

By-Laws of
OCEANHOUSES AT SOUTHPOINTE ASSOCIATION, INC.

I. IDENTITY

These are the By-Laws of OCEANHOUSES AT SOUTHPOINTE ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida (the "Association"), organized for the purpose of operating that certain condominium located in St. Lucie County, Florida, and known as OCEANHOUSES AT SOUTHPOINTE, A CONDOMINIUM (the "Condominium")

1.1 Principal Office. The principal office of the Association shall be at 100 Mainsail Drive, Fort Pierce, Florida 34949, or at such other place as may be designated by the Board of Directors.

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.

1.4 Definitions. For convenience, these By-Laws shall be referred to as the "By-Laws", the Articles of Incorporation of the Association as "Articles of Incorporation", and the Declaration of Condominium for the Condominium as the "Declaration". The other terms used in these By-Laws shall have the same definitions and meaning as those set forth in F.S. Chapter 718, The Condominium Act (the "Act"), as well as those set forth in the Declaration and the Articles of Incorporation, unless provided to the contrary in these By-Laws, or unless the context otherwise requires.

II. MEETINGS OF MEMBERS AND VOTING

2.1 Annual Meeting. The annual meeting of the Members of the Association shall be held on the third (3rd) Tuesday in January (or on such other date as determined by the Board or Directors) and at the place and time as determined by the Board of Directors, provided that there shall be an annual meeting every calendar year and no later than 13 months after the last annual meeting. The purpose of the meeting shall be to elect Directors and to transact any other business authorized to be transacted by the Members of the Association.

2.2 Special Meeting. Special meetings of the Members of the Association shall be held at such places as provided for annual meetings and may be called by the President or by a majority of the Board of Directors of the Association and must be called by the President or Secretary on receipt of a written request from at least 10% of the voting interests of the Association. Requests for a meeting by the Members of the Association shall state the purpose for the meeting and business conducted at any special meeting shall be limited to the matters stated in the notice for it.

2.3 Notice of Annual Meeting. Written notice of the annual meeting, which notice must include an agenda, shall be mailed or delivered to each Unit Owner at least fourteen (14) days and

not more than thirty (30) days before the annual meeting. A copy of the notice shall be posted in a conspicuous place on the Condominium Property at least fourteen (14) continuous days before the annual meeting. An officer of the Association shall provide an Affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered to each Unit Owner at the address last furnished to the Association. Unit Owners may waive notice of the annual meeting.

2.4 Notice of Special Meetings, Generally. Except as modified by the specific requirements for special kinds of meetings of the Members of the Association as set out in the Act or in these By-Laws, notice of special meetings, generally, shall be in writing, shall state the place, day and hour of the meeting and the purpose or purposes for which the meeting is called. The notice shall be delivered to each Unit Owner not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by first class mail, by or at the direction of the President, the Secretary or the officer or persons calling the meeting. A copy of the notice shall be posted in a conspicuous place on the Condominium Property at least ten (10) continuous days before the meeting. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail addressed to the Unit Owner at the address as it appears in the records of the Association, with postage prepaid. Payment of postage for notice of any special meeting, by whomever called, shall be an obligation of the Association.

2.5 Notice of Meeting to Consider Excessive Budget. If a budget adopted by the Board of Directors requires Assessment against the Unit Owners for any calendar year exceeding 115% of the Assessment for the preceding year (less any lawfully excluded items), the Board, on written application of 10% of the voting interest to the Board, shall call a special meeting of the Unit Owners within thirty (30) days, on not less than ten (10) days' written notice to each Unit Owner. A copy of the notice shall be posted in a conspicuous place on the Condominium Property at least ten (10) continuous days before the meeting.

2.6 Notice of Meeting to Consider Recall of Board Members. A special meeting of the Unit Owners to recall a Member or Members of the Board of Directors may be called by 10% of the voting interests giving notice of the meeting as required for a meeting of Unit Owners, stating the purpose of the meeting. The notice must be accompanied by a dated copy of a signature list of at least 10% of the Unit Owners. The meeting shall be held not less than ten (10) days nor more than sixty (60) days from the date the notice of the meeting is given. A copy of the notice shall be posted in a conspicuous place on the Condominium Property at least ten (10) continuous days before the meeting. Directors selected by the Developer shall not be subject to recall by Unit Owners other than the Developer.

2.7 Notice of Meeting to Elect Nondeveloper Directors. Within seventy-five (75) days after the Unit Owners other than the Developer are entitled to elect a member or members to the Board, the Association shall call and be give not less than sixty (60) days notice of an election of the member or members of the Board. A copy of the notice shall be posted in a conspicuous place on the Condominium Property at least fourteen (14) continuous days before the meeting. The meeting may be called and notice given by any Unit Owner if the Association fails to do so.

2.8 Quorum. A quorum at meetings of Members of the Association shall consist of persons entitled to exercise, either in person or by proxy, a majority of the voting interests of the entire Membership. Absentee ballots, alone, may not be counted in determining a quorum.

2.9 Voting.

A. Number of Votes. In any meeting of Members of the Association, each Unit shall have one voting interest. The vote of a Unit is not divisible.

B. Majority Vote. The acts approved by a majority of the voting interests present in person or by proxy at a meeting at which a quorum is present shall be binding on all Unit Owners for all purposes unless the Act, the Declaration, the Articles of Incorporation, or these By-Laws require a larger percentage, in which case that larger percentage shall control.

