

TO THE DECLARATION AND GENERAL PROTECTIVE COVENANTS FOR BERMUDA BAY

BY-LAWS
OF
BERMUDA BAY FOUNDATION, INC.

ARTICLE I
DEFINITIONS

Section 1. All terms which are defined in the Declaration and General Protective Covenants for Bermuda Bay shall be used herein with the same meanings as defined in said Declaration.

Section 2. The term "Foundation" as used herein shall mean Bermuda Bay Foundation, Inc., a Florida corporation not for profit, its successors or assigns.

ARTICLE II
LOCATION OF PRINCIPAL OFFICE

The principal office of the Foundation shall be located at 3300 University Drive, Coral Springs, Florida 33065, or at such other place as may be established by resolution of the Board of Governors of the Foundation.

ARTICLE III
VOTING RIGHTS, ASSESSMENTS AND REPRESENTATIVES

Section 1. Every Owner and the Declarant shall be a Member of the Foundation, provided that any Person who holds an interest merely as security for the performance of an obligation shall not be a Member. Membership shall be appurtenant to, and may not be separated from, ownership of a Plot.

Section 2. Assessments, installments thereof and late fees not paid when due shall result in the suspension of voting privileges and any other privileges of Membership during any period of such nonpayment.

ARTICLE IV
BOARD OF GOVERNORS

Section 1. A majority of the Board shall constitute a quorum to transact business at any meeting of the Board, and the action of the majority present at a meeting at which a quorum is present shall constitute the action of the Board.

Section 2. Any vacancy occurring on the Board because of death, resignation or other termination of services of any Governor, shall be filled by the Board; except that Declarant, to the exclusion of other Members and/or the Board itself, shall fill any vacancy created by the death, resignation, removal or other

termination of services of any Governor appointed by Declarant; and a Governor elected by a Class of the Members from a Neighborhood shall be filled by a person who is a Member from such Neighborhood. A Governor appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office and shall serve until his successor shall have been elected and/or appointed and qualified.

ARTICLE V
ELECTION OF GOVERNORS;
NOMINATING COMMITTEE; ELECTION COMMITTEE

Section 1. Election to the Board shall be by written ballot as hereinafter provided. At such election, the Members may cast as many votes as they are entitled to exercise under the provisions of the Governing Documents for each vacancy in the Board that they are entitled to vote for. The Persons receiving the largest number of votes shall be elected. Nothing contained herein shall be in derogation of Declarant's right to appoint Governors or the right of Neighborhoods to vote as a Class from each Neighborhood to elect Governors, all as set forth in the Articles.

Section 2. Nominations for election to the Board shall be proposed to the Board by a Nominating Committee.

Section 3. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board, and two (2) or more Members of the Foundation or of the Board, at least one of whom shall be from each Neighborhood. The Nominating Committee shall be appointed by the Board sufficiently in advance of each annual meeting of the Members in order for said Nominating Committee to properly perform its duties and responsibilities. The Nominating Committee shall serve from their appointment until the close of the annual meeting.

Section 4. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. After approval by the Board, nominations shall be placed on a written ballot as provided in Section 5 hereof and shall be made in advance of the time fixed in Section 5 hereof for the mailing of such ballots to Members.

Section 5. All elections to the Board shall be made by written ballot which shall:

- (a) describe the vacancies to be filled;
- (b) set forth the names of those proposed by the Nominating Committee and approved by the Board for such vacancies; and

(c) contain space for a write-in vote by Members, as the case may be.

Such ballots shall be prepared and mailed by the Secretary (together with a return envelope) to the Members at least twenty-one (21) days in advance of the date set forth therein for the annual meeting or special meeting called for elections.

Section 6. The completed ballots may be returned by mail to the Secretary or filed with the Secretary at the annual or special meeting. Only those ballots received by the Secretary on or before the date of the meeting shall be counted.

Section 7. An Election Committee, which shall consist of the members of the Nominating Committee, shall count the votes and shall establish such procedures as may be reasonable and appropriate to insure that only those Members who have the right to vote are able to cast votes and that the vote of any Member or his proxy shall not be disclosed to anyone. Immediately after the announcement of the results, unless a recount is demanded by the Members, the ballots shall be destroyed.

