written ballot or voting machine. Proxies shall not be used in the election of the Board of Directors, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise; however, if a majority or more of the existing Board is recalled at the meeting, proxies may be used for the election to fill these vacancies, in accordance with Rule 61B-0027(3)(e)2, Florida Administrative Code. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least twenty percent (20%) of the eligible votes must cast a ballot in order to have a valid election of members of the Board of administration. No Unit Owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid.

C. Written notice of the scheduled election shall be mailed to each Member at his last known address as it appears on the books of the Association. The first notice of the date of the

election shall be mailed to each Member not less than sixty (60) days before the scheduled election. The first notice must contain the name and correct mailing address of the Association.

D. Any Unit Owner or other eligible person desiring to be a candidate for the Board shall give written notice to the Association not less than forty (40) days before the scheduled election. Written notice shall be effective when received by the Association.

E. Upon the timely request of the candidate as set forth in this subparagraph, the Association shall include, with the second notice of election described in Paragraph G below, a copy of an information sheet which may describe the candidate's background, education and qualifications as well as any other factors deemed relevant by the candidate. The information sheet shall not exceed one side of a sheet which shall be no larger than eight and one-half inches (8-1/2") by eleven inches (11"). Any candidate desiring the Association to mail or personally deliver copies of an information sheet to the eligible voters must furnish the information sheet to the Association not less than thirty-five (35) days before the election. The failure of the Association to mail or personally deliver a copy of a timely delivered information sheet of each eligible candidate to the eligible voters shall render any election held null and void. The Association shall not edit, alter or otherwise modify the content of the information sheet. The original copy provided by the candidate shall become part of the official records of the Association. (The Association has no liability for the contents of the information sheets prepared by the candidates.)

F. The Board shall hold a meeting following the deadline for a candidate to provide notice to the Association of intent to run.

G. Not less than thirty (30) days before the scheduled election, the Association shall mail or deliver to the eligible voters at the addresses listed in the official records of the Association a second notice of the election, together with a ballot which shall list all candidates and any information sheets timely submitted by the candidates. The second notice and accompanying documents shall not contain any communication by the Board which endorses, disapproves or otherwise comments on any candidate. Accompanying the ballot shall be an outer envelope addressed to the person or entity authorized to receive the ballots and a smaller inner envelope in which the ballot shall be placed. The exterior of the outer envelope shall indicate the name of the voter and the Unit or Unit numbers being voted and shall contain a signature space for the voter. Once the ballot is completed, the voter shall place the completed ballot in the inner smaller envelope and seal that envelope. The inner envelope shall then be placed within the larger outer envelope and the outer envelope shall then be sealed. Each inner envelope shall contain only one ballot, but if a person is entitled to cast more than one ballot, the separate inner envelopes required may be enclosed within a single outer envelope. The voter shall sign the exterior of the outer envelope in the space provided for his signature. The outer envelope shall either be mailed or hand delivered to the Association. Upon receipt by the Association, no ballot may be rescinded or changed.

H. The written ballot shall indicate in alphabetical order by surname, each and every Unit Owner or other eligible person who desires to be a candidate for the Board and who gave written notice to the Association not less than forty (40) days before a scheduled election, unless such person has, prior to the mailing of the ballot, withdrawn his candidacy in writing. No ballot shall indicate which candidates are incumbents on the Board. No write-in candidates shall be permitted. No

ballot shall contain a section providing for the signature of a voter. All ballot forms shall be uniform in color and appearance. Envelopes containing ballots received by the Association shall be retained and collected by the Association and shall not be opened except in the manner hereinafter provided and in accordance with the Act.

I. Any envelopes containing ballots not prevalidated as provided in subsection 4.2(J) below shall be collected by the Association and shall be transported to the location of the election. Either the Board or persons appointed by the Board shall validate and process the ballots. The Association shall have available additional blank ballots at the meeting for distribution to the eligible voters who have not cast their votes. Each ballot distributed at the meeting shall be placed in an inner and outer envelope as provided in subsection 4.2(F) hereof. At the meeting, as the first order of business, ballots not yet cast shall be collected. Next, the signatures and Unit identifications on the outer envelopes shall be checked against the list of qualified voters, unless previously verified as set forth in subsection 4.2(J) below. Any exterior envelope not signed by the eligible voter shall be marked "disregarded" and any ballots contained therein shall not be counted. The voters shall be checked off on the list as having voted. Then, in the presence of any Unit Owners in attendance, and regardless of whether a quorum is present, all inner envelopes shall be first removed from the outer envelopes and shall be placed in a receptacle. Upon the commencement of the opening of the outer envelopes, the polls shall be closed, and no more ballots shall be accepted. Inner envelopes shall then be opened and the ballots shall be removed and counted in the presence of any Unit Owners. Any inner envelopes containing more than one ballot shall be marked "disregarded" and any ballots contained therein shall not be counted. All envelopes and ballots, whether disregarded or not, shall be retained as part of the official records of the Association. Board members whose terms expire and who are not reelected shall relinquish their Board positions, and those positions shall be assumed by the duly elected Board members.

J. The Association may verify outer envelope information in advance of the meeting by following the procedure set forth in Section 718.112(2)(d)(3), Florida Statutes, and Rule 61B-23.001, Florida Administrative Code.

K. The Board shall not create or appoint any committee for the purpose of nominating a candidate or candidates for election to the Board. However, the Board may create or appoint a search committee which shall not have the authority to nominate any candidate, but may encourage qualified persons to become candidates for the Board.

