

CERTIFICATE OF AMENDMENT

THE UNDERSIGNED, being the duly and acting President of Harborside Terrace Owners Association, Inc., a Florida corporation not for profit, hereby certifies that at a meeting of the members held on November 14, 2018 where a quorum was present, after due notice, the resolutions set forth below was approved by the vote indicated for the purpose of amending the Articles of Incorporation and Bylaws of the Association as originally recorded as Exhibits "C" and "E" to the Declaration of Condominium for Harborside Terrace, Phase One, a Condominium as recorded at O.R. Book 603, page 23 et seq., of the Public Records of Collier County, Florida and the Declaration of Condominium for Harborside Terrace, Phase Two, a Condominium, as recorded at O.R. Book 610, Page 828, et seq., of the Public Records of Collier County, Florida, all as previously amended.

1. The following resolution was approved by a majority vote of the members of the Association.

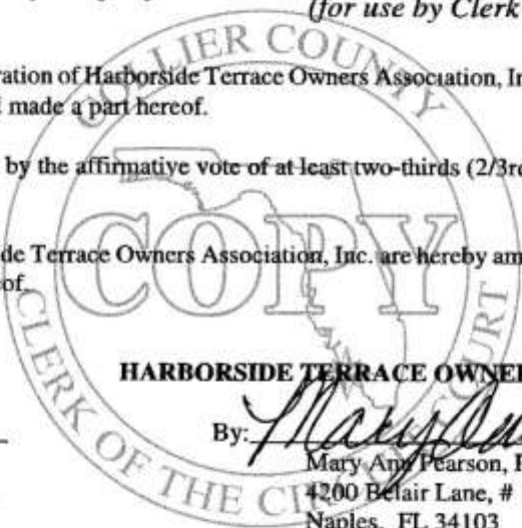
(for use by Clerk of Court)

RESOLVED: That the Articles of Incorporation of Harborside Terrace Owners Association, Inc., are hereby amended and the amendment is adopted in the form attached hereto, and made a part hereof.

2. The following resolution was approved by the affirmative vote of at least two-thirds (2/3rds) of the voting interests present in person or by proxy.

RESOLVED: That the Bylaws of Harborside Terrace Owners Association, Inc. are hereby amended and the amendment is adopted in the form attached hereto, and made a part hereof.

Date: 11-20-2018



HARBORSIDE TERRACE OWNERS ASSOCIATION, INC.

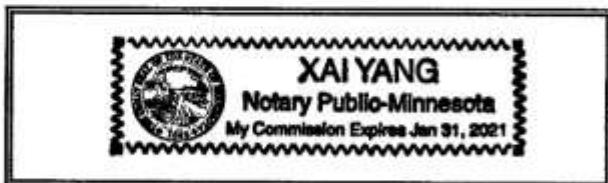
By: Mary Ann Pearson
Mary Ann Pearson, President
4200 Belair Lane, # 107
Naples, FL 34103

X (1) [Signature]
Witness
Print Name: Boronica Wj
X (2) [Signature]
Witness
Print Name: Vinh Phan

(CORPORATE SEAL)

**STATE OF FLORIDA
COUNTY OF COLLIER**

The foregoing instrument was acknowledged before me this 20th day of November, 2018, by Mary Ann Pearson, President of the aforementioned Corporation, on behalf of the Corporation. She is personally known to me or has produced Florida Driver ID as identification. X



Print, Type, or Stamp Commissioned Name of Notary Public) (Affix Notarial Seal)

[Signature]
Signature of Notary Public

This instrument prepared by Robert C. Samouce, Esq., Samouce & Gal, P.A., 5405 Park Central Court, Naples, FL 34109.

NOTE: SUBSTANTIAL AMENDMENT OF ENTIRE BYLAWS. FOR PRESENT TEXT SEE EXISTING BYLAWS.

**AMENDED AND RESTATED
BYLAWS
OF
HARBORSIDE TERRACE OWNERS ASSOCIATION, INC.**

1. GENERAL. These are the Amended and Restated Bylaws of Harborside Terrace Owners Association, Inc., hereinafter the "Association," a corporation not for profit organized under the laws of Florida for the purpose of operating two (2) residential condominiums pursuant to the Florida Condominium Act. The Bylaws of the Association were originally recorded as Exhibit "E" to the Declaration of Condominium for Harborside Terrace, Phase One, a Condominium, as recorded at O.R. Book 603, page 23 et seq., of the Public Records of Collier County, Florida and the Declaration of Condominium for Harborside Terrace, Phase Two, a Condominium, as recorded at O.R. Book 610, Page 828, et seq., of the Public Records of Collier County, Florida. All prior Bylaws are hereby revoked and superseded in their entirety. The two (2) Condominiums are sometimes collectively referred to herein as "Condominium".

1.1 Principal Office. The principal office of the Association shall be at the Condominium or at such other place within the county in which the Condominium is located, as the Board of Directors may determine.

1.2 Seal. The seal of the Association shall be inscribed with the name of the Association. The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document where a seal may be required.

1.3 Definitions. The terms used herein shall have the same definitions as stated below.

(A) "**Assessment**" means a share of the funds required for the payment of common expenses which from time to time is assessed against the unit owners.

(B) "**Association**" means Harborside Terrace Owners Association, Inc., a Florida corporation not for profit, the entity responsible for the operation of this Condominium.

(C) "**Association Property**" means all property, real or personal, owned or leased by the Association for the use and benefit of the unit owners.

(D) "**Board of Directors**" or "**Board**" means the representative body which is responsible for the administration of the Association's affairs, and is the same body referred to in the Condominium Act as the "Board of Administration".

(E) "**Condominium Documents**" means and includes the Declarations of Condominium and all recorded exhibits thereto, as amended from time to time.

(F) "**Family**" or "**Single Family**" means any one (1) of the following:

BYLAWS

EXHIBIT "E"

(1) One (1) natural person; or

(2) Two (2) or more natural persons who commonly reside together as a single housekeeping unit, each of whom is related by blood, marriage or adoption to each of the others; or

(3) Two (2) or more natural persons meeting the requirements of (B) above, except that there is among them one (1) person who is not related to some or all of the others.

(G) "**Fixtures**" means those items of tangible personal property which by being physically annexed or constructively affixed to the unit have become accessory to it and part and parcel of it, including but not limited to, interior partitions, walls, appliances which have been built in or permanently affixed, and plumbing fixtures in kitchens and bathrooms. Fixtures do not include floor, wall or ceiling coverings.

(H) "**Guest**" means a person who is not the owner or a tenant of a unit, and is not a member of the owner's or tenant's family, who nevertheless is physically present in, or occupies the unit on a temporary basis, at the invitation of the owner or tenant, without paying valuable consideration.

(I) "**Institutional Mortgagee**" means the mortgagee (or its assignee) of a mortgage against a condominium parcel, which mortgagee is a bank, savings and loan association, mortgage company, insurance company, real estate or mortgage investment trust, pension or profit sharing trust, the Federal Housing Administration, the Veterans Administration, or any agency of the United States of America. The term also refers to any holder of a mortgage against a condominium parcel which mortgage is guaranteed or insured by the Federal Housing Administration, the Veterans Administration, any agency of the United States of America, or by any other public or private corporation engaged in the business of guaranteeing or insuring residential mortgage loans, and their successors and assigns.

(J) "**Lease**" means the grant by a unit owner of a temporary right of use of the owner's unit for valuable consideration.

(K) "**Limited Common Elements**" are those common elements that are reserved for the use of a certain unit or units, to the exclusion of the other units.

(L) "**Occupy**", when used in connection with a unit, means the act of staying overnight in a unit. "**Occupant**" is a person who occupies a unit.

(M) "**Primary Institutional Mortgagee**" means that institutional mortgagee which, at the time a determination is made, holds first mortgages on more units in the Condominium than any other institutional mortgagee, such determination to be made by reference to the number of units encumbered, and not by the dollar amount of such mortgages.

(N) "**Primary Occupant**" means the natural person approved for occupancy when title to a unit is held in the name of two or more persons, or by a trustee or a corporation or other entity which is not a natural person or as otherwise designated and approved by a unit owner(s). Tenants cannot be designated as Primary Occupants.

(O) **“Rules and Regulations”** means those rules and regulations promulgated by the Board of Directors, governing the use of the common elements and the operation of the Association.

(P) **“Voting Interest”** means and refers to the arrangement established in the condominium documents by which the owners of each unit collectively are entitled to one (1) vote in Association matters. There are fifty four (54) units, so the total number of voting interests is fifty four (54) votes.

2. MEMBERS. The members of the Association are the record owners of legal title to the units. In the case of a unit subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the unit solely for purposes of determining use rights. If a unit is subject to a life estate, the life tenant is deemed the unit owner, and joint life tenants are deemed joint owners for the purposes of this provision. Membership becomes effective upon the occurrence of the last to occur of the following events after the effective date of this document.