2.10 Membership--Designation of Voting Members. Persons or entities shall become Members of the Association on the acquisition of fee title to a Unit in the Condominium after approval of the acquisition in the manner provided in the Declaration. Membership shall be terminated when a person or entity no longer owns a Unit in the Condominium. If a Unit is owned by more than one natural person, or a corporation, partnership, limited liability company or other artificial entity, then the voting interest of that Unit shall be exercised only by such natural person as shall be named in a voting certificate signed by all the natural persons who are owners or by the chief executive officer of the artificial entity and filed with the Secretary of the Association among its official records. If a Unit is owned solely by one natural person, then the owner of such Unit may execute a voting certificate and thereby designate a natural person to exercise the voting rights of such Unit. All voting certificates shall be effective until a new voting certificate or written notice of cancellation of a voting certificate signed by the Unit Owner is delivered to the Association Secretary.

2.11 Proxies; Powers of Attorney. Voting interest may be exercised in person or by proxy in accordance with the Act. Each proxy shall set forth specifically the name of the person voting by proxy, the name of the person authorized to vote the proxy for him, and the date the proxy was given. Each proxy shall contain the date, time and place of the meeting for which the proxy is given. If the proxy is a limited proxy, it shall set forth those items upon which the holder of the proxy may vote and the manner in which the vote is to be cast. The proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings. No proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given, and it may be revoked at any time at the pleasure of the Unit Owner executing it. The proxy shall be signed by the Unit Owner or by the designated person mentioned in 2.10, or the duly authorized attorney-in-fact of that person or entity (provided the power of attorney is filed with the Secretary of the Association). The proxy shall be filed with the Secretary before or at the meeting for which the proxy is given. One holding a power of attorney from a Unit Owner, properly executed and granting such authority, may exercise the voting interest of that Unit. If the proxy expressly provides, any proxy holder may appoint, in writing, a substitute to act in his place. If no such provision is made, substitution is not authorized.

2.12 Adjourned Meetings. If any meeting of Members of the Association cannot be organized because a quorum is not present, the Members of the Association who are present, either

in person or by proxy, may adjourn the meeting from time to time until a quorum is present; except that in the cases where meetings have been called to consider the enactment of a budget to replace a proposed budget which exceeds 115% of the Assessments for the preceding year, or to determine to provide no reserve or reserves less adequate than required, they may not be adjourned for lack of a quorum and if a quorum is not present, the excessive budget, or the reserves as the case may be, shall go into effect as scheduled. The time and place to which the meeting is adjourned shall be announced at the meeting at which the adjournment is taken and a notice shall be posted in a conspicuous place on the Condominium Property as soon thereafter as may be practical stating the time and place to which the meeting is adjourned.

2.13 Waiver of Notice. Unit Owners may waive their right to receive notice of any meeting, whether annual or special, by a writing signed by them to that effect. The waiver shall be filed with the Secretary of the Association either before, at or after the meeting for which the waiver is given.

2.14 Action by Members Without a Meeting. Unit Owners may take action by written agreement without a meeting, provided written notice is given to the Unit Owners in the manner prescribed elsewhere in these By-Laws appropriate to the subject matter to be agreed on, unless that notice is waived as provided in these By-Laws. The decision of a majority of the Unit Owners, or a larger percentage vote as otherwise may be required by the Act, the Declaration, the Articles of Incorporation or these By-Laws (the decision to be evidenced by written response to be solicited in the notice), shall be binding on the Membership.

2.15 Minutes of Meetings. The minutes of all meetings of Unit Owners shall be kept in a book open to inspection by any Association Member or the authorized representative of such Member, and Board Members at all reasonable times. The minutes shall be retained by the Association for a period of not less than seven (7) years. Association Members and their authorized representatives shall have the right to make or obtain copies at the reasonable expense, if any, of the Association Member.

2.16 Order of Business. The order of business at Annual meetings of Members of the Association and as far as practical at other meetings, shall be:

- A. Call to order
- B. Election of a chairman of the meeting, unless the President or Vice President is present, in which case he or she shall preside
- C. Calling of the roll, certifying of proxies, determination of a quorum
- D. Proof of Notice of meeting or waiver of notice
- E. Reading and disposal of any unapproved minutes
- F. Reports of officers

- G. Reports of committees
- H. Appointment of inspectors of election
- I. Determination of number of Directors
- J. Election of Directors
- K. Unfinished business
- L. New business
- M. Adjournment

2.17 Actions Specifically Requiring Unit Owner Approval. The following actions require approval by the Unit Owners and may not be taken by the Board of Directors acting alone:

- A. Amendments to Declaration, except those made by the Developer as specifically provided in the Declaration or in these By-Laws.
- B. Merger of two or more independent condominiums of a single complex to form a single condominium (but specifically excluding the addition of Phases as provided in the Declaration).
- C. Purchase of land.
- D. Cancellation of grants or reservations made by the Declaration, a lease or other document and any contract made by the Association before the transfer of control of the Association from the Developer to Unit Owners other than the Developer, that provides for operation, maintenance or management of the Condominium Association or property serving the Unit Owners.
- E. Providing No Reserves, or less than adequate reserves.
- F. Recall of Members of Board of Directors.
- G. Other matters contained in the Declaration, the Articles of Incorporation or these By-Laws that specifically require a vote of the Members of the Association.

2.18 Member Participation. Unit Owners shall have the right to participate in all meetings of the Members of the Association 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 videotape a meeting of the Members of the Association subject to reasonable rules adopted by the Division.