L. The provisions of this subsection 4.2(B) through 4.2(K), inclusive, are in accordance with Section 718.112(2)(d)(3), Florida Statutes, and Rule 61B-23.0021, Florida Administrative Code. In the event such statute or rule is repealed, the Board shall determine the procedure for elections of directors. In the event said statute or rule is amended, these Bylaws shall be deemed automatically amended to comply with any such changes.

M. The provisions of this subsection 4.2 may be amended by a sixty-five percent (65%) vote of the total Voting Interests to provide for different voting and election procedures, provided that the proposed amendments comply with Florida law, as amended from time to time.

N. Notwithstanding anything contained herein to the contrary, balloting is not necessary to fill any vacancy unless there are two (2) or more eligible candidates for that vacancy. In such case, not later than the date of the scheduled election, the Association shall call and hold a meeting of the membership to announce the names of the new Board members, or shall notify the Unit Owners that one or more Board member positions remain unfilled, as appropriate under the circumstances. In the alternative, the announcement may be made at the annual meeting.

O. At any duly convened regular or special meeting of Members at which a quorum is present, any one or more of the directors may be removed, with or without cause, by the affirmative vote of Voting Members casting not less than a majority of the total votes of the Association. A successor may then and there be elected to fill any vacancies created. Should the membership fail to elect a successor, the Board may fill the vacancy in the manner provided below. Notwithstanding the foregoing, as provided in Rule 61B-23.0026, Florida Administrative Code, directors appointed by the Developer may only be removed by the Developer and directors appointed by the Unit Owners may only be removed by the Unit Owners.

P. Except as to vacancies resulting from removal of Directors by Members, if the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification, or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor who shall hold office for the balance of the unexpired term of office. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board.

Q. Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, addressed to the President or Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. Commencing with the organizational meeting of any newly elected Board, more than three (3) consecutive absences unless excused by resolution of the Board shall automatically constitute a resignation from the Board. The transfer by a Director of title to his parcel shall, effective as of the date of title transfer, automatically constitute a resignation from the Board.

R. Until a majority of the Directors are elected by the Members other than the Developer, however, neither the first directors of the Association nor any directors replacing them nor any directors named by the Developer shall be subject to removal by members other than the Developer. The first directors and directors replacing them may be removed by the Developer.

4.3 **Term.** Vacancies on the Board caused by the expiration of a Director's term shall be filled by electing new Board members. The term of each director's service shall extend until the next annual meeting of the Members and subsequently until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided, and provided that the first Board shall serve in accordance with subsection 4.15 hereinafter.

4.4 **Recall.** Subject to the provisions of Section 718.301, Florida Statutes, and subject to the provisions of Article 4 of these Bylaws, any member of the Board may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all Voting Interests. A special meeting of the Unit Owners to recall a member or members of the Board may be called by ten percent (10%) of the Voting Interests giving notice of the meeting as required for a

meeting of Unit Owners, and the notice shall state the purpose of the meeting. The recall of a Director shall be further governed by Section 718.112(2)(j), Florida Statutes.

4.5 **Organizational Meeting.** The organizational meeting of a newly elected Board shall be held after their selection within ten (10) days of their election, at such place and time as shall be fixed by the directors at the meeting at which they were elected. Adequate notice of such meeting shall be posted conspicuously on Condominium property at least forty-eight (48) continuous hours preceding such meeting, except in the case of emergency, and no further notice of the organizational meeting shall be necessary.

4.6 **Regular Meetings.** Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally, or by mail, telephone or telegraph, and shall be transmitted at least three (3) days prior to the meeting. Regular meetings of the Board and any committee thereof at which a quorum of the members of that committee are present, shall be open to all Unit Owners, and notice of such meetings, which notice shall specifically state an identification of agenda items, shall be posted conspicuously at each Condominium forty-eight (48) continuous hours preceding the meeting for the attention of the Members of the Association except in the event of an emergency. Any item not included on the notice may be taken upon an emergency basis by at least a majority plus one (1) member of the board. 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 amendments to rules regarding Unit use will be proposed, discussed or approved, shall be mailed or delivered to the Unit Owners and posted conspicuously on the Condominium property not less than fourteen (14) days prior to the meeting. Evidence of compliance with this fourteen (14) day notice shall be made by an affidavit executed by the Secretary 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. Notice of any meeting where 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. The right of a Member to attend such meetings includes the right of the Member to speak at such meetings with reference to all designated agenda items. A Member does not have the right to speak with reference to items not specifically designated on the agenda, but the Board, in its discretion, may permit a Member to speak on such items. The Board may adopt reasonable rules governing the frequency, duration, and manner of Unit Owner statements. Any Member may tape record or videotape meetings of the Board, committee or Members; provided, however, that the equipment utilized does not produce distracting sound or light emissions and subject to any rules which may be adopted by the Board regarding placement, assemblage or usage of audio and video equipment, prior notice to record the meeting, and distraction resulting from moving about during recording of the meeting.

4.7 **Special Meetings.** Special meetings of the Directors may be called by the President or, in his absence, by the Vice President, and must be called by the President or Secretary at the written request of two-thirds (2/3) of the Directors. Notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than three (3) days prior to the meeting. Special meetings of the Board shall be open to all Unit Owners, and notice of a special meeting shall be posted conspicuously at each

Condominium forty-eight (48) continuous hours in advance for the attention of the Members of the Association except in the event of an emergency. However, written notice of any special meeting at which non-emergency special assessments, or at which amendments to rules regarding Unit use will be proposed, discussed or approved, shall be mailed or delivered to the Unit Owners or posted conspicuously on the Condominium property not less than fourteen (14) days prior to the meeting. Evidence of compliance with this fourteen (14) day notice shall be made by an affidavit executed by the Secretary 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. Notice of any meeting where 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. The right of a Member to attend such special meetings includes the right of the Member to speak at such meetings with reference to all designated agenda items. The provisions set forth in Section 4.6 hereof with respect to speaking at meetings and recording of meetings shall also apply to special meetings.