- (A) Designation of a primary occupant, if required, as provided for in Section 15. below.
- (B) Approval of the transfer of ownership by the Board of Directors as provided for in Section 15. below.
- (C) Recording in the Public Records of a Deed or other instrument evidencing legal title to the unit in the member.
- (D) Delivery to the Association of a copy of the recorded deed or other instrument evidencing title.

2.1 Voting Rights: Voting Interests. The members of the Association are entitled to one (1) vote for each unit owned by them. However, if a unit is owned by the Association, the Association may not vote for the unit. The total number of votes (“voting interests”) is equal to the total number of units for which votes may be cast. The vote of a unit is not divisible. If a unit is owned by one (1) natural person, his right to vote shall be established by the record title to the unit. If a unit is owned jointly by two (2) or more natural persons who are not acting as trustees, that unit’s vote may be cast by any one (1) of the record owners. If two (2) or more owners of a unit do not agree among themselves how their one (1) vote shall be cast on any issue, that vote shall not be counted on that issue. If the owner of a unit is not a natural person or is a trustee, the vote of that unit shall be cast by the unit’s primary occupant, designated as set forth in Section 15 below.

2.2 Approval or Disapproval of Matters. Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by any person authorized to cast the vote of such unit at an Association meeting as stated in Section 2.1 above, unless the joinder of all record owners is specifically required.

2.3 Change of Membership. Following written approval of the Association as elsewhere required herein, a change of membership in the Association shall be established by the new member’s membership becoming effective as provided for in Section 2. above, and the membership of the prior owner shall thereby be automatically terminated.

2.4 Termination of Membership. Termination of membership in the Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Condominium during the period of his membership, nor does it impair any rights or remedies the Association

may have against any former owner or member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

3. MEMBERS' MEETINGS; VOTING.

3.1 Annual Meeting. There shall be an annual meeting of the members in each calendar year. The annual meeting shall be held in the county in which the Condominium is located, each year during the month of February at a day, place and time designated by the Board of Directors, for the purpose of transacting any business duly authorized to be transacted by the members. During the annual meeting, ballots cast in the annual election of Directors shall be counted and results announced.

3.2 Special Members' Meetings. Special meetings of the members must be held whenever called by the President or by a majority of the Directors, and may also be called by at least twenty five percent (25%) of the voting interests. Such requests shall be in writing, shall state the purpose or purposes of the meeting, and shall be signed by all the members making the request. Special members' meetings shall be held in the county in which the Condominium is located. Business at any special meeting shall be limited to the items specified in the notice of meeting.

3.3 Notice of Meetings. Notices of all meetings of the members must state the time, date, and place of the meeting and include an agenda for the meeting. The notice must be mailed to each member at the address which appears on the books of the Association, or may be furnished by personal delivery, or may be provided by electronic transmission to the unit owners who so consent. The member bears the responsibility for notifying the Association of any change of address. The notice must be mailed, delivered or transmitted at least fourteen (14) days before the meeting. If the Association is informed that a unit has been transferred after notice has been mailed, no separate notice to the new owner is required. Notice of any meeting may be waived in writing by any person entitled to receive such notice. Attendance at any meeting by a member constitutes waiver of notice by that member, unless the member objects to the lack of notice at the beginning of the meeting. Notice of unit owner meetings, except unit owner meetings called to recall the Board members under Section 718.112(2)(j), Fla. Stat. may be given by electronic transmission to unit owners who consent to receive notice by electronic transmission.

3.4 Notice of Annual Meeting; Special Requirements. Notice of the annual meeting together with a detailed agenda shall be posted in a conspicuous place on the condominium property or Association property at least fourteen (14) continuous days prior to the annual meeting. The notice and agenda for the annual meeting shall also be sent by first class mail to each owner, and an affidavit of the officer or other person making such mailing shall be retained in the Association records as proof of mailing. Notice of the annual meeting may be delivered in person if a written waiver of mailing is obtained.

3.5 Quorum. A quorum at members' meeting shall be attained by the presence, either in person or by proxy, of persons entitled to cast at least a majority of the votes of the entire membership.

3.6 Vote Required. The acts approved by a majority of the votes cast at a duly called meeting of the members at which a quorum has been attained shall be binding upon all unit owners for all purposes, except where a greater or different number of votes is expressly required by law or by any provision of the condominium documents.

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EXHIBIT "E"

-4-

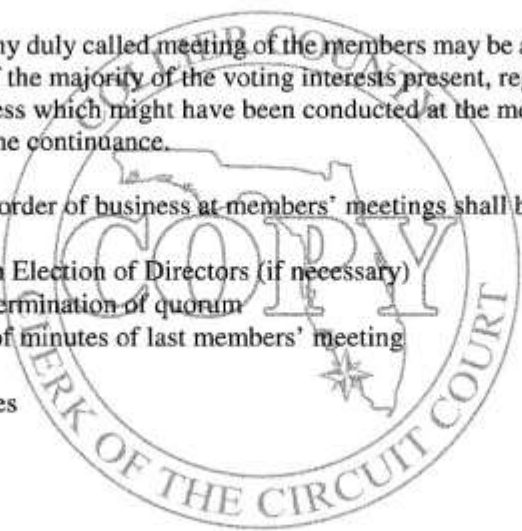
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3.7 Proxy Voting. To the extent lawful, any person entitled to attend and vote at a members meeting may establish his presence and cast his vote by proxy. Proxies may not be used in electing Directors. "Limited proxies" shall be used for votes taken to waive reserves or financial statement requirements, to amend the condominium documents, and for all other matters for which the Condominium Act requires or permits a vote of the members. "General proxies" may be used to establish a quorum, for procedural votes, and for non-substantive amendments to proposals for which a limited proxy is being used. A proxy may be given by any person entitled to vote, but shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting, and no proxy is valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy is revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by a person authorized to cast the vote for the unit, and specify the date, time and place of the meeting for which it is given. The original must be delivered to the Secretary at or before the time of the meeting or adjournment thereof. Holders of proxies need not be members. No proxy is valid if it names more than one person proxyholder, but the proxyholder has the right, if the proxy so provides, to substitute another person to hold the proxy.

3.8 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be reconvened at a specific later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance.

3.9 Order of Business. The order of business at members' meetings shall be substantially as follows:

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- (A) Counting of ballots in Election of Directors (if necessary)
 - (B) Call of the roll or determination of quorum
 - (C) Reading or disposal of minutes of last members' meeting
 - (D) Reports of Officers
 - (E) Reports of Committees
 - (F) Unfinished Business
 - (G) New Business
 - (H) Adjournment

3.10 Minutes. Minutes of all meetings of the members, and of the Board of Directors, shall be kept in a businesslike manner, available for inspection by members or their authorized representatives at all reasonable times, and for at least seven (7) years after the meeting. Minutes should be reduced to written form within thirty (30) days after the meeting at which they were taken.

3.11 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the law, with the Declarations, or with these Bylaws. The presiding officer may appoint a Parliamentarian whose decision on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

3.12 Action by Members Without Meeting. Except for the holding of the annual meeting and annual election of Directors, any action required or permitted to be taken at a meeting of the members may be taken without a meeting if written consents or other instruments expressing approval of the action proposed to be taken are signed and returned by members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all of the voting interests were present and voting. If the

requisite number of written consents are received by the Secretary within sixty (60) days after the earliest date which appears on any of the consent forms received, the proposed action so authorized shall be of full force and effect on the date the requisite number of written consents are received, as if on the date the requisite number of written consents are received the action had been approved by vote of the members at a meeting of the members held on said date. Within ten (10) days after the date the requisite number of consents is received, the Board shall send written notice of the action taken to all members who have not consented in writing. Nothing in this paragraph affects the rights of members to call a special meeting of the membership, as provided for by Section 3.2 above, or by law. If the vote is taken by the method described in this section, the list of unit owners on record with the Secretary at the time of mailing the voting material shall be the list of qualified voters.

4. BOARD OF DIRECTORS. The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declarations, Articles of Incorporation, and these Bylaws, shall be exercised by the Board, subject to approval or consent of the unit owners only when such is specifically required.

4.1 Number and Terms of Office. The number of Directors which shall constitute the whole Board of Directors shall be five (5). All Directors shall be elected for two (2) year staggered terms with three (3) Directors elected in even numbered years and two (2) Directors elected in odd numbered years. A Director's term ends at the annual election at which his successor is to be duly elected. Directors shall be elected by the members as described in Section 4.3 below, or in the case of a vacancy between annual elections, as provided in Section 4.4 below.

4.2 Qualifications. Each Director must be a unit owner or the primary occupant of a unit, or the spouse or non-spouse companion of the owner or primary occupant. Co-owners of a unit may not serve as members of the Board at the same time unless they own more than one unit or unless there are not enough eligible candidates to fill the vacancies on the Board at the time of vacancy. A person who has been suspended or removed from the Board by the Division of Condominiums or who is delinquent in the payment of any fee or assessment is not eligible for Board membership. A person who is delinquent in the payment of any fee or assessment on the day that he or she could last nominate himself or herself or be nominated for the Board is not eligible to be a candidate for the Board and his or her name shall not be listed on the ballot. Convicted felons must wait at least five (5) years after their civil rights have been restored before being eligible to be a candidate for the Board.