III. DIRECTORS

3.1 Number and Qualifications. The affairs of the Association shall be managed initially by a Board of three (3) Directors selected by the Developer. The Developer may from time to time remove Director(s) selected by the Developer without cause and re-select replacement Director(s). Such selection, removal and re-selection may be done by the Developer without notice or meeting and without Association or Unit Owner approval by the Developer causing to be placed in the records of the Association a written notice of selection of Directors signed by an officer of the Developer. Directors selected by the Developer shall serve until removed by the Developer. Developer shall remove a Director or Directors of Developer's choice upon election of a Director or Directors by Unit Owners other than Developer as provided herein. When Unit Owners other than the Developer are entitled to elect a majority of the Directors, the Board shall be composed of any odd number of Directors that the Unit Owners may decide. The number of Directors, however, shall never be less than three (3). Other than those selected by the Developer, Directors must be either Unit Owners; officers of a corporate Unit Owner; members of a limited liability company Unit Owner; or partners of a partnership Unit Owner. No Director (except those selected by the Developer) shall continue to serve on the Board after he ceases to be a Unit Owner.

3.2 Election of Directors. Directors, except those selected by the Developer, shall be elected at the annual meeting of the Members of the Association by a plurality of the voting interests. Each Member shall be entitled to cast votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting. There shall be no quorum requirement for the election of Directors provided however, at least twenty percent (20%) of the eligible voters must cast a ballot in order to have a valid election of the Members of the Board. Not less than seventy-five (75) days before the annual meeting of the Members of the Association, a nominating committee of five (5) Members of the Association shall be appointed by the Board of Directors and the committee shall nominate one person for each Directorship to be filled. Not less than sixty (60) days before the scheduled election, the Association shall mail or deliver to each Unit Owner a first notice of the date of the election and the names of the persons nominated by the nominating committee. Any Unit Owner (other than the persons nominated by the nominating committee) desiring to be a candidate, must give written notice to the Association not less than forty (40) days prior to the scheduled election. The Association shall mail or deliver a second notice of the election to all Unit Owners entitled to vote therein, together with a ballot which shall list all candidates not less than fourteen (14) days, nor more than thirty (30) days prior to the scheduled election.

3.3 Term. Except for Directors selected by the Developer, each Director's term of service shall extend until the next annual meeting of the Members of the Association and thereafter until his successor is duly elected and qualified or until he is removed in the manner provided in 3.5. The Members of the Association, however, at any annual meeting after the Developer has relinquished control of the Association and in order to provide a continuity of experience, may vote to create classes of Directorships having a term of one, two or three years so that a system of staggered terms will be initiated.

3.4 Vacancies. Except as to Directors selected by the Developer and except as to vacancies resulting from removal of Directors by Members of the Association, vacancies in the Board of Directors occurring between annual meetings of Members of the Association shall be filled by

majority vote of the remaining Directors. Any Director elected to fill a vacancy shall hold office only until the next election of Directors by the Members of the Association, irrespective of the length of the remaining term of the vacating Director.

3.5 Removal. Any Director, except those selected by the Developer, may be recalled and removed from office with or without cause by the vote or agreement in writing of a majority of all voting interest of the Members of the Association. A special meeting of the Unit Owners to recall a Member or Members of the Board of Directors shall be called pursuant to the provisions of Paragraph 2.6 herein. Any vacancy on the Board of Directors thus created shall be filled by the Members of the Association at the same meeting. If more than one Director is subject to recall, there shall be a separate vote on the question to remove each Director. Reference should be made to the specific provisions of the Act in the case of recall by an agreement in writing or a disputed recall.

3.6 Disqualification and Resignation. Any Director may resign at any time by sending or personally delivering a written notice of resignation to the Association, addressed to the Secretary. The resignation shall take effect on receipt by the Secretary, unless it states differently. Any Board Member elected by the Unit Owners who is absent from more than three (3) consecutive regular meetings of the Board, unless excused by resolution of the Board, shall be deemed to have resigned from the Board of Directors automatically, effective when accepted by the Board. Any Board Member more than thirty (30) days delinquent in the payment of an Assessment shall be deemed to have resigned from the Board, effective when the resignation is accepted by the Board of Directors.

3.7 Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at a place and time that shall be fixed by the Directors at the meeting at which they were elected and without further notice, except notice to Unit Owners required by the Act.

3.8 Regular Meetings. The Board of Directors may establish a schedule of regular meetings to be held at a time and place as a majority of them shall determine from time to time. Notice of regular meetings, however, shall be given to each Director personally or by mail, telephone or facsimile, at least three (3) days before the day named for the meeting with the notice of each meeting posted conspicuously on the Condominium Property at least continuous 48 hours before the meeting, except in an emergency.

3.9 Special Meetings. Special meetings of the Board of Directors may be called by the President and, in his absence, by the Vice President and must be called by the Secretary at the written request of one-third of the Directors. Notice of the meeting shall be given to each Director personally or by mail, telephone or facsimile. Except as modified by the specific requirements for special kinds of meetings as set out in the Act the notice shall state the time, place and purpose of the meeting and shall be transmitted not less than three (3) days before the meeting. A copy of the notice of any special meeting shall be posted conspicuously on the Condominium Property at least 48 continuous hours before the meeting, except in an emergency.

3.10 Waiver of Notice. Any Director may waive notice of a meeting before, at or after the meeting and that waiver shall be deemed equivalent to the giving of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of the 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.

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

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

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

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

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

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

3.17 Meetings Open to Members. Meetings of the Board of Directors shall be open to all Unit Owners to attend and observe. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items. No Unit Owner, however, shall be entitled to further participate in the meeting unless specifically invited to do so by the Board. Notice of any meeting in which Assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that Assessments will be considered and set out the nature of the Assessments.

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

3.19 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book open to inspection by any Association Member or the authorized representative of such Member and Board Members at all reasonable times. The Association shall retain these minutes

for a period of not less than seven (7) years. Association Members and their authorized representatives shall have the right to make or obtain copies, at the reasonable expense, if any, of the Association Member.