4.8 **Waiver of Notice.** Any director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the giving 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.

4.9 **Quorum and Voting.** A quorum at directors meetings shall consist of a majority of the entire Board. 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, except when approval by a greater number of directors is required by the Declaration, the Articles or these Bylaws. Directors may not vote by proxy or secret ballot at Board meetings, except, if allowed by statute, for election of officers. A vote or abstention for each director present shall be recorded in the minutes

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

4.11 **Presiding Officer.** The presiding officer of the directors' meetings shall be chairman of the Board if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside. The President or, in his absence, a majority of the Board, may appoint, without vote, the attorney of the Association or a representative of the Association's management company to act as chairman to conduct the meeting.

4.12 **Order of Business.** The order of business at directors' meetings shall be:

- A. Calling of roll;
- B. Proof of due notice of meeting;

- C. Reading and disposal of any unapproved minutes;
- D. Reports of officers and committees;
- E. Election of officers;
- F. Unfinished business;
- G. New business; and
- H. Adjournment.

4.13 **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 representative, and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

4.14 **Compensation.** Directors shall not be entitled to any compensation for their services unless compensation is granted by a majority of the Voting Members at a membership meeting. Directors may be compensated for services performed outside the scope of their services as directors. Notwithstanding anything to the contrary contained in this subsection 4.14, no director, officer or manager required to be licensed under Section 486.432, Florida Statutes, shall solicit, offer to accept, or accept any thing or service of a value for which consideration has not been provided for his own benefit or that of his immediate family, from any person providing or proposing to provide goods or services to the Association. Any such individual who knowingly so solicits, offers to accept, or accepts any thing or service of value is subject to a civil penalty pursuant to Section 718.501(1)(d), Florida Statutes. However, this subsection 4.14 does not prohibit a director, officer or manager from accepting services or items received in connection with trade fairs or education programs.

4.15 **Developer Control of Board; Turnover.** Developer shall initially appoint three (3) Directors and then thereafter, shall have the right to appoint and replace all Directors and Officers; provided, however, upon the sale or transfer by Developer of **twenty five percent (25%)** of the Units to Unit Owners other than the Developer, the Members other than the Developer shall be entitled to elect, at a meeting of Members, one-third of the Directors to the Board. Upon the election of such Director by Members other than the Developer, the Developer shall designate one of the three Directors appointed by it to resign. This procedure is intended to give Members other than the Developer a non-controlling minority voice in the operation of the Association so as to (i) allow direct input from non-Developer Members, and (ii) to promote the ability of non-Developer Members to manage the Association, in anticipation of turnover.

The Developer shall turn over control of the Association to Unit Owners other than the Developer upon the first to occur of the following:

- (1) Three (3) years after fifty percent (50%) of the Units have been conveyed to Unit Owners;

(2) Three (3) months after ninety percent (90%) of the Units have been conveyed to Unit Owners;

(3) When all of the Units have been completed, some of which have been conveyed to Unit Owners, while none of the others are being offered for sale by Developer in the ordinary course of business;

(4) When some of the Units have been conveyed to Unit Owners and none of the others are being constructed or offered for sale by Developer in the ordinary course of business; or

(5) The date which is seven (7) years from the date on which this Declaration is recorded amongst the Public Records of the County.

Upon any of the foregoing events, Developer shall cause 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. Within seventy-five (75) days after the Unit Owners are entitled to elect one or more Directors, the Association shall call, and give no less than sixty (60) days' notice for the election of Directors. Provided the foregoing notice of meeting 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. Control of the Association shall be deemed "turned over" upon any of those events occurring as set forth above. Upon such turnover, the Developer shall retain all voting rights incident to its ownership of Units. Notwithstanding the foregoing, as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units, the Developer is entitled to elect one member of the Board.

Simultaneously with the time that control of the Association is turned over to Unit Owners other than the Developer (but not more than ninety (90) days with respect to Section 4.15.G below), the Developer shall deliver to the Association all property of the Unit Owners and of the Association held by or controlled by the Developer, including, but not limited to, the following items, if applicable:

A. The original or a photocopy of the recorded Declaration, and all amendments thereto. If a photocopy is provided, the Developer must certify by affidavit that it is a complete copy of the actual recorded Declaration;

B. A certified copy of the Articles of Incorporation 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;

E. Any rules and regulations which have been adopted;

F. Resignations of resigning officers and Board members who were appointed by the Developer;

G. 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 and at the Developer's expense. The financial records shall be prepared in compliance with Section 718.301(4)(c), Florida Statutes, and performed in accordance with generally accepted accounting standards, as prescribed by the Board of Accountancy;

H. Association funds or the control thereof;

I. All tangible personal property that is the property of the Association, and an inventory of such property;

J. A copy of the plans and specifications utilized in the construction or remodeling of any improvements within the Condominium Property;

K. Insurance policies;

L. Copies of any Certificates of Completion which may have been issued for the Condominium Property;

M. Any other permits issued by governmental bodies applicable to the Condominium Property in force or issued within one (1) year prior to the date the Unit Owners take control of the Association;

N. All written warranties of contractors, subcontractors, suppliers and manufacturers, if any, that are still effective with respect to the Condominium Property;

O. A roster of Unit Owners and their addresses and telephone numbers, if known, as shown on the Association's records:

P. Leases of the Common Elements or 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; and

R. All other contracts to which the Association is a party.

4.16 **Resignations.** Any director may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is

specified in the resignation, in which event the resignation shall be effective from such date. 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 other directors or officers who are not Unit Owners when elected or appointed) shall constitute a written resignation of such Director or Officer.

