

EXHIBIT "E"
BYLAWS
OF
SABAL REEF ASSOCIATION, INC.

1. IDENTITY

These are the Bylaws of SABAL REEF ASSOCIATION, INC., hereinafter called Association in these Bylaws, a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on the 20th day of July, 1975. The Association has been organized for the purpose of operating a condominium to be established upon the lands described in such Articles of Incorporation.

- 1.1. The office of the Association will be at 1150 Reef Road, Vero Beach, Florida.
- 1.2. The fiscal year of the Association will be the calendar year.
- 1.3. The seal of the corporation will bear the name of the corporation, the word "Florida", the words "Corporation not for profit" and the year of incorporation.
- 1.4. The term Board of Directors as used in these Bylaws and in the Sabal Reef Declaration of Condominium is anonymous with Board of Administration as used in the Florida Statutes and Regulations.

2. Members' Meetings.

The members of the Association will be the owners of the apartments of said condominium apartment building.

2.1. The annual members' meetings will be held at 9:30 A.M., Eastern Standard Time on the 2nd Wednesday in March of each year for the purpose of electing directors and transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting will be held at the same hour on the next day that is not a holiday.

2.2. Special members' meetings will be held whenever called by the President or by a majority of the Board of Directors and must be called by such officers upon receipt of a written request from members entitled to cast one-third of the votes of the entire membership.

2.3. A quorum at members' meetings will consist of persons entitled to cast a majority of the votes of the entire membership. The acts approved by a majority of the votes present at a meeting at which a quorum is present will constitute the acts of members; except when approval by a greater number of members is required by the Declaration of Condominium, the Articles of Incorporation, or these Bylaws.

2.4. Voting.

a. The owner of each apartment will be entitled to one vote, and if one owner owns more than one apartment, he will be entitled to one vote for each apartment owned.

b. If an apartment is owned by one person, his right to vote will be established by the record title to his apartment. If an apartment is owned by more than one person, or is under lease, the person entitled to cast the vote for the apartment will be designated by a certificate signed by all of the record owners of the apartment and filed with the Secretary or Assistant Secretary of the Association. If an apartment is owned by a corporation, the person entitled to cast the vote for the apartment will be designated by a certificate signed by the President and attested by the Secretary of the corporation and filed with the Secretary or Assistant Secretary of the Association. All such certificates shall be valid until revoked or until suspended by a subsequent certificate or until there is a change in the ownership of the apartment concerned. If such a certificate is not on file, the vote of such owners will not be considered in determining the requirement for a quorum nor for any other purpose.

2.5. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.6. The order of business at the annual members' meetings and as far as practical at other members' meetings, will be:

- a. Election of chairman of the meeting.
- b. Calling of the roll and certifying of proxies.
- c. Proof of notice of meeting or waiver of notice.
- d. Reading and disposal of any unapproved minutes.
- e. Reports of officers.
- f. Reports of committees.
- g. Election of directors.
- h. Unfinished business.
- i. New business.
- j. Adjournment.

2.7. Proviso. Provided, however, that until such time as the Developer shall relinquish control of the Association, the proceedings of all meetings of the members of the Association shall have no effect unless approved by the Board of Directors. Within a reasonable time after unit owners, other than the Developer, elect a majority of the directors of the Association, the Developer shall relinquish control of the Association to the unit owners.

3. Directors.

3.1. Membership. The affairs of the Association will be managed by a board of not less than three (3) nor more than nine (9) directors, the exact number to be determined at the time of election.

3.2. Election of Directors will be conducted in the following manner:

a. Election of directors will be held at the annual members' meetings. The procedures to be followed in giving notice of and conducting meetings of the Board of Directors and of the Unit Owners shall be those outlined in the Florida Statutes and Regulations. Copies of pertinent sections are available from the Secretary.