4.3 Elections. In each annual election the members shall elect by written, secret ballot as many Directors as there are regular terms of Directors expiring, unless the balloting is dispensed with as provided for by law. If the Board has adopted a resolution to permit electronic online voting and an owner has consented in writing to online voting, the owner may vote in the annual election by the online method chosen by the Board. Otherwise, the following shall be the procedure for the annual voting election for those members who have not consented to online voting.

(A) **First Notice; Candidates.** Not less than sixty (60) days before the election, the Association shall mail or deliver, or electronically transmit to unit owners who so consent, to each unit owner entitled to vote, a first notice of the date of the election. The first notice may be given by separate Association mailing or electronic transmission or included in another Association mailing, delivery or electronic transmission, including regularly published newsletters. Any unit owner or other eligible person desiring

BYLAWS

EXHIBIT "E"

-6-

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to be a candidate may qualify as such by giving written notice to the Association not less than forty (40) days before the annual election. Candidates may also be nominated by any other method permitted by law.

(B) Second Notice; Candidate Information Sheets. If there are more candidates than there are Directors to be elected, balloting is required, and at least fourteen (14) days before the election, the Association shall mail or deliver a second notice of election to all unit owners entitled to vote in the contested election, together with a ballot which shall list all qualified candidates in alphabetical order, by surname. This notice may also include the notice of the annual meeting required by Section 3.3 above. Upon timely request of a candidate, the Association shall include a "candidate information sheet" (no larger than 8-1/2 inches by 11 inches, furnished by the candidate) with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association.

(C) Balloting. Where balloting is required, Directors shall be elected by a plurality of the votes cast, provided that at least twenty percent (20%) of the eligible voters cast ballots. Proxies may not be used in the election. In the election of Directors, there shall be appurtenant to each unit as many votes for Directors as there are Directors to be elected, but no unit may cast more than one (1) vote for any candidate, it being intended that voting for Directors shall be non-cumulative. Tie votes may be broken by agreement among the candidates who are tied, or if there is no agreement, by lot or by any other method required or permitted by law.

4.4 Resignation; Vacancies on the Board. Any Director may resign at any time by giving written notice to the Association, and unless otherwise specified therein, the resignation shall become effective upon receipt. If the office of any Director becomes vacant for any reason, a successor to fill the remaining unexpired term shall be appointed or elected as follows:

(A) Any vacancy occurring on the Board of Directors may be filled by the affirmative vote of the majority of the remaining Directors, even though the remaining Directors constitute less than a quorum, or by the sole remaining Director. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office. If a vacancy is not so filled or if no Director remains, the replacement may be elected by the members or, on the petition of any member, by appointment of the Circuit Court of the county where the Condominium is located.

(B) If a vacancy occurs on the Board as a result of an increase in the number of Directors or a recall in which less than a majority of the Board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum, but only for a term of office continuing until the next annual election of Directors by the members, at which time the members shall elect a successor to fill the remaining unexpired term, if any.

(C) If vacancies occur on the Board as a result of a recall, and a majority or more of the Directors are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the Division of Florida Condominiums, Time Shares and Mobile Homes, which provide procedures governing the conduct of the recall election as well as the operation of the Association during the period after a recall, but prior to the recall election.

(D) A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date under §617.0807 or otherwise, may be filled before the vacancy occurs. However the new Director may not take office until the vacancy occurs.

4.5 Recall and Removal of Directors. Any or all Directors may be recalled, with or without cause, by a majority vote of the entire membership, either by a written petition or at a meeting called for that purpose no earlier than sixty (60) days after the Directors have been elected and no later than sixty (60) days before the next election. If a meeting is held or a petition is filed for the removal of more than one (1) Director, the question shall be determined separately as to each Director sought to be recalled. If a special meeting is called by ten percent (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days after the date of notice of the meeting. Directors or officers who are ninety (90) days delinquent in payment of regular assessments shall be deemed to have abandoned the office. A director or officer charged with a felony theft or embezzlement offense involving the Association's funds or property shall be removed from office and cannot be appointed or elected while charges are pending. If there is no finding of guilt, the director or officer shall be reinstated for the remainder of his or her term of office.

4.6 Organizational Meeting. The organizational meeting of a new Board of Directors shall be held within ten (10) days after the election of new Directors, at such place and time as may be fixed and announced by the Directors at the meeting in conjunction with which they were elected.

4.7 Other Meetings. Meetings of the Board may be held at such time and place in the county in which the Condominium is located, as shall be determined from time to time by the President or by a majority of the Directors. Notice of meetings shall be given to each Director, personally or by mail, telephone or telegram at least two (2) days before the day of the meeting.

4.8 Notice to Owners. Except as otherwise provided by law or elsewhere in this Section 4, all meetings of the Board of Directors shall be open to attendance by the unit owners. The right of owners to attend Board meetings includes the right to speak on designated agenda items, subject to reasonable rules of the Association governing the manner, duration and frequency of doing so. Twenty percent (20%) of the voting interests may petition the Board to address an item of business as an agenda item at its next regular Board meeting or at a special meeting of the Board that must be held no later than 60 days after receipt of the petition. A notice and agenda of all Board meetings must be posted conspicuously on the condominium property or Association property for at least forty-eight (48) continuous hours in advance of each meeting, except in an emergency, and subject to the following special circumstances:

(A) **Assessment to be Considered; Rules Regarding Unit Use.** Notice of any Board meeting at which assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and disclose the nature of such assessments, estimated cost, and description of the purposes for such assessments. Notice of any Board meeting at which a non-emergency special assessment will be considered or at which amendments to rules regarding unit use will be considered must also be mailed to the owners of each unit and posted conspicuously on the condominium or Association property at least fourteen (14) days before the meeting, except in an emergency, and an affidavit of mailing must be retained as proof of mailing.

(B) Budget Meetings. Notice of any Board meeting held to formally adopt a budget, or to amend a previously adopted budget, must be mailed, delivered or electronically transmitted to unit owners who so consent, to the unit owners as further provided in Section 6.2 below.

(C) Meetings with Association Legal Counsel. Meetings between either the Board or a committee, and Association legal counsel, regarding proposed, impending or ongoing litigation, to the extent the meeting is held for the purpose of seeking or rendering legal advice regarding that litigation, may be held without notice to unit owners and may be closed.

(D) Meetings regarding Personnel Matters. Meetings regarding personnel matters may be closed.

4.9 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver is deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.

4.10 Quorum of Directors. A quorum at a Board meeting exists only when at least a majority of all Directors are present in person at a duly called meeting. Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation in a meeting by such means is equivalent to presence in person. Directors may not vote or participate in Board meetings by proxy or by secret ballot, except that officers may be elected by secret ballot.

4.11 Vote Required for Action. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum exists constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the condominium documents or by applicable statutes. A Director who is present at a meeting of the Board and abstains from voting is deemed to have neither voted in favor or against the action. The vote or abstention of each Director present on each issue voted upon shall be recorded in the minutes.

4.12 Adjourned Meetings. A majority of the Directors present at any meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a specific time and date. At any reconvened meeting, provided a quorum is present, any business may be transacted that might have been transacted at the meeting originally as called.

4.13 The Presiding Officer. The President of the Association, or in his absence, the Vice President, is the presiding officer at all meetings of the Board. If neither officer is present, the presiding officer shall be selected by majority vote of the Directors present.

4.14 Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket expenses related to the proper discharge of their respective duties.

4.15 Committees. The Board of Directors may appoint from time to time such standing or temporary committees as the Board may deem necessary and convenient for the efficient and effective operation of the Condominium. All committee members must be a unit owner or the primary occupant of a unit, or the spouse or non-spouse companion of the owner or primary occupant. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. Notice of meetings of committees

may be given by electronic transmission to unit owners who consent to receive notice by electronic transmission. Meetings of a committee for the purpose of taking final action on behalf of the Board, or to make recommendations to the Board regarding a budget, must be noticed and conducted with the same formalities as are required for Board meetings in Section 718.112(2)(c), Florida Statutes, as amended. To the greatest extent permitted by law, meetings of all other committees are exempt from this requirement.

4.16 Emergency Powers. In the event of any "emergency" as defined in Section 4.16 (N) below, the Board of Directors may exercise the emergency powers described in this Section, and any other emergency powers authorized by Sections 617.0207, and 617.0303, and Section 718.1265 Florida Statutes, as amended from time to time.

(A) The Board may conduct Board meetings and membership meetings with notice given as is practicable. Such notice may be given in any practicable manner, including publication, radio, United States mail, the Internet, public service announcements, and conspicuous posting on the condominium property or any other means the Board deems reasonable under the circumstances. Notice of Board decisions may be communicated as provided in this paragraph.