**Article 5
POWERS AND DUTIES**

5.1 **Generally.** The Board shall have the powers and duties necessary for the administration of the affairs of the Condominium, and may do all such acts except such acts which by law, the Declaration, or these Bylaws, may not be delegated to the Board by the Unit Owners. Such powers and duties of the Board shall include, without limitation (except as limited elsewhere herein and to the extent that same is in accordance with Chapter 718, Florida Statutes) the following:

- A. Operation, care, upkeep and maintenance of the Common Elements and facilities.
- B. Determination and adoption of the annual budget of Common Expenses required for the operation of the Condominium and the Association.
- C. Collection of the assessments for Common Expenses from Unit Owners required to pay same.
- D. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements and recreational lands.
- E. Adoption and amendment of the rules and regulations covering the details of the operation and use of Condominium property and facilities.
- F. Maintaining of bank accounts on behalf of the Association and the designation of the signatories required therefor.
- G. Purchasing, leasing or other acquiring of Units in the name of the Association, or its designee.
- H. Purchase of Units at foreclosure or other judicial sales, in the name of the Association or its designee.
- I. Selling, leasing, mortgaging, or otherwise dealing with Units acquired by, and subleasing Units leased by, the Association or its designee.
- J. Organization of Corporations to act as designees of the Association in acquiring title to Units or leasing Units by the Association.
- K. Obtaining and reviewing insurance for the Condominium property.

L. Making repairs, additions and improvements to, or alterations of, the Condominium property, and repairs to and restoration of the Condominium 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.

M. Enforcement of the obligations of the Unit Owners, the allocation of profits and expenses, and the performance of anything and everything else necessary and proper for the sound management of the Condominium.

N. Levying fines against the Unit Owners for violations of the rules and regulations established by it to govern the conduct of the Unit Owners.

O. Purchasing or leasing a Unit for use by a resident manager.

P. Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of the Common Elements; provided, however, that (i) the consent of the Unit Owners of at least sixty-five percent (65%) of the Units, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required for the borrowing of any sum in excess of Twenty-Five Thousand Dollars (\$25,000.00); and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit without the consent of the Unit Owner of such Unit. If any sum borrowed by the Board on behalf of the Association pursuant to authority contained in this subparagraph P is not repaid by the Association, a Unit Owner, who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

Q. If applicable, contracting for the management of the Condominium and the delegation to such manager such powers and duties of the Board as the Board may deem appropriate in the circumstances, and contracting for the management or operation of portions of the Condominium property susceptible to separate management or operation thereof, and the granting of concessions for the purpose of providing services to the Unit Owners. As an exception to the foregoing, there shall be no delegation of powers and duties wherein (1) same are contrary to the Florida Statutes and are accordingly not susceptible of being delegated; (2) those delegations and duties which may be required by the Declaration and these Bylaws to have approval of the Board or of the Unit Owners; (3) the delegation is a power and duty which, by its very nature, is a decision or fiduciary responsibility to be made by the Board and is therefore not susceptible of delegation; and (4) same may be contrary to the Declaration or the Bylaws.

R. Exercise of all powers specifically set forth in the Declaration, the Articles of Incorporation of the Association, these Bylaws, and in the Act, and all powers incidental thereto.

S. Imposing a lawful fee in connection with the approval of the transfer, lease, sale or sublease of Units. However, no fee shall be charged in connection with the transfer, sale or approval in excess of the expenditures reasonably required for the transfer or sale, and this expense

shall not exceed the maximum amount permitted by law. No charge shall be made in connection with an extension or renewal of a lease.

T. Entering into and upon the Units during reasonable hours, and with as little inconvenience to the Unit Owner as possible when necessary for the maintenance, repair or replacement of any Common Elements or of any portion of a Unit to be maintained by the Association pursuant to the Declaration or as necessary to prevent damage to the Common Elements or Association Property.

U. Collecting delinquent assessments by suit or otherwise, abating nuisances, and enjoining or seeking damages from the Unit Owners for violations of these Bylaws and the terms and conditions of the Declaration.

V. Acquiring and entering into agreements, whereby it acquires leaseholds, memberships, and other possessory or use interest in lands or facilities, whether or not contiguous to the lands of the Condominium, intended to provide for the enjoyment, recreation or other use and benefit of the Unit Owners, and declaring expenses in connection therewith to be Common Expenses; all in such form and in such manner as may be deemed by the Board to be in the best interest of the Association; and in the participation in the acquisition of any interest in lands or facilities for the foregoing purposes may be direct or indirect, meaning, without limiting the generality of the foregoing, by direct ownership of land or acquisition of stock in a corporation owning land.