3.20 Executive Committee. The Board of Directors, by resolution, may appoint an Executive Committee to consist of three (3) or more Members of the Board. The Executive Committee shall have and may exercise all of the powers of the Board in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board insofar as may be permitted by law. The Executive Committee, however, shall not have power to: (a) determine the Common Expenses required for the operation of the Condominium; (b) determine the Assessments payable by the Unit Owners to meet the Common Expenses of the Condominium; (c) adopt or amend rules and regulations covering the details of the operation and use of the Common Elements; (d) purchase, lease or otherwise acquire Units in the Condominium in the name of the Association; (e) approve any actions or proposals required by the Act, the Declaration, the Articles of Incorporation or these By-Laws to be approved by Unit Owners; or (f) fill vacancies on the Board of Directors. Meetings of the Executive Committee shall be open to Unit Owners.

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

3.22 Order of Business.

- A. Calling of Roll
- B. Proof of Notice of meeting or waiver of notice
- C. Reading and disposal of any unapproved minutes
- D. Reports of officers and committees
- E. Election of Officers and/or replacement Directors
- F. Unfinished business
- G. New business
- H. Adjournment

3.23 Election of Directors by Unit Owners Other than the Developer.

A. One-Third. When Unit Owners other than the Developer own 15% or more of the Units that will be operated ultimately by the Association, they shall be entitled to elect no less than one-third of the Members of the Board of Directors.

B. Majority. Unit Owners other than the Developer are entitled to elect not less than a majority of the Members of the Board of Directors at the earliest of:

- (i) three years after 50% of the Units that will be operated ultimately by the Association have been conveyed to purchasers; or

(ii) three months after 90% of the Units that will be operated ultimately by the Association have been conveyed to purchasers; or

(iii) when all 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; or

(iv) when some of the Units have been conveyed to purchasers and none of the others are to be constructed or offered for sale by the Developer in the ordinary course of business.

(v) seven years after recordation of the Declaration creating Phase I of the Condominium.

C. Developer Member. The Developer is entitled 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 at least 5% of the Units that will be operated ultimately by the Association.

D. Election. Within seventy-five (75) days after the Unit Owners other than the Developer are entitled to elect a Member or Members of the Board of Directors, the Association shall call, and give not less than sixty (60) days notice of a meeting of the Unit Owners to elect the Member or Members of the Board of Directors. The meeting may be called and the notice given by any Unit Owner if the Association fails to do so. The quorum of Unit Owners for the meeting shall be based on the number of Unit Owners other than the Developer at the time the notice for that election meeting was sent, and shall be a majority of such Unit Owners.

E. Relinquishment of Control. At the time that Unit Owners other than the Developer elect a majority of the Members of the Board of Directors, the Developer shall relinquish control of the Association and the Unit Owners shall accept control. Simultaneously, 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 those items specified in the Act. Provided, however, the Developer shall have 90 days thereafter within which to deliver the financial records.

F. Early Transfer. Nothing contained in this 3.23 shall be deemed to prevent the Developer from transferring control of the Association to Unit Owners other than the Developer before the occurrence of the events described in this Section.

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

Directors and shall serve until the Association fills vacancies on the board sufficient to constitute a quorum.

IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

4.1 Management. The maintenance, management and operation of the Condominium Property.

4.2 Contract, Sue or be Sued. After control of the Association is obtained by Unit Owners other than the Developer, the Association may institute, maintain, settle, or appeal actions or hearings in its name on behalf of all Unit Owners concerning matters of common interest, including but not limited to the Common Elements and commonly-used facilities. The statute of limitations for any actions in law or equity that the Association may have shall not begin to run until the Unit Owners have elected a majority of the Members of the Board of Directors.

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

4.4 Assessments. The right to make and collect Assessments.

4.5 Lease, Maintain, Repair, and Replace the Common Elements. The maintenance, repair and replacement of Common Elements together with the right to lease Common Elements.

4.6 Lien and Foreclosure for Unpaid Assessments. The Association has a lien on each Condominium Parcel for any unpaid Assessments with interest and for reasonable attorney's fees incurred in the collection of the Assessment or enforcement of the lien. It also has the power to purchase the Condominium Parcel at the foreclosure sale and to hold, lease, mortgage or convey it.

4.7 Purchase Unit. In addition to its right to purchase Units at a lien foreclosure sale, the Association generally has the power to purchase Units in the Condominium and to acquire, hold, lease, mortgage, and convey them.

4.8 Grant or Modify Easements. The Association, without the joinder of any Unit Owner, may grant, modify, or move any easement if the easement constitutes part of or crosses Common Elements.

4.9 Purchase Land. Any land may be purchased by the Association on the approval of two-thirds (2/3) of the entire voting interests of the Association.

4.10 Acquire Use Interest in Recreational Facilities. The Association may enter into agreements, acquire leaseholds, Memberships and other possessory or use interest in lands or facilities, whether contiguous to the Condominium Property or not if (a) they are intended to provide enjoyment, recreation, or other use or benefit to the Unit Owners and (b) if they exist or are created at the time the Declaration was recorded, they are fully stated and described in the Declaration.

4.11 Acquire Title to Property. The Association has the power to acquire title to property or otherwise hold property for the use and benefit of its Members.

4.12 Authorize Certain Amendments. If it appears that through a drafter's error in the Declaration that the Common Elements, Common Expenses, or Common Surplus has been stated or distributed improperly, an amendment to the Declaration correcting that error may be approved by a majority of the Members of the entire Board of Directors and a majority of the entire voting interests of the Association.

4.13 Adopt Rules and Regulations. The Association may adopt reasonable rules and regulations for the operation and use of the Common Elements and recreational facilities serving the Condominium.

4.14 Maintain Official Records. The Association shall maintain all of the records, where applicable, set forth in Article IX of these By-Laws, which shall constitute the official records of the Association.