(B) The Board may cancel and reschedule any Association meeting.

(C) The Board may name as assistant officers persons who are not directors, which assistant officers shall have the same authority as the executive officers to whom they are assistants during the state of emergency to accommodate the incapacity or unavailability of any officer of the Association.

(D) The Board may relocate the Association's principal office or designate alternative principal offices.

(E) The Board may enter into agreements with local counties and municipalities to assist counties and municipalities with debris removal.

(F) The Board may implement a disaster plan before or immediately following the event for which a state of emergency is declared which may include, but is not limited to, shutting down or off elevators; electricity; water, sewer, or security systems; or air conditioners.

(G) The Board may, based upon the advice of emergency management officials or upon the advice of licensed professionals retained by the Board, determine any portion of the condominium property unavailable for entry or occupancy by unit owners, family members, tenants, guests, agents, or invitees to protect the health, safety, or welfare of such persons.

(H) The Board may require the evacuation of the condominium property in the event of a mandatory evacuation order in the location in which the condominium is located. Should any unit owner or other occupant of a condominium fail or refuse to evacuate the condominium property where the Board has required evacuation, the Association shall be immune from liability or injury to persons or property arising from such failure or refusal.

(I) The Board may based upon advice of emergency management officials or upon the advice of licensed professionals retained by the Board, determine whether the condominium property can be safely inhabited or occupied. However, such determination is not conclusive as to any determination of habitability pursuant to the Declarations.

(J) The Board may mitigate further damage, including taking action to contract for the removal of debris and to prevent or mitigate the spread of fungus, including, but not limited to, mold or mildew, by removing and disposing of wet drywall, insulation, carpet, cabinetry, or other fixtures on or within the condominium property, even if the unit owner is obligated by the Declarations or law to insure or replace those fixtures and to remove personal property from the unit.

(K) The Board may contract, on behalf of any unit owner or owners, for items or services for which the owners are otherwise individually responsible, but which are necessary to prevent further damage to the condominium property. In such event, the unit owner or owners on whose behalf the Board has contracted are responsible for reimbursing the Association for the actual costs of the items or services, and the Association may use its lien authority provided by Section 718.116, Florida Statutes to enforce collection of the charges. Without limitation, such items or services may include the drying of units, the boarding of broken windows or doors, and the replacement of damaged air conditioners or air handlers to provide climate control in the units or other portions of the property.

(L) The Board may, regardless of any provisions to the contrary, levy special assessments without a vote of the owners.

(M) The Board may, without owners' approval, borrow money and pledge Association assets as collateral to fund emergency repairs and carry out the duties of the Association when operating funds are insufficient.

(N) For purposes of this Section only, an "emergency" exists only during a period of time that the Condominium, or the immediate geographic area in which the Condominium is located, is subjected to any of the following:

- (1) a state of emergency declared by the Governor pursuant to Section 252.36 Florida Statutes or by local civil or law enforcement authorities,
- (2) a hurricane warning,
- (3) a partial or complete evacuation order,
- (4) a federal or state "disaster area" status,
- (5) a catastrophic occurrence, whether natural or manmade, which seriously damages or threatens to seriously damage the physical existence of the Condominium, such as an earthquake, tidal wave, fire, hurricane, tornado, war, civil unrest or act of terrorism, or other similar event.

An "emergency" also exists for purposes of this Section during any period of time when a quorum of the Board cannot readily be assembled because of the occurrence or imminent occurrence of a catastrophic event, such as a hurricane, earthquake, act of war, civil unrest or terrorism, or other similar event. A good faith determination by any two (2) Directors, or by the President, that an emergency exists shall have presumptive validity.

The special emergency powers authorized above shall be limited to that time reasonably necessary to protect the health, safety, and welfare of the Association and the unit owners and the unit owner's family members,

BYLAWS

EXHIBIT "E"

tenants, guests, agents, or invitees and shall be reasonably necessary to mitigate further damage and make emergency repairs.

5. OFFICERS.

5.1 Officers and Elections. The executive officers of the Association shall be a President, and a Vice President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by a majority vote of the Board of Directors. Any officer may be removed with or without cause at any meeting by vote of a majority of all Directors at any meeting. Any person, except the President, may hold two (2) or more offices. The Board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one (1) Vice President. Any officer may resign at any time by giving written notice to the Corporation and unless otherwise specified therein, the resignation shall become effective upon receipt. Directors or officers who are ninety (90) days delinquent in payment of any monetary obligation due the Association shall be deemed to have abandoned the office. A director or officer charged with a felony theft or embezzlement offense involving the Association's funds or property shall be removed from office and cannot be appointed or elected while charges are pending. If there is no finding of guilt, the director or officer shall be reinstated for the remainder of his or her term of office.

5.2 President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and Directors, shall be ex officio a member of all standing committees, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect. The President shall execute bonds, mortgages and other contracts or documents requiring the execution of the Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Association.

5.3 Vice Presidents. The Vice Presidents, in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall assign.

5.4 Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and shall cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for the purpose, and shall perform like duties for standing committees when required. He shall give, or cause to be given, proper notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the condominium documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

5.5 Treasurer. The Treasurer shall be responsible for Association funds and securities, the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association, and the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer shall oversee the disbursement of Association funds, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at

meetings of the Board, or whenever they may require it, a full accounting of all transactions and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if one has been designated.

6. FISCAL MATTERS. The provisions for fiscal management of the Association set forth in the Declarations of Condominium shall be supplemented by the following provisions:

6.1 Depository. The Association shall maintain its funds in federally insured accounts or investments with such financial institutions authorized to do business in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board.

6.2 Budget. The Board of Directors shall adopt a budget of common expenses in advance for each fiscal year. A copy of the proposed budget, and a notice stating the time, date and place of the meeting of the Board at which the budget will be adopted, shall be mailed, delivered or electronically transmitted to the owner of each unit not less than fourteen (14) days before that meeting. The proposed budget must be detailed, and must show the amounts budgeted by income and expense classifications, including without limitation those specified in Section 718.504(21)(c) of the Condominium Act, if applicable. The Association may utilize the pooled method of determining reserves in its budget.

6.3 Statutory Reserves for Capital Expenditures and Deferred Maintenance. In addition to annual operating expenses, the proposed budget must include reserve accounts for capital expenditures and deferred maintenance as required by law. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing. They shall also include any other planned or foreseeable capital expenditure or deferred maintenance item with a current estimated cost of \$10,000 or more. The amount to be reserved shall be computed by a formula based upon estimated remaining life and replacement cost of each item. These reserves must be funded unless the members of the Association have, by a majority vote of those present in person or by proxy at a duly called meeting of the Association, determined to fund no reserves, or less than adequate reserves, for a fiscal year. The vote to waive or reduce reserves, if any is taken, may be taken only after the proposed budget has been mailed to the unit owners as required in Section 6.2 above. Reserves funded under this paragraph, and any interest thereon, shall be used only for the purposes for which they were reserved, unless their use for other purposes is approved in advance by a majority of the voting interests present, in person or by limited proxy, at a members' meeting called for the purpose. Proxy questions relating to waiving or reducing the funding of reserves or using existing reserves for other purposes must contain the following statement in large, bold caps: **WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.**

6.4 Other Reserves. In addition to the statutory reserves described in Section 6.3 above, or in place of them if the members so vote, the Board may establish one or more additional reserve accounts for contingencies, operating expenses, repairs, minor improvements, deferred maintenance or special projects. The purpose of these reserves is to provide financial stability and to avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget each year. These funds may be spent for any purpose approved by the Board.

6.5 Assessments. Regular annual assessments based on the adopted budget shall be paid in quarterly installments. Written notice of each quarterly installment shall be sent to the members at least fifteen (15) days prior to the due date. Failure to send or receive such notice does not excuse the obligation to pay. The quarterly installments shall be equal in size, except that if an annual budget has not been adopted at the time the first quarterly installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last quarterly payment, and payments shall be continued at such rate until a budget is adopted and new quarterly installments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each unit's next due quarterly installment.

6.6 Special Assessments. Special assessments may be imposed by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted, or non-recurring expenses. Special assessments are due on the day specified in the resolution of the Board approving such assessments. The notice of any Board meeting at which a special assessment will be considered, discussed or proposed shall be given as provided in Section 4.8 above and the notice to the owners that the assessment has been levied must contain a statement of the purpose(s) of the assessment. The funds collected must be spent for the stated purpose(s) or returned to the members as provided by law.

6.7 Fidelity Bonds. The President, Secretary and Treasurer, and all other persons who are authorized to sign checks or have access to Association funds, shall be bonded in such amounts as may be required by law or otherwise determined by the Board of Directors. The premiums on such bonds is a common expense.

6.8 Financial Reports. In accordance with Section 718.111(13) of the Condominium Act, not later than ninety (90) days after the close of each fiscal year, the Board shall contract for the preparation of a financial report for the preceding fiscal year and shall deliver to the unit owners a copy of the report or notify the owners a copy of the report is available within twenty-one (21) days after the report is complete but in no event later than one hundred twenty (120) days after the close of the fiscal year.