5.2 Hurricane Shutters. The Board shall adopt hurricane shutter specifications for each building within the Condominium, which shall include color, style, and other factors deemed relevant by the Board. All specifications adopted by the Board shall comply with applicable building codes and ordinances. Notwithstanding any provision to the contrary herein, the Board shall not refuse to approve the installation or replacement of hurricane shutters conforming to the specifications adopted by the Board. The installation, replacement, and maintenance of such shutters in accordance with the procedures set forth in the Declaration shall not be deemed a material alteration to the Common Elements, pursuant to the Declaration, these Bylaws, or in accordance with Section 718.113, Florida Statutes.

Article 6 OFFICERS

6.1 Executive Officers. The executive officers of the Association shall consist of a President, one or more Vice Presidents, Secretary, Assistant Secretary, and Treasurer; all of whom shall be elected by said Board. Any two of said offices may be united in one person, except that the President shall not also be the Secretary or an Assistant Secretary of the Association.

6.2 Appointive Officers. The Board may appoint such other officers and agents as they may deem necessary, who shall hold office at the pleasure of the Board and shall have such authority and perform such duties as, from time to time, may be prescribed by said Board.

6.3 Election. The Board at its first meeting after each annual meeting of general members shall elect all officers, none of whom, except the President, need be a member of the Board.

6.4 **Term.** The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the whole Board.

6.5 **The President.** The President shall be the chief executive officer of the Association. Subject to the provisions of Paragraph 4.11 hereinabove, the President shall preside at all meetings of Unit Owners and of the Board. He shall exercise the executive powers of the Association and have general supervision over its affairs and other officers. He shall sign all written contracts and perform all of the duties incident to his office and such other duties as may be delegated to him from time to time by the Board.

6.6 **The Vice President.** The Vice President shall perform all of the duties of the President in the absence of the President, and such other duties as may be required of him by the Board.

6.7 **The Secretary.** The Secretary or Assistant Secretary shall issue notices of all Board meetings and all meetings of Unit Owners; he or she shall attend and keep the minutes of same; shall have charge of all of the books of the Association, as well as its records and papers, except those kept by the Treasurer. All minutes shall be kept in a businesslike manner and shall be available for inspection by Unit Owners and Board members at all reasonable times.

6.8 **The Treasurer.**
A. The Treasurer shall have custody of the Association's funds and securities. He shall keep full and accurate accounts of the Association's receipts and disbursements. He shall deposit all monies and other valuable effects in the name of, and to the credit of, the Association in such depositories as may be designated by the Board. The books shall reflect an account for each Unit in the manner required by the Act.

B. He shall disburse the funds of the Association as may be ordered by the Board, making proper vouchers for such disbursements. He shall render an account of all of his transactions as the Treasurer, and of the financial condition of the Association to the Board whenever it may require it.

C. He shall collect all assessments and shall report promptly to the Board the status of collections.

D. He shall maintain accounting records according to good accounting practices, which records shall be open to inspection by Unit Owners or their authorized representatives at reasonable times. He shall render to Unit Owners or their authorized representatives, at least annually, a written summary of the Association's fiscal activities.

6.9 **Compensation.** Officers shall not receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a director or officer as an employee of the Association, nor preclude the contracting with a director or officer for the management of the Condominium or for any other service to be supplied by such director or officer. Notwithstanding the foregoing provisions of this subsection 6.9, the prohibitions and restrictions set

forth in subsection 4.14 hereof shall apply to officers, directors and managers required to be licensed under Section 468.432, Florida Statutes, regarding acceptance of items or services.

6.10 **Resignations.** Any officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date. The acceptance of a resignation shall not be required to make it effective. The conveyance of all units owned by and director or officer (other than appointees of the Developer or other Directors or Officers who are not Unit Owners when elected or appointed) shall constitute a written resignation of such Director or Officer.

Article 7 FINANCES AND ASSESSMENTS

7.1 **Depositories.** The funds of the Association shall be deposited in such banks and depositories as may be determined and approved by appropriate resolutions of the Board. Funds shall be withdrawn only upon checks and demands for money signed by such officer(s) or agent(s) as may be designated by the Board.

7.2 **Fiscal Year.** The fiscal year of the Association shall begin on the first day of January of each year; provided, however, that the Board, whenever it deems it advisable, is expressly authorized to change to a different fiscal year in accordance with the applicable provisions of the Internal Revenue Code.

7.3 **Determination of Assessments.**

A. The Board of Directors shall fix and determine the sum or sums necessary and adequate to assess Unit Owners for their share of the Common Expenses set forth in the budget for the Association and the Condominium. Funds for the payment of Common Expenses shall be assessed against Unit Owners as provided in the Declaration for any Condominium governed by the Association. Assessments shall be payable monthly in advance and shall be due on the first day of each month, unless otherwise ordered by the Board. Assessments shall be made against Unit Owners monthly, as aforesaid, in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. Special Assessments, if necessary, shall be levied in the same manner as regular Assessments and shall be payable in the manner determined by the Board. All funds due under these Bylaws and the Declaration are Common Expenses.

B. A copy of the proposed budgets for the Association and the Condominium shall be mailed by the Board to each respective Unit Owner not less than fourteen (14) days prior to the Board meeting at which the budgets will be considered, together with a written notice of the time and place of such meeting. The Directors meeting, at which the budget shall be considered, shall be open to all of the Unit Owners.