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

4.16 Financial Reports. Furnish annual financial reports to the Members of the Association.

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

4.18 Certificate of Assessments. Any Unit Owner or Unit mortgagee has the right to request from the Association a certificate stating whether any Assessments and other monies are owed to the Association with respect to the Condominium Parcel and if so, the amount owed.

4.19 Annual Fee. Pay the annual fee to the Division of Florida Land Sales, Condominiums, and Mobile Homes for each residential Unit operated by the Association

4.20 Approve or Disapprove Unit Transfer and Impose Fee. The Association may charge a preset fee to cover administrative expenses, in an amount determined from time to time by the Board (but not to exceed any limit imposed by the Act), in connection with the approval or disapproval of any proposed, lease, sale or other transfer of a Unit in the Condominium.

4.21 Contract for Management. Contract for the operation, maintenance and management of the Condominium.

4.22 Taxes and Assessments. Pay taxes and assessments against the Common Elements or Association Property.

4.23 Utilities. Pay the costs of utilities service rendered to the Condominium and Association Property and not billed directly to individual Unit Owners.

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

4.25 Impose Fines. The Board of Directors may impose fines on Unit Owners in such reasonable sums as they may deem appropriate, but not to exceed the limits imposed by the Act. No fine may be levied except after giving reasonable notice and opportunity for a hearing to the Unit Owner and, if applicable, by Occupants other than the Unit Owner.

4.26 Suspend Approval for Delinquent Unit Owner. The Board of Directors may disapprove the prospective tenant of any Unit Owners as long as he is delinquent in the payment of Assessments for Common Expenses.

4.27 Authorize Private Use of the Common Elements. The Board of Directors may authorize Unit Owners and others to use portions of the Common Elements for private parties and gatherings. Reasonable charges may be imposed to cover any costs incurred by the Association by reason of the private use of the Common Elements.

4.28 Repairs or Reconstruction. The repair and/or reconstruction of improvements after casualties.

4.29 Lien for Labor and Materials. Labor performed on, or materials furnished to, the Common Elements, if authorized by the Board of Directors, may be the basis for the filing of a lien against all Condominium Parcels in the proportions for which the Owners are liable for Common Expenses.

4.30 Owner Inquiries. When a Unit Owners files a written inquiry by certified mail with the Board, the Board shall respond in writing to the Unit Owner within thirty (30) days of receipt of the inquiry. The Association may through its Board 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 (1) 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.

4.31 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 Condominium Property, Buildings and Units to the applicable fire and life safety code.

4.32 Limited Power to Convey. The Board shall have the 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.

V. OFFICERS

5.1 Executive Officers. The executive officers of the Association shall be a President, who shall be a Director, Vice President, who shall be a Director, a Treasurer, and a Secretary. The officers shall be elected annually by the Board of Directors and may be removed without cause at any meeting by a vote of a majority of all of the Directors. A person may hold more than one office except that the President may not also be the Secretary. The Board of Directors, from time to time, shall elect other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that usually are vested in the office of the president of an association, including but not limited to the power to appoint committees from among the Members of the Association to assist in the conduct of the affairs of the Associate as he, in his discretion, may determine appropriate. He shall preside at all meetings of the Board and the Membership.

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

5.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the Members of the Association. He shall attend to the serving of all notices to the Members of the Association and Directors and other notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association and as may be required by the Directors or the President.

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

5.6 Compensation. The compensation, if any, of all officers and other employees of the Association shall be fixed by the Board of Directors. This provision shall not preclude the Board from employing a Director as an employee of the Association or preclude the contracting with a Director for the management of the Condominium.

VI. FISCAL MANAGEMENT

6.1 Adoption of Budget. The Board of Directors shall adopt a budget for the Common Expenses of the Association for each fiscal year at a special meeting of the Board called for that purpose.

6.2 Budget Requirements. The proposed annual budget of Common Expenses shall be detailed and shall show the amount budgeted by accounts and expense classifications, including, when applicable, but not limited to:

- A. Administration of the Association
- B. Management fees
- C. Maintenance
- D. Any rent for recreational and other commonly used facilities
- E. Taxes on Association Property
- F. Any Taxes on leased areas
- G. Insurance
- H. Security provisions
- I. Other expenses
- J. Operating capital
- K. Fees payable to the Division.
- L. Reserve accounts for capital expenditures and deferred maintenance for any item for which the deferred maintenance expense or replacement cost is greater than Ten Thousand Dollars (\$10,000.00), (or such other threshold amount as established from time to time by the Act), including, but not limited to, roof replacement, building painting, and pavement resurfacing. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item. Reserves must be included in the proposed annual budget but may be removed from the final budget if by vote of the majority of the Members of the Association present at a duly called meeting of the Association they shall determine for a fiscal year to provide no reserves or reserves less adequate than required by F.S. 718.112(2)(f). If a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect.

6.3 Notice of Budget Meeting. The Board of Directors shall mail a meeting notice and copies of the proposed annual budget to the Unit Owners not less than fourteen (14) days before the meeting at which the budget will be considered. A copy of the notice shall be posted in a conspicuous place on the Condominium Property at least fourteen (14) continuous days before the meeting. The meeting shall be open to all the Unit Owners.

6.4 Member Rejection of Excessive Budget. If a budget adopted by the Board of Directors requires Assessment against the Unit Owners in any fiscal year exceeding 115% of the Assessment for the previous year, a Special Meeting of the Members of the Association may be called pursuant to Paragraph 2.5 herein. At the Special Meeting, Unit Owners shall consider and enact a budget by not less than a majority of all voting interests. If at the special meeting a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board of Directors shall go into effect as scheduled. Provisions for reasonable reserves for repair or replacement of the Condominium Property, nonrecurring expenses and Assessments for betterment to the Condominium Property shall be excluded from the computation in determining whether Assessments exceed 115% of similar Assessments in the previous year.