6.9 Audits. A formal, certified audit of the accounts of the Association, if required by law, by vote of a majority of the voting interests, or by a majority of the Directors, shall be made by a certified public accountant, and a copy of the audit report made available to all members.

6.10 Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each calendar year. The Board of Directors may adopt a different fiscal year in accordance with law and the regulations of the Internal Revenue Service.

7. RULES AND REGULATIONS. The Board of Directors may, from time to time, adopt and amend administrative rules and regulations governing the use, maintenance, management and control of the common elements and the operation of the Association. Copies of such rules and regulations shall be furnished to each unit owner. Any rule or regulation created and imposed by the Board must be reasonably related to the promotion of health, happiness and peace of mind of the unit owners, and uniformly applied and enforced.

8. COMPLIANCE AND DEFAULT; REMEDIES. The following shall apply:

8.1 Duty to Comply; Right to Sue. Each unit owner, his tenants and guests, and the Association shall be governed by and shall comply with the provisions of the Condominium Act, the condominium documents

and the rules and regulations of the Association. The unit owner is legally responsible for all violations of his tenants and guests. Actions for damages or for injunctive relief, or both, for failure to comply may be brought, but shall not be required to be brought, by the Association or by a unit owner against:

- (A) The Association;
- (B) A unit owner;
- (C) Any Director who willfully and knowingly fails to comply with these provisions.
- (D) Any tenant leasing a unit, and any other invitee occupying a unit.

8.2 Mandatory Non-Binding Arbitration. In the event of any dispute as defined in Section 718.1255(1) of the Condominium Act, between a unit owner and the Association arising from the operation of the Condominium, the parties must submit the dispute to mandatory non-binding arbitration under the rules of the Division of Florida Condominiums, Time Shares, and Mobile Homes prior to filing any lawsuit over the disputed matters. Nothing herein shall be construed to require arbitration of disputes related to the levy or collection of fees or assessments.

8.3 Fines; Suspensions. The Board of Directors may levy fines and/or suspensions against units whose owners are delinquent in the payment of monetary obligations due to the Association, commit violations of the Condominium Act, the provisions of the condominium documents, or the rules and regulations, or who condone such violations by their family members, guests or lessees. Fines shall be in amounts deemed necessary by the Board to deter future violations, but in no event shall any fine exceed the maximum amount allowed by law, and no fine may be levied against an unoccupied unit. Suspensions of the use of the common elements, common facilities, or Association property may be imposed for a reasonable period of time to deter future violations or if for failure to pay monetary obligations due to the Association, until such time as the monetary obligations are paid. The procedure for imposing fines and/or suspensions not related to delinquency in monetary obligations due to the Association shall be as follows:

(A) **Notice:** The party against whom the fine and/or suspension is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days, and the notice shall include:

- (1) A statement of the date, time and place of the hearing;
- (2) A specific designation of the provisions of the Declarations, Bylaws or rules which are alleged to have been violated;
- (3) A short and plain statement of the specific facts giving rise to the alleged violation(s); and
- (4) The possible amounts of any proposed fine and/or possible use rights to common elements, common facilities, or Association property to be suspended.

(B) **Hearing:** At the hearing the party against whom the fine may be levied shall have a reasonable opportunity to respond, to present evidence, and to provide written and oral argument on all issues

involved, and to review, challenge, and respond to any evidence or testimony presented by the Association. The hearing shall be conducted before a panel of three (3) non-Director unit owners appointed by the Board. If the committee, by majority vote, does not agree with the fine and/or suspension, it may not be levied. If the committee agrees with the fine and/or suspension, the Board shall levy same.

If an owner is more than ninety (90) days delinquent in paying a monetary obligation due to the Association, the Association may suspend the right of a unit owner or a unit's occupant, licensee, or invitee to use common elements, common facilities, or any other Association property until the monetary obligation is paid. For such non-payment of monetary obligations, no notice or hearing is required.

8.4 Waiver of Rights. The failure of the Association or any member to enforce a right, provision, covenant or condition which may be granted by the condominium documents shall not constitute a waiver of the right of the Association or member to enforce such right, provision, covenant or condition in the future. A provision of the Condominium Act may not be waived by a unit owner if the waiver would adversely affect the rights of the owner or defeat the purpose of the provision, except that unit owners or Directors may waive notice of specific meetings as provided in the Bylaws. Any written instrument or instruction given by the Association on behalf of a purchaser or unit owner to an escrow agent may be relied upon by the escrow agent, whether or not such instruction and the payment of funds thereunder might otherwise constitute a waiver of any provision of the Condominium Act or the condominium documents.

8.5 Attorneys' Fees. In any legal proceeding arising out of an alleged failure of a guest, tenant, unit owner or the Association to comply with the requirements of the Condominium Act, the condominium documents, or the Association's rules and regulations, as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such attorneys fees as may be awarded by the court.

8.6 Availability of Remedies. Each member, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of violations regardless of the harshness of the remedy utilized by the Association and regardless of the availability of other legal remedies. It is the intent of all members to give the Association methods and procedures which will enable it to operate on a businesslike basis, to collect those monies due it and to preserve the right of the majority to enjoy the condominium property free from unreasonable disruptions and annoyance.

8.7 No Election of Remedies. All rights, remedies and privileges granted to the Association or unit owners under the law and the condominium documents shall be cumulative, and the exercise of any one (1) or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party from exercising any other rights, remedies, or privileges that may be available.

9. AMENDMENT OF BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner:

9.1 Proposal. Amendments to these Bylaws may be proposed by a majority of the Board, or by written petition to the Board, signed by at least one-fourth (1/4th) of the voting interests.

9.2 Procedure. Upon any amendment or amendments to these Bylaws being proposed by said Board or unit owners, such proposed amendment or amendments shall be submitted to a vote of the owners not later than the next annual meeting for which proper notice can still be given.

9.3 Vote Required. Except as otherwise provided by law, or by specific provision of the condominium documents, a proposed amendment to these Bylaws shall be adopted if it is approved by at least two-thirds (2/3rds) of the members voting, in person or by proxy, at any annual or special meeting called for the purpose, provided that notice of the proposed amendment has been given to the members in accordance with law.

9.4 Recording; Effective Date. A copy of each adopted amendment shall be attached to a certificate reciting the facts of its adoption, which certificate shall be executed by officers 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 Collier County, Florida. The certificate must identify the book and page of the Public Records where the Declarations of Condominium was originally recorded.

10. MAINTENANCE; LIMITATIONS UPON ALTERATIONS AND IMPROVEMENTS: Responsibility for the protection, maintenance, repair and replacement of the condominium property, and restrictions on its alteration and improvement shall be as follows:

10.1 Association Maintenance. The Association is responsible for the protection, maintenance, repair and replacement of all common elements and association property (other than the limited common elements that are required elsewhere herein to be maintained by the unit-owner). The cost is a common expense. The Association's responsibilities include, without limitation:

- (A) The exterior surface of the main entrance doors to the units.
- (B) Electrical wiring up to the circuit breaker panel serving each unit.
- (C) Water pipes, up to the individual shut-off valve serving each unit.
- (D) Cable television lines up to the wall outlets.
- (E) Main air conditioning condensation drain lines, up to the point where the individual unit drain line meets.
- (F) Main sewer lines, up to the point where the individual sewer lines serving each unit connect.
- (G) All installations, fixtures and equipment located within one (1) unit but serving one (1) or more other units, or located outside the unit, for the furnishing of utilities to more than one (1) unit or the common elements.
- (H) All exterior building walls, including painting, waterproofing, and caulking.
- (I) Any stairways, stairwells, or railings.
- (J) Balcony, patio, or porch railings.

(K) All parking spaces; covered or uncovered.

(L) Storage lockers and their exterior surfaces.

The Association's responsibility does not include interior wall switches or receptacles, plumbing fixtures or other electrical, plumbing or mechanical installations located within a unit and serving only that unit. All damage caused to a unit or limited common elements by work performed or ordered to be performed by the Association resulting from accidental or negligent causes shall be promptly repaired by and at the expense of the Association, which shall restore the property as nearly as practicable to its condition before the damage. The cost shall be a common expense. However, the Association shall not be responsible for the damage caused to a portion of a unit or limited common element for which the unit owner is responsible for maintaining or repairing (including any unit owner made alteration or addition) resulting from intended maintenance or repairs made by the Association that were not caused by accident or negligence.

10.2 Unit Owner Maintenance. Each unit owner is responsible, at his own expense, for all maintenance, repairs, and replacements of his own unit and certain limited common elements. The owner's responsibilities include, without limitation:

(A) Maintenance, repair and replacement of unit windows, unit window glass, unit window screens, balcony, patio or porch sliding glass doors and screens, and related frameworks, hardware and locks.

(B) The main entrance door to the unit and its interior surfaces and related entrance door frameworks, hardware and locks.