C. If an adopted budget requires assessment against the Unit Owners in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of the Assessments for the preceding

year, the Board, upon written application of ten percent (10%) of the Unit Owners to the Board, shall call a special meeting of the Unit Owners within thirty (30) days, upon not less than fourteen (14) days' written notice to each Unit Owner. At the special meeting, Unit Owners shall consider and enact a budget. The adoption of the budget shall require a vote of not less than a majority of all Voting Interests. The Board may propose a budget to the Unit Owners at a meeting of Members, or in writing, and if the budget or proposed budget is approved by a majority of the Voting Interests at the meeting or by a majority of the Voting Interests in writing, the budget shall be adopted. If a meeting of the Unit Owners has been called, and a quorum is not present, or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board shall go into effect as scheduled. However, as long as the Developer is in control of the Board, the Board shall not impose an assessment for any year greater than one hundred fifteen percent (115%) of the prior fiscal or calendar year's assessment without approval of a majority of the Voting Interests.

D. The proposed annual budgets of Common Expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to, those expenses listed in Section 718.504(21), Florida Statutes. In addition, if the Association maintains Limited Common Elements with the cost to be shared only by those enlisted to use the Limited Common Elements, as provided for in Section 718.113(1), Florida Statutes, the budget or schedule attached hereto shall show amount budgeted therefore. In addition to annual operating expenses, and to the extent applicable, the budgets shall 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 Ten Thousand Dollars (\$10,000.00). The amount to be reserved shall be computed by means of a formula which is based upon estimated useful life and estimated replacement cost of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any extension of the useful life of a reserve item caused by deferred maintenance. However, prior to turnover of control of an association by a developer to unit owners other than a developer pursuant to Section 718.301, Florida Statutes, Developer may vote to waive reserves for the first two (2) years of the operation of the Association. After this period, the foregoing reserve account requirements shall not apply to budgets in which the Members of the Association have by a vote or the majority of the total Voting Interests voting in person or by limited proxy at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than those described in this subparagraph. No waiver shall be effective for more than one (1) fiscal year, and so long as the Developer owns units in the Condominium, required reserves for such Condominium shall not be waived without the consent of the Developer.

E. When the Board determines the amount of any Assessment, the Treasurer shall mail or present to each Unit Owner a statement of Assessment specifying the amount of same and to whom and where same should be payable and sent. Upon request, the Treasurer shall give a receipt for each payment received.

7.4 **Individual Charges.** Charges by the Association against less than all Members for other than routine Common Expenses, shall be payable in advance. These charges may be collected by Individual Charges, as differentiated from Assessments for Common Expenses. Charges for other than Common Expenses may be made only 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 use of portions of the Condominium Property or other Association Property, maintenance services furnished at the expense of a Unit Owner, other services furnished for the benefit of a Unit Owner and fines and damages and other sums due from such Unit Owner.

7.5 **Special Assessments.** In the event the annual Common Assessment proves to be insufficient, the Board may adopt a Special Assessment to cover any shortfall in the manner otherwise set forth for the adoption of regular, annual Common Assessments and, as further provided in the Declaration. Special Assessments shall be made in the manner and for the purposes otherwise provided in the Declaration.

7.6 **Application of Payments and Commingling of Funds.** All funds shall be maintained separately in the Association's name. Reserve and operating funds of the Association may be commingled for purposes of investment, but separate ledgers must be maintained for each account. All sums collected by the Association from Assessments may be commingled in a single fund or divided into more than one fund, as determined by the Board. Any delinquent payment by a Unit Owner shall be applied to interest, costs, attorney's fees, other charges, expenses, advances and general or special Assessments in such manner and amounts as the Board determines. No manager or business entity required to be licensed or registered under Section 468.432, Florida Statutes, and no agent, employee, officer, or director of the Association shall commingle any Association funds with his funds or with the funds of any other condominium association or community association, as defined in Section 468.431, Florida Statutes.

7.7 **Acceleration of Assessment Installments Upon Default.** If a Unit Owner shall be in default in the payment of an installment of an Assessment, the Board may accelerate the remaining installments of the Assessment due during such budget year upon notice to the Unit Owner, and the then unpaid balance of the Assessment shall be due upon the date that a claim of lien is filed.

7.8 **Fidelity Bonds.** The Association shall obtain and maintain fidelity bonding of all persons who control or disburse funds of the Association in the principal sum not less than that required by Section 718.111(11)(d), Florida Statutes. The Association shall bear the cost of any such bonding.

7.9 **Financial Statements.** The Board shall cause to be prepared financial statements either compiled, reviewed or audited in accordance with Section 718.111(13), Florida Statutes, and the rules promulgated thereto. Said financial statements shall be sent or delivered to each Unit Owner in the Condominium within ninety (90) days following the end of the previous fiscal year unless the Association, upon approval of a majority of the Voting Interests of the Association present at a duly called meeting, have determined for a fiscal year to waive the requirements of compiled, reviewed or audited financial statements. In order to waive any such requirement, the aforesaid meeting must be held prior to the end of the fiscal year, and the waiver shall be effective for only one fiscal year. In the event of a waiver in accordance with the aforesaid procedures, the Board shall cause to be sent or delivered to each Unit Owner in the Condominium financial reports in accordance with Section 718.111(13), Florida Statutes.

7.10 **Accounting Records and Reports.** The Association shall maintain accounting records for the Condominium according to good accounting practices. The records shall be open to inspection by Unit Owners or their authorized representatives at reasonable times. The Association may charge Unit Owners, prospective purchasers, holders of first mortgages, or their authorized representatives its actual costs for preparing and furnishing copies of the documents including, but not limited to, the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, Question and Answer Sheet, and any amendment to the foregoing to those requesting same. 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 balance due.

7.11 **Application of Payment.** All assessments by a Unit Owner shall be applied as provided herein, in the Declaration and in the then current budget of the Association.