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

6.6 Budget Restraints on Developer. As long as the Developer is in control of the Board of Directors, the Board shall not impose an Assessment for any year greater than 115% of the pervious year's Assessment without approval of a majority of all voting interests of the Association other than those held by the Developer.

6.7 Accounting Records and Reports. The Association shall maintain accounting records, in St. Lucie County, according to good accounting practices. The records shall be open to inspection by any Association Member or the authorized representative of such Member at all reasonable times. The records shall include, but are not limited to:

- A. Accurate, itemized, and detailed records of all receipts and expenditures.
- B. A current account and a monthly, bi-monthly or quarterly statement of the account for each Unit designating the name of the Unit Owner, the due date and amount of each Assessment, the amount paid upon the account, and the balance due.
- C. All audits, reviews, accounting statements and financial reports of the Association or Condominium.
- D. All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one (1) year. Within sixty (60) days after the end of each fiscal year, the Board of Directors shall mail or furnish by personal delivery to each Unit Owner a complete financial report of actual receipts and expenditures for the previous 12 months.

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

6.9 Fidelity Bonding. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time.

6.10 Annual Election of Income Reporting Method. The Board of Directors shall make a determination annually, based on competent advice, as to how it shall cause the Association's income to be reported to the Internal Revenue Service, according to which method of reporting shall best serve the interests of the Association for the reporting period under consideration.

VII. ASSESSMENTS AND COLLECTION

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

7.2 Special Assessments. Special Assessments may be levied by the Board of Directors for a specific purpose or purposes, including emergency Assessments, that cannot be paid from the annual Assessment for Common Expenses. Written notice of any meeting at which non-emergency Special Assessments will be considered shall be mailed or delivered to the Unit Owners no less than fourteen (14) days prior to the meeting and posted conspicuously on the Condominium Property no less than fourteen (14) continuous days prior to the meeting. The specific purpose or purposes, and the proposed amount, of the Special Assessment shall be set forth in the written notice. Special Assessments shall be paid at the times and in the manner that the Board may require in a notice of Assessment. The funds collected pursuant to a special Assessment shall be used only for the specific purpose or purposes set forth in such notice, or returned to the Unit Owners. Upon completion of such specific purpose or purposes, however, any excess funds shall be considered Common Surplus.

7.3 Charges for Other than Common Expenses. Charges by the Association against one or more individual Members of the Association for other than Common Expenses, ("Individual Charges") shall be payable in advance and the billing and collections thereof may be administered by the Association. Individual Charges may include, but are not limited to, the costs of maintenance, repairs or replacements, within or without the individual Unit(s) which the Unit Owner(s) thereof has failed to perform and which failure or refusal to perform has, in the opinion of the Board, endangered or impaired the use, value or appearance of the Condominium Property. The provisions of Paragraph 7.7 shall not apply to the charges described herein.

7.4 Liability for Assessments. Each Unit Owner, regardless of how title is acquired, shall be liable for all Assessments coming due while he is the Unit Owner. The Unit Owner and his grantee in a voluntary conveyance shall be jointly and severally liable for all unpaid Assessments due and payable up to the time of the transfer of title. An Institutional First Mortgagee who acquires title to a Unit by foreclosure or by deed in lieu of foreclosure is liable for the unpaid Assessments (or installments thereof) that became due prior to the Institutional First Mortgagee's receipt of the deed.

However, the Institutional First Mortgagee's liability is limited to a period not exceeding six (6) months, but in no event does the Institutional First Mortgagee's liability exceed one percent (1%) of the original mortgage debt. The Institutional First Mortgagee's liability for such expenses or Assessments does not commence until thirty (30) days after the date the Institutional First Mortgagee received the last payment of principal or interest. In no event shall the Institutional First Mortgagee be liable for more than six (6) months of the Unit's unpaid Common Expenses or Assessments accrued before the acquisition of title to the Unit by the Institutional First Mortgagee or one percent (1%) of the original mortgage debt, whichever amount is less. An Institutional First Mortgagee acquiring title to a Unit as a result of foreclosure or deed in lieu thereof may not, during the period of its ownership of such Unit, whether or not such Unit is unoccupied, be excused from the payment of some or all of the Common Expenses or Assessments coming due during the period of such ownership. The unpaid share of Common Expenses or Assessments of a foreclosed Unit (or Unit acquired by deed in lieu of foreclosure) are Common Expenses collectible from all the Unit Owners, including such acquirer and his successors and assigns. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Element or by abandonment of the Unit for which the Assessments are made.

7.5 Assessments, Amended Budget. If the Annual Assessment proves to be insufficient, the budget and Assessments may be amended at a Special Meeting of the Board of Directors. Written notice of any meeting at which an amendment to the annual Assessment will be considered shall be mailed or delivered to the Unit Owners no less than fourteen (14) days prior to the meeting and posted conspicuously on the Condominium Property no less than fourteen (14) continuous days prior to the meeting. Unpaid Assessments for the remaining portion of the year for which an amended Assessment is made shall be payable in as many equal installments as there are installment payment dates remaining in the budget year as of the date of the amended Assessment. The budget shall not be amended for emergency or special nonrecurring expenses.

7.6 Collection; Interest, Application of Payment. Assessments and installments on them, if not paid when due shall bear interest at the rate of 12% per annum year from the due date until paid, and any payment not made within fifteen (15) days after the date they become due shall be subject to a late charge equal to five percent (5%) of the delinquent payment due (subject to restrictions of the Act). All Assessment payments shall be applied first to interest and then to the Assessment payment due.