(C) All other doors (including sliding glass doors) within or affording access to the unit or balcony, patio or porch and related door frameworks, hardware and locks.

(D) The electrical, mechanical and plumbing lines, pipes, fixtures, switches, valves, drains and outlets (including connections) located partially or entirely within the unit or located outside the unit but serving only the unit.

(E) The circuit breaker panel serving the unit and all electrical wiring going into the unit from the panel.

(F) Appliances, water heaters, smoke alarms and vent fans.

(G) All air conditioning, and heating equipment, thermostats, ducts and installations serving the unit exclusively whether located within or outside the unit, except as otherwise provided in Section 10.4 below.

(H) Carpeting and other floor coverings.

(I) Shower pans serving the unit.

(J) The main water supply shut-off valve serving the unit.

(K) Other facilities or fixtures which are located or contained partially or entirely within the unit and serve only the unit or located outside the unit but serve only the unit.

BYLAWS

EXHIBIT "E"

-18-

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(L) All interior, partition walls which do not form part of the boundary of the unit.

(M) Interior of storage lockers.

10.3 Other Unit Owner Responsibilities:

(A) Balconies, Patios and Porches. For those portions of the unit consisting of a balcony, patio or porch area, the unit owner shall be responsible for the day-to-day cleaning and care of the walls, floor and ceiling bounding said area, if any; and all fixed glass, sliding glass doors in portions of the entrance way to said area; and the wiring, electrical outlet(s) and fixture(s) thereon, if any, and the replacement of light bulbs. The Association is responsible for the painting, maintenance, repair and replacement of all exterior walls of the building and the concrete slabs, including the walls, floor and ceiling bounding said area. If the unit owner has carpeted, covered, or enclosed a balcony with prior written approval of the Board of Directors, the maintenance, repair, replacement and insurance of such approved carpeting, covering, or enclosure shall be the responsibility of the unit owner. Any unit owner desiring to alter his balcony, patio or porch must comply with the provisions of Section 10.5.

(B) Interior Decorating. Each unit owner is responsible for all decorating within his own unit, including painting, wallpapering, paneling, floor covering, draperies, window shades, curtains, lamps and other light fixtures, and other furnishings and interior decorating.

(C) Flooring. The floors of all Family Units above the first floor shall be covered at all times with wall-to-wall carpeting, except in kitchens, bathrooms, utility rooms and on adjoining porches and except for small vestibule areas, not to exceed sixteen square feet in area, inside apartment entrance doors. Substitute floor coverings with equivalent sound-deadening effect may only be used with advance approval of the Board of Directors.

(D) Window Coverings. The covering and appearance of windows and doors, whether by draperies, shades, reflective film or other items, whether installed within or outside of the unit, visible from the exterior of the unit, shall be subject to the rules and regulations of the Association.

(E) Modifications and Alterations. If a unit owner makes any modifications, installations or additions to his unit or the common elements, the unit owner, and his successors in title, shall be financially responsible for:

- (1) Insurance, maintenance, repair and replacement of the modifications, installations or additions;
- (2) The costs of repairing any damage to the unit, common elements or other units resulting from the existence of such modifications, installations or additions; and
- (3) The costs of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace, or protect other parts of the condominium property for which the Association is responsible.
- (4) Damage to the modifications, installations or additions caused by work being done by the Association.

(F) Use of Licensed and Insured Contractors. Whenever a unit owner contracts for maintenance, repair, replacement, alteration, addition or improvement of any portion of the unit or common elements, whether with or without Association approval, such owner shall be deemed to have warranted to the Association and its members that his contractor(s) is/are properly licensed and fully insured, and that the owner will be financially responsible for any resulting damage to persons or property not paid by the contractor's insurance.

10.4 Appliance Maintenance Contracts. If there shall become available to the Association a program of contract maintenance for kitchen appliances, or water heaters within units, and/or air-conditioning compressors and/or air handlers serving individual units, which the Association determines is to the benefit of the owners to consider, then upon agreement by a majority of the voting interests present, in person or by proxy and voting, at a meeting called for the purpose, or upon agreement by a majority of the total voting interest in writing, the Association may enter into such contractual undertakings. The expenses of such contractual undertakings to the Association shall be common expenses. All maintenance, repairs and replacements not covered by the contracts shall be the responsibility of the unit owner.

10.5 Alteration of Units, Common Elements or Association Property by Unit Owners. No material alterations or substantial additions to a unit, the common elements or association property, or a change in any manner to the exterior appearance of any portion of the condominium, shall be made without first obtaining the written approval of the Board of Directors, which approval may be denied if the Board of Directors determines that the proposed modifications or alterations would adversely affect, or in any manner be detrimental to, the condominium in part or in whole. Whenever title to a condominium parcel is transferred for any reason, the new owner becomes jointly and severally liable with the previous owner for correcting any unapproved material alterations or substantial additions to a unit, the common elements or association property or for a change in any manner to the exterior appearance of any portion of the condominium. Any glass, screen, curtain, blind, shutter, awning, or other modifications, additions or installations which may be installed where visible from outside the unit, are subject to regulation by the Board of Directors. No owner may alter the landscaping of the common elements or association property in any way without prior Board approval. The Board of Directors may revoke or rescind any approval of an alteration or modification previously given, if it appears that the installation has had unanticipated, adverse effects on the condominium.

10.6 Alterations and Additions to Common Elements and Association Property. The protection, maintenance, repair, insurance and replacement of the common elements and association property is the responsibility of the Association and the cost is a common expense. Beyond this function, the Association shall make no material alteration of, nor substantial additions to, the common elements or the real property owned by the Association costing more than \$5,000 in the aggregate in any calendar year without prior approval of at least two-thirds (2/3rds) of the voting interests who are present and voting, in person or by proxy, at an annual or special meeting called for the purpose. Therefore, up to \$5,000 in the aggregate worth of material alterations or substantial additions may be made in any calendar year by the Association with Board approval. If work reasonably necessary to protect, maintain, repair, replace or insure the common elements or association property also constitutes a material alteration or substantial addition to the common elements, no prior unit owner approval is required.

10.7 Enforcement of Owner's Maintenance Responsibilities. The owner of a unit has a legal duty to maintain, repair and replace, at his own expense, his unit and the limited common elements serving his unit, except for those limited common elements required to be maintained by the Association, as provided in this

Section 10. Each unit owner also has a duty to maintain his unit, any limited common element whose exclusive use is appurtenant to the unit, and the personal property therein, in such a manner as to prevent foreseeable and reasonably preventable damage to other units, the common elements, or the personal property of other owners or occupants

10.8 Association's Access to Units; Damage Caused by Condition in Unit. The Association has the irrevocable right of access to the units during reasonable hours, for the maintenance, repair, or replacement of the common elements, as well as any portion of the unit to be maintained by the Association pursuant to the governing documents. The Association also has the right to enter units to prevent, mitigate or repair damage to the common elements or to other units. If any condition, defect or malfunction is discovered to be causing or threatening to cause such damage, and one (1) or more units involved (or potentially involved) is not occupied, the Association may enter the unoccupied unit with or without prior notice to or consent of the tenant or the owner, and take reasonable action sufficient to correct the problem, mitigate damage or prevent its further spread. The costs of such action shall be chargeable to the owner of the unit entered, unless the work done ordinarily was the responsibility of the Association. The Association may, but is not obligated to, repair the damage to property inside the unit, with the prior consent of the unit owner. The Association's right of access also includes, without limitation, entry for purposes of pest control and preventive maintenance of safety equipment such as smoke alarms, as well as the right, but not the duty, to enter under circumstances where the health or safety of resident may be endangered. The exercise of the Association's rights of access to the unit shall be accomplished with due respect for the rights of occupants to privacy and freedom from unreasonable annoyance, as well as with appropriate precautions to protect the personal property within the unit. The Association may retain a pass-key to all units. If it does, no unit owner shall alter any lock, nor install a new lock, which prevents access when the unit is unoccupied, unless the unit owner provides a key to the Association. If the Association is not given a key, the unit owner shall pay all costs incurred by the Association in gaining entrance to the unit, as well as all damage to his unit caused by gaining entrance thereto, and all damage resulting from delay in gaining entrance to his unit caused by the unavailability of a key.

10.9 Pest Control. The Association may supply pest control services for the inside of each unit, with the cost thereof being part of the common expenses. An owner has the option to decline such service unless the Association determines that such service is necessary for the protection of the balance of the Condominium, in which event the owner thereof must either permit the Association's pest control company to enter his unit or must employ a licensed pest control company to enter his unit on a regular basis to perform pest control services and furnish written evidence thereof to the Association. The cost of pest control provided by the Association is a common expense, so the election of an owner not to use the service will not reduce the owner's assessments.