ARTICLE VI **POWERS AND DUTIES OF THE BOARD**

Section 1. The Board shall have power:

(a) To call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article X, Section 2 hereof;

(b) To appoint and remove at pleasure all Officers, agents and employees of the Foundation, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, Officer or Governor of the Foundation in any capacity whatsoever;

(c) To establish, levy and assess, and collect Assessments;

(d) To adopt and publish Rules and Regulations governing the use of the Foundation Common Area and facilities, and the personal conduct of the Members and their guests thereon;

(e) To exercise for the Foundation all powers, duties and authority vested in or delegated to the Foundation, except those reserved to the Members in the Declaration;

(f) To exercise for the Foundation all powers, duties and authority vested in or delegated to the Foundation, except those reserved to the Members in the Declaration; in no event shall the Board of the Foundation expend Capital account monies in connection with the construction of a new capital improvement (except for necessary construction resulting from the damage or destruction of existing improvements) in excess of Ten Thousand (\$10,000.00) Dollars without first obtaining the affirmative vote of a majority of all Members.

Section 2. It shall be the duty of the Board:

(a) To cause to be kept minutes of all its acts and corporate affairs;

(b) To supervise all Officers, agents and employees of the Foundation.

Section 3. If any member of the Board of the Foundation not appointed by Declarant shall be absent from three (3) consecutive regular meetings of the Board, the Board may by action taken at the meeting during which said third absence occurs, declare the seat of the absent Governor to be vacant.

ARTICLE VII **GOVERNORS' MEETINGS**

Section 1. A regular meeting of the Board shall be held at least once each calendar quarter. A regular meeting of the Board shall also be held immediately following the regular annual meeting of the Members.

Section 2. If the day for the regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need be given.

Section 3. Special meetings of the Board shall be held when called by the President of the Foundation or by any two Governors after not less than three (3) days' notice to each Governor except in cases of emergencies.

Section 4. The transaction of any business at any meeting of the Board, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present, and if either before or after the meeting, each of the Governors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records of the Foundation and made part of the minutes of the meeting.

Section 5. Members of the Board may participate in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participating by such means shall constitute presence in person at a meeting.

ARTICLE VIII OFFICERS

Section 1. The Officers of the Foundation shall be a President, a Secretary and a Treasurer, and such other Officers as may be deemed necessary or appropriate by the Board. The President shall be a member of the Board.

Section 2. The Officers shall be chosen by a majority vote of the Governors.

Section 3. All Officers shall hold office at the pleasure of the Board.

Section 4. The President shall preside at all meetings of the Board, shall see that orders and resolutions of the Board are carried out and sign all notes, leases, mortgages, deeds and all other written instruments. The President shall not be the Secretary.

Section 5. The Secretary of the Foundation shall be ex officio the Secretary of the Board, shall record the votes and keep minutes of all proceedings in a minute book to be kept for that purpose. He shall sign certificates of membership, if any. He shall keep the records of the Foundation. He shall record in a book kept for that purpose the names of all Members of the Foundation together with their addresses as registered by such Members (see Article X, Section 3 hereof).

Section 6. The Treasurer of the Foundation shall receive and deposit in appropriate bank accounts, insured by the FDIC or other applicable governmental or quasi-governmental entity, all monies of the Foundation and shall disburse such funds as directed by resolution of the Board; provided however, that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. All checks issued by the Treasurer shall be signed by two (2) persons authorized by the Board. The Treasurer shall keep proper books of account and cause an annual review or audit (at the Board's discretion) of the Foundation's books to be made by certified public accountant at the completion of each fiscal year and, until the Turnover Date, shall provide Declarant with a copy thereof within thirty (30) days of its preparation. He shall prepare an annual Budget, an annual balance sheet statement and an annual statement of operations and the Budget,

balance sheet statement and statement of operations shall be presented to the membership at its regular annual meeting.

ARTICLE IX COMMITTEES

Section 1. The Foundation shall have such committees as determined by the Board. Unless otherwise provided, each committee shall consist of a Chairperson and two or more persons and shall include a member of the Board for Board contact. Committee members may be appointed by the Board to serve until the close of the next annual meeting.