b. The first election of directors will not be held until after the Developer has closed the sales of fifteen percent (15%) of the condominium units that will be operated ultimately by the Association. At such time as the condominium units owners, other than the Developer, own fifteen percent (15%) of the condominium units that will be operated ultimately by the condominium association, the said unit owners shall be entitled to elect one-third (1/3) of the Directors of the Association. The condominium unit owners, other than the Developer, shall have the right to elect the majority of the directors of the Association three (3) years after the Developer has closed the sales of fifty percent (50%) of the condominium units that will be operated ultimately by the Association, or three (3) months after the Developer has closed the sales of ninety percent (90%) of the condominium units that will be operated ultimately by the Association, or at such time as all of the condominium units that will be operated ultimately by the Association have been completed and some of them have been sold, should the Developer discontinue offering unsold condominium units in the ordinary course of business, whichever shall first occur. The Developer shall be entitled to elect at least one (1) director as long as the Developer holds for sale in the ordinary course of business any condominium unit in the Condominium to be operated by the Association. The Developer may, at Developer's sole discretion, elect to allow the members to elect a majority of the Board of Directors before the occurrence of the aforementioned events, and relinquish control of the Association at that time.

3.3. The term of each director's service will extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

3.4. The organizational meeting of each newly- elected Board of Directors will be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which

they were elected; and no further notice of such organizational meeting will be necessary.

3.5. Regular meetings of the Board of Directors may be held at such time and place as will be determined, from time to time, by a majority of the directors. Notice of regular meetings will be given to each director, personally or by mail, telephone or telegraph, or by posting on the bulletin board, at least three (3) days prior to the day named for such meeting.

3.6. Special Meetings of the directors may be called by the President and must be called by the Secretary or Assistant Secretary at the written request of one-third of the directors. Not less than three (3) days' notice of the meeting will be given personally or by mail, telephone or telegraph, which notice will state the time, place, and purpose of the meeting.

3.7. Waiver of Notice. Any director may waive notice of a meeting before or after the meeting and such waiver will be deemed equivalent to the giving of notice.

3.8. A quorum at directors' meetings will 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 will constitute the acts of the Board of Directors, except when approval by a greater number of directors is required by the Declaration of Condominium, the Articles of Incorporation, or these Bylaws.

3.9. Adjourned Meetings. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time 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 any further notice.

3.10. The presiding officer of directors' meetings will be the chairman of the Board of Directors if such an officer has been elected; and if none, the President will preside. In the absence of a presiding officer, the directors present will designate one of their number to preside.

3.11. The order of business at directors' meetings will be:

- a. Calling of roll.
- b. Proof of due notice of meeting.
- c. Reading and disposal of any unapproved minutes.
- d. Reports of officers and committees.
- e. Election of officers.
- f. Unfinished business.
- g. New business.
- h. Adjournment.

3.12. Directors' fees will not be paid.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

All of the powers and duties of the Association will be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by apartment owners when such is specifically herein or elsewhere required. Mandatory non-binding arbitration of any dispute between an owner and the Board of Directors, that cannot be resolved by the Association, shall be available as outlined in the Florida Statutes and Regulations.

5. OFFICERS.

5.1. The executive officers of the Association will be a President, who will be a director, a Vice President, a Secretary, an Assistant Secretary, a Treasurer, and an Assistant Treasurer, all of whom will be elected annually by the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting. Any person may hold two or more offices except that the President shall not also be the Secretary or Assistant Secretary. The Board of Directors from time to time will elect such other officers and designate their powers and duties as the Board of Directors shall determine is necessary or required to manage the affairs of the Association.

5.2. The President will be the chief executive officer of the Association. He will have all of the powers and duties usually vested in the office of the President of an association, including, but not limited to, the powers to appoint committees from among the members from time to time, as he, in his discretion, may determine appropriate to assist in the conduct of the affairs of the Association.

5.3. The Vice President in the absence or disability of the President will exercise the powers and perform the duties of the President. He will also assist the President generally and exercise such other powers and perform such other duties as shall be prescribed by the directors.

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

5.5. The Assistant Secretary in the absence or disability of the Secretary will perform the duties of the Secretary. He will also assist the Secretary generally and perform such other duties as shall be prescribed by the directors.

5.6. The Treasurer will have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He will keep the books of the Association in accordance with good accounting practices; and will perform all other duties incident to the office of Treasurer.

5.7. The Assistant Treasurer in the absence or disability of the Treasurer will perform the duties of the Treasurer. He will also assist the Treasurer generally and perform such other duties as shall be prescribed by the directors.