10.10 Hurricane Protection. Notwithstanding any provision to the contrary above, the Board of Directors shall adopt as required by law a model, style and color of hurricane shutter as a standard for use in the Condominium. No hurricane or storm shutters except the standard model, color and style adopted by the Board of Directors shall be installed upon the Condominium. The Board of Directors may also adopt as required by law models, styles and colors of impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection as alternative standards for use in the Condominium and if adopted only such models, styles and colors shall be installed upon the Condominium..

11. USE RESTRICTIONS: The use of the condominium property shall be in accordance with the following provisions:

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EXHIBIT "E"

-21-

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11.1 Units. Except as otherwise provided herein, each unit shall be occupied by only one (1) family at any time, as a residence and for no other purpose. No persons can own legal or beneficial title to more than two (2) units in the Condominium. No business or commercial activity shall be conducted in or from any unit, including, but not limited to storing or processing inventory, visitation of the home by clients, customers, suppliers or other business invitees or door to door solicitation of residents. The use of a unit as a public lodging establishment shall be deemed a business or commercial use. This restriction shall not be construed to prohibit any owner from maintaining a personal or professional library, from keeping his personal, business or professional records in his unit, or from handling his personal, business or professional telephone calls, e-mail, web services or written correspondence in and from his unit. Such uses are expressly declared customarily incident to residential use.

11.2 Occupancy of Units When Owner is Present. Each Unit shall be used for residential purposes only by the owner, by members of the owner's immediate family, by guests and authorized lessees. The visit of a guest who is a member of the owner's immediate family shall not require advanced notification to the Manager when the owner is in occupancy. The owner shall notify the manager in advance of other guests who will be occupying the unit. Immediate family means the owner's spouse, lineal descendants (children, grandchildren, etc.) parents, brothers, sisters, spouses of brothers and sisters, nephews and nieces, as well as step-relationships within the immediate family group.

11.3 Occupancy in the Absence of Owner. In the owner's absence, a Unit shall not be occupied on more than two occasions, or for a visit of more than thirty (30) days each during any twelve (12) month period from October 1 through September 30, by any guest or guests of owners, other than a member or members of the owner's immediate family. Any minor guest under the age of eighteen (18) years must be accompanied by an adult in the owner's absence. Any guest may be required to vacate the premises immediately, if found by the Board of Directors, in its sole discretion, to have been guilty of conduct deemed by the Board to constitute a nuisance. The owner shall give the Manager advance notice of the name (and relationship, if any, to the owner) of any guest or guests, invited by the owner to occupy his Unit in the owner's absence, together with dates of arrival and departure, and the identity of the adult who will accompany any minor guest. Each guest shall sign the guest book in the office of the Association, or in the building so that there will be a record of all occupants of Units.

11.4 Minors. All occupants under eighteen (18) years of age shall be closely supervised at all times by an adult to insure that they do not become a source of unreasonable annoyance to other residents.

11.5 Pets. The keeping of pets of any kind or description within the Condominium is prohibited.

11.6 Nuisances. No owner shall use his unit or the common elements or permit his unit or the common elements to be used, in any manner which constitutes or causes an unreasonable amount of annoyance or nuisance to the occupant of another unit, or which would not be consistent with the maintenance of the highest standards for a first class residential condominium, nor permit the premises to be used in a disorderly or unlawful way. The use of each unit and the common elements shall be consistent with existing laws and the condominium documents, and occupants shall at all times conduct themselves in a peaceful and orderly manner. No owner, tenant or guest may disturb any other person on the property with the use of profane, obscene, threatening or abusive comments or conduct.

11.7 Signs. No person may post or display "For Sale", "For Rent", or other signs or banners anywhere within the Condominium or on the condominium property, including those posted in windows of buildings

or motor vehicles. "Open House" signs are permitted at a location determined by the Board only when a unit is open for viewing.

11.8 Use of Common Elements. Common hallways, stairways and other common elements shall not be obstructed, littered, defaced or misused in any manner. Balconies, patios, porches, walkways, elevators, hallways and stairways shall be used only for the purposes intended, and they shall not be used for hanging or drying clothing, for outdoor cooking, for cleaning of rugs or other household items, or for storage of bicycles or other personal property.

11.9 Prohibited Vehicles. Recreational vehicles, golf carts, canoes, boats, motorized water craft, trailers, non-street licensed vehicles, panel vans, vehicles obnoxious to the eye, inoperable vehicles and commercial vehicles not actively serving a unit are prohibited from being parked or kept on the common elements or association property.

11.10 Satellite Dishes. An owner wishing to install a satellite antenna less than one meter in diameter on his balcony, patio or porch limited common area must install same at a preferred location where an acceptable signal may be obtained. The preferred location is near the floor of the balcony, patio or porch which is least visible from view from the grounds of the Condominium and is attached in a stable and secure manner to the wall of the balcony, patio or porch. No portion of the antenna may extend outside the limited common element balcony, patio or porch area. The antenna can only be installed at a non-preferred location on the balcony, patio or porch if an acceptable signal cannot be obtained from a preferred location. No satellite dishes may be installed in the common areas of the property. Please contact management for further information about dish installation.

11.11 Electrical Vehicle Charging. Charging of electrical vehicles on condominium property is prohibited unless prior written approval of the Board is obtained. As a condition of approval, an owner must agree to pay any cost required to upgrade the electric facilities and lines if necessary and if the vehicle is to be charged at a common element socket, the owner must agree to either purchase and install a separate electric meter for charging the vehicle at a common element socket and agree to pay all properly metered electric costs associated with charging the owner's vehicle or agree to pay an estimated fee (as established by the Board) for the electricity to be utilized by the vehicle at the socket. Also, the owner must agree to accept all liability, and hold harmless and indemnify the Association, for any and all damage to property or person that may occur as a result of charging the vehicle.

12. ASSOCIATION: The operation of the Condominium is by Harborside Terrace Owners Association, Inc., a Florida corporation not for profit, which shall perform its function pursuant to the following:

12.1 Delegation of Management. The Association may contract for the management and maintenance of the condominium property and employ a licensed manager or management company to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, keeping of records, enforcement of rules and maintenance, repair and replacement of the common elements with funds made available by the Association for such purposes. The Association and its officers however, shall retain at all times the powers and duties provided in the Condominium Act.

12.2 Acts of the Association. Unless the approval or affirmative vote of the unit owners is specifically made necessary by some provision of the Condominium Act or these condominium documents, all approvals or actions permitted or required to be given or taken by the Association may be given or taken by its Board

of Directors, without a vote of the unit owners. The officers and Directors of the Association have a fiduciary relationship to the unit owners. A unit owner does not have the authority to act for the Association by reason of being a unit owner.

12.3 Powers and Duties. The powers and duties of the Association include those set forth in the Condominium Act and the condominium documents. The Association may contract, sue, or be sued with respect to the exercise or non-exercise of its powers and duties. For these purposes, the powers of the Association include, but are not limited to, the maintenance, management, and operation of the condominium property and association property. The Association has the power to enter into agreements to acquire leaseholds, memberships and other ownership, possessory or use interests in lands or facilities, regardless of whether the lands or facilities are contiguous to the lands of the Condominium.

12.4 Official Records. The Association shall maintain its Official Records as required by law. The records shall be open to inspection by members or their authorized representatives at all reasonable times required by law. The right to inspect the records includes a right to make or obtain photocopies at the reasonable expense of the member seeking copies.

12.5 Purchase of Units. The Association has the power to purchase one (1) or more units in the condominium, and to own, lease, mortgage, or convey them, such power to be exercised by the Board of Directors.

12.6 Acquisition of Property. The Association has the power to acquire property, both real and personal. The power to acquire personal property shall be exercised by the Board of Directors. Except as provided in Section 11.8 above, the power to acquire ownership interests in real property shall be exercised by the Board of Directors, but only after approval by at least a majority of the voting interests.

12.7 Disposition of Property. Any property owned by the Association, whether real, personal or mixed, may be mortgaged, sold, leased or otherwise encumbered or disposed of by the same authority as would be required to acquire it under Sections 12.5 and 12.6 above. However, the power to lease association property and common elements shall be exercised solely by the Board of Directors.

12.8 Roster. The Association shall maintain a current roster of names and mailing addresses of unit owners, based upon information supplied by the unit owners. A copy of the roster shall be made available to any member upon request as provided by law.

12.9 Limitation on Liability. Notwithstanding its duty to maintain and repair condominium or association property, the Association shall not be liable to individual unit owners occupants, visitors or invitees for personal injury or property damage caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or unit owners or other persons. From time to time the common elements or association property, or any portion thereof, is opened and put into use for the enjoyment of owner, tenants, guests and invitees. The Association shall be and remain wholly free and clear of any and all liability to, or claims by, all owners, and all persons and entities, of whatever kind or character, whether sounding in contract or tort, deriving from the occurrence of any injury or damage to any person or property on, or in respect of the use and operation of, the common elements, association property or any of their improvements, fixtures, and facilities resulting from any defect or unsafe condition or circumstance not known by the Association. In this respect, it shall be the affirmative duty and responsibility of each owner and user of the common elements and association property and their facilities to continuously inspect the

same for any defects or perils or other unsafe conditions or circumstances, prior to and during such use or enjoyment thereof. All users of, and visitors to, the common elements and association property and their improvements and facilities shall use, enjoy, and visit, the same at their own risk and peril. As used in this Section 11.12, "Association" shall include within its meaning all of the Association's Directors, Officers, Committee Members, Employees, Agents, Contractors (including management firms and its employees), Subcontractors, successors and assigns.