Section 2. It shall be the duty of each committee, if created, to receive complaints and suggestions from Members on any matter involving Foundation functions, duties, and activities within its field of responsibility. It shall dispose of such complaints and suggestions as it deems appropriate or refer them to such other committee, Governor or Officer of the Foundation as is further concerned with the matter presented.

ARTICLE X MEETINGS OF MEMBERS

Section 1. The regular annual meeting of the Members shall be held on the second Tuesday of the month of February in each year, at the hour of 7:00 o'clock P.M. If the day for the annual meeting of the Members shall fall upon a holiday, the meeting will be held at the same hour on the first day following which is not a holiday.

Section 2. Special meetings of the Members for any purpose may be called at any time by a majority or more of the members of the Board, or upon written request of the Members who have the right to vote one-fourth (1/4) of all of the votes of the entire membership.

Section 3. Notice of any meeting of Members shall be given to the Members and Declarant by the Secretary and Treasurer. Notice may be given either personally, or by sending a copy of the notice through the mail, postage prepaid, to the address of the Members and Declarant appearing on the books of the Foundation. Each Member shall register his address with the Secretary and Treasurer, and notices of meetings shall be mailed by him to such address. Failure to register shall release the Secretary and Treasurer from the requirement of sending notice of meeting to such person. Notice of meeting, regular or special, shall be delivered or mailed at least seven (7) days in advance of the meeting and shall set forth in general the nature of the business to be transacted, provided, however, that if the business of any meeting shall involve an election governed by Article V hereof, or any

action governed by the Articles or by the Declaration, notice of such meeting shall be given or sent as therein provided.

Section 4. The presence at Members meetings of Members entitled to cast one-fourth (1/4) of the votes of the entire Membership shall constitute a quorum for any action governed by these By-Laws. Any action governed by the Articles or by the Declaration shall require a quorum as therein provided.

ARTICLE XI **PROXIES AND VOTING**

Section 1. At all meetings of Members, each Member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary and Treasurer. No proxy shall extend beyond a period of eleven (11) months.

Section 3. A Member shall not be entitled to appoint more than one (1) proxy to attend a meeting on the same occasion and an instrument of proxy shall be valid only for the occasion for which it is given and may be in the following form or any other form which the Governors shall approve:

I, _____, being a Member in good standing of Bermuda Bay Foundation, Inc., hereby appoint _____ as my proxy to vote for me and on my behalf on the _____ day of _____, 19__ and any adjournment thereof.

Signed this _____ day of _____, 19__.

(Signature of Member)

Section 4. The vote of the owners of a Plot owned by more than one natural person or by a corporation or other legal entity shall be cast by the person ("Voting Owner") named in a proxy or certificate of voting authorization ("Certificate") executed by all of the owners of the Plot, or, if appropriate, by properly designated officers, partners or principals of the respective legal entity, and filed with the Secretary of the Foundation. If such a proxy or Certificate is not filed with the Secretary and Treasurer of the Foundation, the vote of such Plot shall not be considered for a quorum or for any other purpose.

Notwithstanding the provisions of the above Paragraph, whenever any Plot is owned by a husband and wife they may, but shall not be required to, designate a Voting Owner. If a proxy or

Certificate designating a Voting Owner is not filed by the husband and wife, the following provision shall govern their right to vote:

(a) When both husband and wife are present at a meeting, each shall be regarded as the agent and proxy of the other for the purposes of casting the vote for each Plot owned by them. If they 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.

(b) When only one (1) spouse is present at a meeting, the spouse present may cast the Plot vote without establishing the concurrence of the other spouse, absent any prior written notice to the contrary to the Foundation by the other spouse. In the event of prior written notice to the contrary to the Foundation by the other spouse, the vote of said Plot shall not be considered.

(c) When neither spouse is present, the person designated in a proxy of Certificate signed by either spouse may cast the Plot vote, absent any prior written notice to the contrary to the Foundation by the other spouse or the designation of a different Voting Owner by the other spouse. In the event of prior written notice to the contrary to the Foundation or the designation of a different Voting Owner by the other spouse, the vote of said Plot shall not be considered.

ARTICLE XII

BOOKS AND PAPERS

The books, records and papers of the Foundation shall at all times, during reasonable business hours, be subject to inspection by any Member.