7.12 **Transfers and Fees.** The transfer, lease, sale, or sublease of Units is subject to the approval of the Board pursuant to the Declaration. The Board may impose a fee in connection with the approval of the transfer, lease, sale or sublease of Units; provided, however, that no fee shall be charged in connection with a transfer, sale or approval in excess of the expenditures reasonably required for the transfer or sale, and this expense shall not exceed the maximum amount allowed by statute. No charge shall be made in connection with an extension or renewal of a lease. Notwithstanding the foregoing, the Association may require that a prospective lessee place a security deposit, in an amount not to exceed the equivalent of one month's rent into an escrow account maintained by the Association.

7.13 **Legal Actions by or Against Association.** No Unit Owner shall be liable for the payment of any Assessments which relate in any way to the payment of legal or other fees to persons or entities engaged for the purpose of suing, making, preparing or investigating possible claims, or pursuing other such actions, as are prohibited by Section 9.08 of the Declaration, unless such item or Assessment is specifically approved by eighty-five percent (85%) of the Unit Owners.

Article 8 ROSTER OF UNIT OWNERS AND MORTGAGEES

Each Unit Owner shall file with the Association a copy of the deed or other document showing his ownership. The Association shall maintain such information in a booklet entitled "Owners of Units." A Unit Owner who mortgages his Unit shall notify the Association of the name and address of his mortgagee.

Article 9 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.

**Article 10
AMENDMENTS**

Except as otherwise provided elsewhere, these Bylaws may be amended in the following manner:

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

10.2 **Adoption.** A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board or by not less than one-third (1/3) of the Voting Interests of the Association. Directors and Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that approval is delivered to the Secretary at or prior to the meeting. The approvals must be either:

A. Not less than a two-thirds (2/3) of the entire membership of the Board, and by not less than sixty-six and two-thirds percent (66-2/3%) of all of the Voting Interests of the Association; or

B. By not less than sixty-five percent (65%) of the votes of all of the Voting Interests of the Association, represented at any meeting at which a quorum has been attained; provided, however, that in all instances hereunder, irrespective of the quorum achieved, not less than a majority of total Voting Interests of the Association shall have voted in connection with such Amendment(s).

10.3 **Method.** No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of Bylaws. See Bylaw _____ for present text." Nonmaterial errors or omissions in the Bylaw process shall not invalidate any otherwise properly promulgated amendment.

10.4 **Proviso.**

A. 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 Institutional Mortgagees of Units without the consent of said Developer and Institutional Mortgagees in each instance.

B. Any amendment which would affect the surface water management system, including, but not limited to, drainage easements and the water management portions of the Common Elements, must have the prior approval of the South Florida Water Management District.

10.5 **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. The amendment shall only be valid and be effective when the certificate and copy of the amendment are recorded in the Public Records of Broward County.

Article 11
REPLACEMENT OF DEVELOPER-APPOINTED DIRECTOR

In the event that Developer, in accordance with the privileges reserved herein, selects any person to serve on the Board, Developer shall have the absolute right, at any time, in its sole discretion, to replace such person with another person to serve on the Board. Replacement of any director designated by Developer shall be made by written instrument delivered to any officer, which instrument shall specify the name of the person designated as successor director. The removal of any director and designation of his successor shall become effective immediately upon delivery of such written instrument by Developer to any officer.

Article 12
COMPLIANCE AND DEFAULT

12.1 **Violations.** In the event of a violation (other than the non-payment of an assessment) by a Unit Owner of any of the provisions of the Declaration, Bylaws, or the Act, the Association, by direction of its Board, shall notify the Unit Owner of said breach by written notice, transmitted to the Unit Owner at his Unit by certified mail. If such violation shall continue for a period of fifteen (15) days from the date of mailing of the notice, the Association shall have the right to treat such violation as an intentional, material breach of the Declaration, Bylaws, or the Act, and the Association shall then, at its option, have the following elections:

- A. To commence an action in equity to enforce performance on the part of the Unit Owner;
- B. To commence an action at law to recover its damages;
- C. To commence an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief; or
- D. To fine the Unit Owner, as set forth in Section 12.5 hereof.

Upon finding by a court that the Unit Owner was in violation of any of the provisions of the above mentioned documents, the Unit Owner shall reimburse the Association for its reasonable attorney's fees incurred in bringing such action. Failure on the part of the Association to commence an action at law or in equity within sixty (60) days from the date of receipt of a written request, signed by a Unit Owner, sent to the Board, shall authorize any Unit Owner to bring an action in equity or suit at law relating to an alleged violation, in the manner provided for by the Act. Any violations which are

deemed by the Board to be a hazard to public health or safety may be corrected by the Association immediately as an emergency matter. The cost thereof shall be charged to the Unit Owner.

12.2 **Negligence or Carelessness of an Owner.** Each Unit Owner shall be liable for the expenses of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by the negligence of any member of his family, his or their guests, employees, agents, licensees, or lessees. Such liability shall include misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by an insurance company as to its rights of subrogation. The cost of any maintenance, repair or replacement performed pursuant to this section shall be charged to said Unit Owner as a specific item.

12.3 **Costs and Attorneys' Fees.** In any proceeding arising because of an alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the court.

12.4 **No Waiver of Rights.** The failure of the Association or Unit Owner to enforce any right, provisions, covenant or condition which may be granted by the Condominium documents shall not constitute a waiver of the right of the Association or Unit Owner to enforce such right, provision, covenant or condition in the future.