7.7 Lien for Assessment. the Association has a lien on each Condominium Parcel for any unpaid Assessments with interest and for reasonable attorneys' fees incurred by the Association incident to the collection of the Assessment or enforcement of the lien. The lien is effective from and after recording a claim of lien in the public records in St. Lucie County. No such lien shall continue for a period longer than one year after the claim of lien has been recorded, unless within that time an action to enforce the lien is commenced in a court of competent jurisdiction. The claim of lien shall secure all unpaid Assessments, interest, costs, and attorneys' fees which are due and which may accrue after the recording of the claim of lien and before the entry of a final judgment of foreclosure. The lien is subordinate to any mortgage on the Condominium Parcel recorded before it.

7.8 Collection; Suit, Notice. The Association may bring an action to foreclose any lien for Assessments in the manner that a mortgage of real property is foreclosed. It also may bring an

action to recover a money judgment for the unpaid Assessment without waiving any claim of lien. The Association shall give notice to the Unit Owner of its intention to foreclose its lien at least thirty (30) days before the foreclosure action is filed. The notice shall be given by delivery of a copy of it to the Unit Owner or by certified or registered mail, return receipt requested, addressed to the Unit Owner at the last known address.

7.9 Fines. Before levying a fine pursuant to Paragraph 4.25, the Board of Directors shall afford an opportunity for hearing to the party against whom the fine is sought to be levied, after reasonable notice of not less than fourteen (14) days. The notice shall include:

- A. A statement of the date, time and place of the hearing;
- B. A statement of the provisions of the Declaration, these By-Laws and lawfully adopted rules and regulations which have allegedly been violated; and
- C. A short and plain statement of the matters asserted by the Association.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. Upon such levying of any fine, the Board may collect such fines like in one or more installments. No fine shall become a lien against a Unit. Any fine which shall exceed any limit established by the Act shall be automatically construed as reduced to the maximum amount allowed pursuant to the Act. No fines may be levied against unoccupied Units.

VIII. ASSOCIATION CONTRACTS, GENERALLY

8.1 Fair and Reasonable, Cancellation. Any contracts made by the Association before the Unit Owners assume control from the Developer must be fair and reasonable. All contracts for the operation, maintenance or management of the Association or property serving the Unit Owners, made by the Association, whether before or after assumption of control by the Unit Owners other than the Developer, may be canceled in the manner and under the circumstances as provided in the Act.

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

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

- A. Specification of the services, obligations, and responsibilities of the service provider.
- B. Specification of costs for services performed.

- C. An indication of frequency of performance of services.
- D. Specification of minimum number of personnel to provide the services contracted for.
- E. The disclosure of any financial or ownership interest that the Developer has in the service provider, if the Developer is in control of the Association.

IX. ASSOCIATION OFFICIAL RECORDS

The Association, from its inception, shall maintain each of the following items when applicable, which shall constitute the official records of the Association:

- A. A copy of the plans, permits, warranties and other items provided by the Developer pursuant to the Act.
- B. A photocopy of the recorded Declaration of each Condominium operated by the Association and all amendments thereto.
- C. A photocopy of the recorded By-Laws of the Association and all amendments thereto.
- D. A certified copy of the Articles of Incorporation of the Association and all amendments thereto.
- E. A copy of the current rules of the Association.
- F. A book or books containing the minutes of all meetings of the Association, of the Board of Directors and of Unit Owners, which minutes shall be retained for a period of not less than seven (7) years.
- G. A current roster of all Unit Owners, their mailing addresses, Unit identifications, voting certifications, and, if known, telephone numbers. Additionally, the Association may require a copy of the deed or other instrument showing each Unit's ownership, together with a copy of any mortgage on the Unit and any satisfaction of that mortgage.
- H. All current insurance policies of the Association and Condominium operated by the Association.
- I. A current copy of any management agreement, lease or other contract to which the Association is a party or under which the Association or the Unit Owners have an obligation or responsibility.
- J. Bills of sale or transfer for all property owned by the Association.

K. The accounting records required in Paragraph 6.7.

L. Voting proxies, which shall be maintained for a period of one year from the date of the meeting for which the proxy was given.

M. All rental records where the Association is acting as agent for the rental of Condominium Units.

The official records of the Association shall be maintained in St. Lucie County and shall be open to inspection by any Association Member or the authorized representative of such Member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the Association Member. Failure to permit inspection of the Association records entitles any person prevailing in an enforcement action to recover reasonable attorneys' fees from the person in control of the records who, directly or indirectly, knowingly denied access to the records for inspection.

X. OBLIGATIONS OF OWNERS

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

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

B. File an action for injunctive relief requiring the offending Unit Owner to take or desist from taking certain actions.

C. File and action for both damages and injunctive relief.

The foregoing action may be taken in addition to the Association's right to impose fines under Paragraph 4.25 of these By-Laws.

10.2 Attorneys' Fees. In any action brought pursuant to the provisions of Paragraph 10.1, the prevailing party is entitled to recover reasonable attorneys' fees, including on appeal.

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

XI. ARBITRATION OF DISPUTES

Disputes, arising from the operation of the Condominium among Unit Owners, the Association, their agents and assigns shall be subject to non-binding arbitration. Arbitrators shall be provided by the Division of Florida Land Sales, Condominiums and Mobile Homes pursuant to the Act. Such arbitration may be binding if each party to dispute agrees to the binding nature of the arbitration process and, in such case, the arbitrator's decision will be admissible into evidence. Any party to a binding arbitration may seek enforcement of the arbitrator's final decision in a court of competent jurisdiction.

XII. LIABILITY SURVIVES MEMBERSHIP TERMINATION

Termination of Membership in the Association shall not relieve or release a former Member from any liability or obligation incurred with respect to the Condominium during the period of Membership, nor impair any rights or remedies that the Association may have against the former Member arising out of his Membership and his covenants and obligations incident to that Membership.