ARTICLE XIII

CORPORATE SEAL

The Foundation shall have a seal in circular form having within its circumference the words:

BERMUDA BAY FOUNDATION, INC.

ARTICLE XIV

ACCOUNTING RECORDS; FISCAL MANAGEMENT

Section 1. The Foundation shall use the accrual method of accounting, all records of which shall be open to inspection by Declarant, or Members, or their respective authorized representatives during reasonable business hours. Such authorization of a representative of a Member must be in writing and signed by the person giving the authorization and dated within sixty (60) days of the date of the inspection.

Section 2. The Board shall adopt a Budget (as provided for in the Declaration) of the anticipated Operating Expenses of the Foundation for each forthcoming fiscal year at a regular or special meeting of the Board ("Budget Meeting") called for that purpose to be held not later than December 1 of the year to which the Budget applies, within thirty (30) days after adoption of the Budget, a copy thereof shall be furnished to Declarant and each Member. The copy of the Budget shall be deemed furnished and the notice of the General Assessment shall be deemed as aforesaid. The failure of the Board to adopt a Budget in a timely fashion shall not abrogate or alter the obligation to pay Operating Expenses.

Section 3. In administering the finances of the Foundation, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) Assessments shall be made annually, but the Board may, in its discretion, permit assessments to be paid in installments.

Section 4. The General Assessment shall be payable as provided for in the Declaration.

Section 5. No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Operating Expenses not budgeted or which shall exceed budgeted items, and no Board is required to engage in deficit spending. Should there exist any deficiency which results from there being greater Operating Expenses than monies from Assessments, then such deficits shall be the subject of an adjustment to the applicable Assessment (e.g., General Assessment or Special Assessment).

Section 6. The depository of the Foundation shall be such bank(s) or savings and loan association(s) as shall be designated from time to time by the Board in which the monies of the Foundation shall be deposited. Withdrawal of monies from such account(s) shall be only by checks signed by two (2) persons as set forth in Article VIII, Section 6 hereof. All such funds shall be insured by an agency of the United States Government.

Section 7. A report of the accounts of the Foundation shall be made annually as set forth in Article VIII, Section 6 hereof, and a copy of the report shall be furnished to Declarant and each Member, no later than ninety (90) days following the fiscal year for which the report is made.

Section 8. All notices and mailings to the Members required under these By-Laws shall be deemed to be furnished to the above-named parties upon its delivery or mailing at their last known addresses as shown on the records of the Foundation.

ARTICLE XV
AMENDMENTS

Section 1. These By-Laws may be amended, at any regular or special meeting of the Board at which there is a quorum, by a vote of a majority of the Governors, provided that those provisions of these By-Laws which are governed by the Articles may not be amended except as provided in the Articles or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in such Declaration.

Section 2. Any instrument amending, modifying, repealing or adding By-Laws shall identify the particular Section or Sections affected and give the exact language of such modification, amendment or addition or of the provisions repealed. A copy of each such amendment, modification, repeal or addition certified to by the Secretary or Assistant Secretary of the Foundation shall be recorded amongst the Public Records of Indian River County, Florida no sooner than five (5) business days after a copy of same has been delivered to Declarant.

Section 3. In the case of any conflict between the Articles and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control; and in the event of any conflict between the Articles and the Declaration, the Declaration shall control.

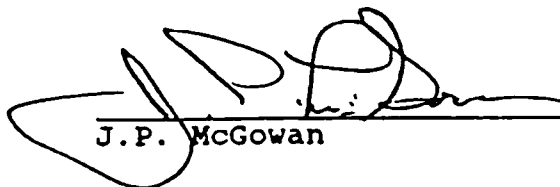
Section 4. No amendment to these By-Laws shall be effective which prejudices or otherwise detrimentally affects any of Declarant's rights or privileges without Declarant's prior written consent.

ARTICLE XVI
GENDER


Whenever the male pronoun is used herein, it shall be understood to be the female pronoun if the context or sex of the party referred to so requires.

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IN WITNESS WHEREOF, we, being all of the Governors of Bermuda Bay Foundation, Inc., have hereunto set our hands this 18th day of September, 1991.


J.P. McGowan


Michael N. Vanatta


J.P. Taravella, Jr.

09/16/91 VLS:WDBAT, BYL

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