5.8. No compensation will be paid to officers of the Association.

5.9. The Association will obtain reasonable Officers and Directors Liability Insurance to protect Officers and Directors from monetary loss or expense incurred as a result of litigation arising out of the Officer's or Director's performance of duties on behalf of the Association.

6. FISCAL MANAGEMENT

The provisions for fiscal management of the Association will be as set forth in the Declaration of Condominium, supplemented by the following:

6.1. Accounting Records. Accounting records for the Association shall be maintained in accordance with good accounting practices and in accordance with applicable Florida Statutes. The accounting records shall include accurate, itemized and detailed records of all receipts and disbursements. The records of the Association shall be open to inspection by any Association member or his authorized representative at reasonable times.

6.15. Financial Reports. Within sixty (60) days following the end of the calendar year the Association shall furnish financial statements to all members showing the financial condition of the Association as of the end of the year and the cash receipts and disbursements for the year then ended.

6.2. Budget. The Board of Directors will adopt a combined budget for each calendar year that will include the estimated funds required to defray the common expenses including reasonable allowances for contingencies and working funds.

a. Copies of Budget. A copy of the proposed annual budget and assessments shall be mailed to each member not less than fourteen (14) days prior to the Board of Directors meetings at which the budget will be considered, together with a notice setting forth the time and place of the meeting. Such a meeting shall be open to all members of the Association.

b. Submission of Budget. The Board of Directors may submit the proposed budget to the members for their approval at a meeting of the members called for that purpose.

c. Limitations. As long as the Developer is in control of the Association, the Board of Directors shall not impose an assessment for Current Expense for any year greater than one hundred fifteen percent (115%) of the prior year's assessment unless approved by a majority of the members.

6.3. Assessments. Assessments against the apartment owners for their shares of the items of the budget will be made for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments will be due in four equal installments on the first day of January, the first day of April, the first day of July, and the first day of October of the year for which the assessments are made. If an annual assessment is not made as required, an assessment will be presumed to have been made in the amount of the last prior assessment and quarterly installments on such assessment will be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors if the accounts of the amended budget do not exceed the limitations for that year.

6.4. Acceleration. If an apartment owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the apartment owner, and then the unpaid balance of the assessment will come due upon the date stated in the notice, but not less than ten (10) days after delivery of the notice to the apartment owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

6.5. Assessments for emergencies. Assessments for emergencies that cannot be paid from the annual assessments of common expenses will be made only after notice of the need of such is given to the members. After such notice and upon approval of more than one-half of the members, the assessment will become effective, and it will be due after 30 days' notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

6.6. The Depository of the Association will be such bank or banks as shall be designated from time to time by the directors and in which the monies of the Association will be deposited. Withdrawal of monies from such accounts will be only by checks signed by such persons as are authorized by the directors.

7. PARLIMENTARY RULES

Roberts' Rules of Order (latest edition) will govern the conduct of Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation, or these Bylaws.

8. AMENDMENTS

These Bylaws may be amended in the following manner:

8.1. Notice of the subject matter of a proposed amendment will be included in the notice of any meeting at which a proposed amendment is considered.

8.2. A Resolution adopting a proposed amendment may be proposed by either the Board of directors of the Association or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

- a. not less than a majority of the entire members of the Board of Directors; and
- b. not less than sixty-six percent (66%) of the entire membership of the Association.

b. Submission of Budget. The Board of Directors may submit the proposed budget to the members for their approval at a meeting of the members called for that purpose.

c. Limitations. As long as the Developer is in control of the Association, the Board of Directors shall not impose an assessment for Current Expense for any year greater than one hundred fifteen percent (115%) of the prior year's assessment unless approved by a majority of the members.

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- a. not less than a majority of the entire members of the Board of Directors; and
- b. not less than sixty-six percent (66%) of the entire membership of the Association.

8.3. Proviso. Provided, however, that no amendment will discriminate against any member, unless the member so affected shall consent; and no amendment will affect or impair the validity or priority of any mortgage covering any apartment, or affect or impair the rights of a lessee under any leases made by the Association.

The foregoing were adopted as the bylaws of SABAL REEF ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors.

Charles E. Cox
Secretary

Approved:

Henry F. Muller
Vice President