12.5 **Fines.** In addition to all other remedies of the Association, in the sole discretion of the Board of Directors a fine or fines may be imposed by the Association upon a Unit Owner and/or occupant for failure of a Unit Owner, his family, guests, tenants, invitees or occupants to comply with the Declaration, Bylaws, Articles and Rules and Regulations of the Association, all as amended from time to time, pursuant to the following procedure:

A. The Association shall send a written notice to the Unit Owner or the person against whom the fine is sought affording an opportunity for hearing at a time and place of the Association's choosing, but not less than fourteen (14) days from the date of said notice. Said notice shall contain:

- (i) A statement of the date, time and place of the hearing;
- (ii) A statement of the provisions of the Declaration, Bylaws, Articles or Rules and Regulations which have allegedly been violated; and
- (iii) A short and plain statement of the matters asserted by the Association.

Said notice shall be sent by first class mail to the address of the Unit Owner on file with the Association and shall be effective upon mailing. As the Unit Owner is responsible for himself, his family, guests, invitees, lessee's and occupants, the Unit Owner shall be responsible to pay any and all fines assessed without prejudice to the right of the Unit Owner to recover from the actual violator, the amounts paid by the Unit Owner.

B. At the hearing, the Unit Owner, or his agent, including the occupant, invitee, lessee or guest of his Unit, shall have an opportunity to respond, to present evidence, and to 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.

C. The hearing shall be held before a tribunal of other Unit Owners, which tribunal shall be appointed by the President. In appointing the tribunal, the President will make a good faith effort not to appoint any Unit Owners who may, in any way, be biased with respect to the proceeding. If the tribunal does not agree with the fine, the fine may not be levied.

D. Within fourteen (14) days after said hearing, the Association shall render a written decision, based upon the finding of the above-described tribunal, containing findings of fact and the reasons for its decisions, together with the amount of fines assessed, if any, and said decision shall be mailed to the Unit Owner by first class mail, and shall be effective upon mailing.

No fine for any single violation shall exceed the maximum amount permitted by law. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for a hearing, provided that no such fine in the aggregate shall exceed the maximum amount permitted by law.

Nothing herein shall be deemed to limit any remedy, legal or equitable, the Association may have against any person, and the above fines procedure is in addition to any and all other remedies the Association may have against any person. All remedies of the Association are cumulative.

12.6 **Election of Remedies.** All rights, remedies and privileges granted to the Association or Unit Owner pursuant to any terms, provisions, covenants or conditions of the Condominium documents shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies or privileges as may be granted by the Condominium documents.

12.7 **Generally.** Each Unit Owner of a Condominium Parcel, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of the harshness of the remedy utilized by the Association and regardless of the availability of other equally adequate legal procedures. It is the intent of all Unit Owners of a Condominium Parcel to give to the Association a method and procedure which will enable it at all times to operate on a businesslike basis, to collect those monies due and owing it from Unit Owners of Condominium Parcels, and to preserve each other's right to enjoy his Unit free from unreasonable restraint and nuisance.

Article 13
LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Association shall not relieve or release any former Unit Owner or Member from any liability or obligation incurred under, or in any way connected with the Condominium during the period of ownership and membership, or impair any rights or remedies which the Association may have against such former Unit Owner and Member, arising out of, or which is in any way connected with, such ownership and membership.

**Article 14
CERTIFICATE OF COMPLIANCE**

A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board as evidence of compliance of the Condominium Units to the applicable fire and life safety code.

**Article 15
COMMON ELEMENTS; LIMITED POWER TO CONVEY**

The Association shall have a limited power to convey a portion of the Common Elements to a condemning authority for the purpose of providing utility easements, right of way expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings.

**Article 16
LIMITATION OF LIABILITY**

Notwithstanding the duty of the Association to maintain and repair parts of the property, the Association shall not be liable for injury or damage caused by a latent condition in the property, or for injury or damage caused by the elements, or other Unit Owners or persons.

**Article 17
MANDATORY NON-BINDING ARBITRATION**

The provisions of Section 718.1255 of the Act, and the rules promulgated thereunder with respect to mandatory non-binding arbitration are specifically incorporated herein by reference.

**Article 18
LIENS**

18.1 **Protection of Property.** All liens against a Unit, other than for permitted mortgages, taxes or special assessments, shall be satisfied or otherwise removed within thirty (30) days of the date the lien attaches. All taxes and special assessments shall be paid before becoming delinquent as provided in the Condominium documents or Bylaws, whichever is sooner.

18.2 **Notice of Lien.** A Unit Owner shall give notice to the Association of every lien upon his Unit, other than for permitted mortgages, taxes and special assessments, within five (5) days after the attaching of the lien.

18.3 **Notice of Suit.** A Unit Owner shall give notice to the Association of every suit or other proceeding which will or may affect title to his Unit or any part of the property, such notice to be given within five (5) days after the Unit Owner receives notice thereof.

18.4 **Judicial Sale.** Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

**Article 19
SEAL**

The seal of the Association shall have inscribed thereon the name of the Association, the year of its organization, and the words "non-profit." Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise.

**Article 20
CONSTRUCTION**

Whenever the masculine singular form of the pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the content so requires.

Should any of the covenants herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force and effect.

**THIS IS NOT AN
Article 21
CONFLICT**

If any irreconcilable conflict should exist or hereafter arise, with respect to the interpretation of these Bylaws and of the Declaration, the provisions of the Declaration shall prevail.

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**Article 22
CAPTIONS**

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provisions hereof

The foregoing was approved and adopted as the Bylaws of Village East 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 ____ day of _____, 2006.