XIII. LIMITATIONS ON UNIT LIABILITY FOR USE OF COMMON ELEMENTS

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

XIV. PARLIAMENTARY RULES

ROBERTS' RULES OF ORDER (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Act, the Declaration, the Articles of Incorporation, or these By-Laws.

XV. RULES AND REGULATIONS

15.1 Rule and Regulations. The Board of Directors may adopt and amend, from time to time, reasonable rules and regulations governing the details of the use and operation of the Common Elements, Association Property, and recreational facilities serving the Condominium. Written notice of any meeting at which adoption or amendment of any rule regarding unit use will be considered shall be mailed or delivered to the Unit Owners no less than fourteen (14) days prior to the meeting and posted conspicuously on the Condominium Property no less than fourteen (14) continuous days prior to the meeting.

15.2 Posting and Furnishing Copies. A copy of the rules and regulations adopted from time to time by the Board of Directors, and any amendments to any existing rules and regulations, shall be posted in a conspicuous place on the Condominium Property and a copy furnished to each Unit Owner. No rule, regulation, or amendment shall become effective until thirty (30) days after posting,

except in the case of an emergency, in which case the rule, regulation or amendment shall become effective immediately on posting. The Members of the Association, upon two-thirds (2/3) vote of all the Unit Owners, may overturn any rules and regulations (or amendments thereto) adopted by the Board.

15.3 Limitations on Authority. The Board of Directors may not unreasonably restrict any Unit Owner's right to peaceably assemble or right to invite public officers or candidates for public office to appear and speak in Common Elements, Association Property, and common areas. The Board may not deny any resident of the Condominium, whether tenant or owner, access to any available franchised or licensed cable television service or exact a charge or anything of value in excess of charges normally paid for like services by residents of single-family homes within the same franchise or licensed area.

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

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

16.1 Where Contained. Restrictions on the use, maintenance, and appearance of the individual Condominium Units shall be stated in the Declaration and no amendments to such restrictions shall be contained elsewhere than in the Declaration, or an amendment to the Declaration if such restriction has been adopted by a vote of two-thirds (2/3) of the Unit Owners conducted in the manner prescribed elsewhere in these By-Laws.

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

XVII. PRIORITIES IN CASE OF CONFLICT

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

- A. The Act
- B. The Declaration
- C. The Articles of Incorporation
- D. These By-Laws
- E. The rules and regulations

XVIII. INDEMNIFICATION

Every Officer and Director of the Association shall be indemnified by the Association against all expenses and liabilities, including reasonable attorneys' fees incurred and imposed in connection with any proceedings to which he may be a party, or in which he may become involved by reason of his being or having been an Officer or Director of the Association, whether or not he is an Officer or Director at the time the expenses are incurred. The Officer or Director shall not be indemnified if he is adjudged guilty of gross negligence or willful misconduct or shall have breached his fiduciary duty to the Members of the Association. The Association shall not be liable, however, for payment of a voluntary settlement unless it is first approved by the Board of Directors. The foregoing rights shall be in addition to and not exclusive of all other rights to which the Director or officer may be entitled.

XIX. DEFECTIVE CONDOMINIUM DOCUMENTS, CURATIVE PROVISIONS

Pursuant to the provisions of the Act, the Association or a Unit Owner may petition the circuit court having jurisdiction in the county in which the Condominium Property is situated to correct an error or omission in the Declaration or any other documents required to establish the Condominium, affecting its valid existence. In any case, after three years from the filing of the Declaration, it shall be deemed to be effective under the Act to create a Condominium, whether in fact it substantially complies with the mandatory requirements of law or not.

XX. AMENDMENTS

These By-Laws shall be deemed amended in those particulars as may be required to make them consistent with the provisions of the Act, as it may be amended from time to time. Otherwise, these Amendments to these By-Laws shall be proposed and adopted in the following manner:

20.1 Notice. Written notice of any meeting at which an amendment will be considered shall be mailed or delivered to the Unit Owners no less than fourteen (14) days prior to the meeting and posted conspicuously on the Condominium Property no less than fourteen (14) continuous days prior to the meeting. The notice must include the proposed amendment to be considered.

20.2 Adoption. An amendment may be proposed either by a majority of the Board of Directors or by not less than one-third of the voting interests of the Association. The amendment shall be adopted if it is approved by not less than two-thirds of the entire voting interests of the Association.

20.3 Limitation. No amendment shall be made that is in conflict with the Act or the Declaration, nor shall any amendment abridge, alter or amend the rights of the Developer or Institutional First Mortgagees of Units without their consent.

20.4 Recording. A copy of each amendment shall be attached to or included in a certificate certifying that the amendment was duly adopted as an amendment of the By-Laws. The certificate, which shall identify the first page of the book and page of the public records where the Declaration is recorded, shall be executed by the President or Vice President and attested by the Secretary of the

Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the public records of St. Lucie County.

20.5 Format. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended. New words shall be underlined (i.e. underlined) and words to be deleted shall be lined through (i.e. ~~lined through~~). If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying "SUBSTANTIAL REWORDING OF BYLAW. SEE BYLAW NUMBER _____ FOR PRESENT TEXT."

XXIII. CONSTRUCTION

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

The foregoing were adopted as the By-Laws of OCEANHOUSES AT SOUTHPOINTE, ASSOCIATION, INC., on this _____ day of _____, 20_____.

OCEANHOUSES AT SOUTHPOINTE
ASSOCIATION, INC., a Florida not for
profit corporation

By: _____
Print Name: _____
President

ATTEST:

By: _____
Print Name: _____
Secretary