13. ASSESSMENTS AND LIENS: The Association has the power to levy and collect assessments against each unit and unit owner in order to provide the necessary funds for proper operation and management of the Condominium and for the operation of the Association. This power includes both "regular" assessments for each unit's share of the common expenses as set forth in the annual budget, and "special" assessments for unusual, nonrecurring or unbudgeted common expenses. The Association may also levy special charges against any individual unit for any amounts, other than for common expenses, which are properly chargeable against such unit under this Declarations or the Bylaws. Assessments shall be levied and payment enforced as provided in Section 6 of the Bylaws, and as follows:

13.1 Common Expenses. Common expenses include the expenses of operation, maintenance, repair, replacement or insurance of the common elements and association property, the expenses of operating the Association, and any other expenses properly incurred by the Association for the condominium, including amounts budgeted for the purpose of funding reserve accounts. The cost of water and sewer service to the units is a common expense. If the Board of Directors contracts for pest control within units or communication services (such as basic cable television programming services, telephone) information and/or internet services in bulk for the entire condominium, the cost of such services shall be a common expense.

13.2 Share of Common Expenses. The owner of each unit shall be liable for a share of the common expenses equal to his share of ownership of the common elements and the common surplus, as set forth in the Declarations of Condominium.

13.3 Ownership. Assessments and other funds collected by or on behalf of the Association become the property of the Association; no unit owner has the right to claim, assign or transfer any interest therein except as an appurtenance to his unit. No owner can withdraw or receive distribution of his share of the common surplus, except as otherwise provided herein or by law.

13.4 Who is Liable for Assessments. The owner of each unit, regardless of how title was acquired, is liable for all assessments or installments thereon coming due while he is the owner. Multiple owners are jointly and severally liable. Except as provided by law as to certain first mortgagees, whenever title to a condominium parcel is transferred for any reason, the new owner becomes jointly and severally liable with the previous owner for all assessments which came due prior to the transfer and remain unpaid, without prejudice to any right the new owner may have to recover from the previous owner any amounts paid by the new owner.

13.5 No Waiver or Excuse from Payment. The liability for assessments may not be avoided or abated by waiver of the use or enjoyment of any common elements, by abandonment of the unit on which the assessments are made, or by interruption in the availability of the unit or the common elements for any reason whatsoever. No unit owner may be excused from payment of his share of the common expenses unless all unit owners are likewise proportionately excused from payment, except as otherwise provided in the Declarations of Condominium as to certain first mortgagees.

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-25-

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13.6 Application of Payments; Failure to Pay; Interest. Assessments and installments thereon paid on or before ten (10) days after the date due shall not bear interest, but all sums not so paid shall bear interest at ten percent per annum, calculated from the date due until paid. The Association may also impose a late payment fee (in addition to interest) to the extent permitted by law. Assessments and installments thereon shall become due, and the unit owner shall become liable for said assessments or installments, on the date established in the Bylaws or otherwise set by the Board of Directors for payment. All payments on account shall be applied first to interest, then to late payment fees, court costs and attorneys' fees, and finally to delinquent assessments. No payment by check is deemed received until the check has cleared.

13.7 Acceleration. If any special assessment or installment of a regular assessment as to a unit is unpaid thirty (30) days after the due date, and a Claim of Lien is recorded, the Association shall have the right to accelerate the due date of the entire unpaid balance of the unit's assessments for that fiscal year. The due date for all accelerated amounts shall be the date the Claim of Lien was recorded in the public records. The Association's Claim of Lien shall secure payment of the entire accelerated obligation, together with interest on the entire balance, attorneys' fees and costs as provided by law; and said Claim of Lien shall not be satisfied or released until all sums secured by it have been paid. The right to accelerate shall be exercised by sending to the delinquent owner a notice of the exercise, which notice shall be sent by certified or registered mail to the owner's last known address, and shall be deemed given upon mailing of the notice, postpaid. The notice may be given as part of the notice of intent to foreclose, as required by Section 718.116 of the Condominium Act, or may be sent separately.

13.8 Liens. The Association has a lien on each condominium parcel securing payment of past due assessments, including interest and attorneys' fees and costs incurred by the Association incident to the collection of the assessment or enforcement of the lien, whether before, during or after a lien foreclosure suit. The lien is perfected upon recording a Claim of Lien in the Public Records of Collier County, Florida, stating the description of the condominium parcel, the name of the record owner, the assessments past due and the due dates. The lien is in effect until barred by law. The Claim of Lien secures all unpaid assessments coming due prior to a final judgment of foreclosure. Upon full payment, the person making the payment is entitled to a satisfaction of the lien.

13.9 Priority of Lien. The Association's lien for unpaid assessments shall be subordinate and inferior to the lien of a recorded first mortgage, but only to the extent required by the Condominium Act, as amended from time to time. The Association's lien shall be superior to, and take priority over, any other mortgage or lien regardless of when the mortgage or lien was recorded, except as otherwise expressly provided by the Condominium Act, as amended from time to time. Any lease of a unit shall be subordinate and inferior to the Association's lien, regardless of when the lease was executed.

13.10 Foreclosure of Lien. The Association may bring an action in its name to foreclose its lien for unpaid assessments in the manner provided in the Condominium Act, and may also bring an action to recover a money judgment for the unpaid assessments without waiving any lien rights.

13.11 Certificate as to Assessments. Within fifteen (15) days after request by a unit owner or mortgagee, the Association shall provide a certificate (sometimes referred to as an "estoppel letter") stating whether all assessments and other monies owed to the Association by the unit owner with respect to the condominium parcel have been paid. Any person other than the owner who relies upon such certificate shall be protected thereby.

14. LEASING OF UNITS: In order to foster a stable residential community and prevent a motel-like atmosphere, the leasing of units by their owners shall be restricted as provided in this section. All leases of units must be in writing. A unit owner may lease only his entire unit, and then only in accordance with this Section, after receiving the approval of the Association. The lessee must be a natural person.

14.1 Procedures.

(A) Notice by the Unit Owner. An owner intending to lease his unit for thirty (30) days or more shall give to the Board of Directors or its designee written notice of such intention at least thirty (30) days prior to the first day of occupancy under the lease together with the name and address of the proposed lessee, a fully executed copy of the proposed lease, and such other information as the Board may reasonably require. The Board may require a personal interview with any lessee and his spouse or non-spouse companion, if any, and all others who will be occupying the unit with the lessee as a pre-condition to approval.

(B) Board Action. After the required notice and all information or interviews requested have been provided, the Board shall have ten (10) days in which to approve or disapprove the proposed lease of thirty (30) days or more. If the Board neither approves nor disapproves within that time, its failure to act shall be deemed the equivalent of approval, and on demand the Board shall issue a written letter of approval to the lessee.

(C) Disapproval. A proposed lease and those who will be occupying the unit with the lessee, shall be disapproved only if a majority of the whole Board so votes, after receiving a written opinion of counsel that good cause exists and in such case the lease shall not be made. Appropriate grounds for disapproval shall include, but not be limited to, the following:

- (1) The unit owner is delinquent in the payment of assessments at the time the application is considered;
- (2) The unit owner has a history of leasing his unit without obtaining approval, or leasing to troublesome lessees and/or refusing to control or accept responsibility for the occupancy of his unit;
- (3) The real estate company or rental agent handling the leasing transaction on behalf of the unit owner has a history of screening lessee applicants inadequately, recommending undesirable lessees, or entering into leases without prior Association approval;
- (4) The application on its face indicates that the persons seeking approval intends to conduct themselves in a manner inconsistent with the covenants and restrictions applicable to the Condominium;
- (5) The prospective lessee or other persons who will be occupying the unit with the lessee have been convicted of a felony involving violence to persons or property, a felony involving sale or possession of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;
- (6) The prospective lessee or other persons who will be occupying the unit with the lessee have a history of conduct which evidences disregard for the rights and property of others;

(7) The prospective lessee or other persons who will be occupying the unit with the lessee evidences a strong probability of financial irresponsibility;

(8) The lessee or other persons who will be occupying the unit with the lessee during previous occupancy in this Condominium or another, has evidenced an attitude of disregard for the Association rules;

(9) The prospective lessee or other persons who will be occupying the unit with the lessee gives false or incomplete information to the Board as part of the application procedure, or the required transfer fees and/or security deposit is not paid; or

(10) The unit owner fails to give proper notice of his intention to lease his unit to the Board of Directors.

(D) Failure to Give Notice or Obtain Approval. If proper notice is not given, the Board at its election may approve or disapprove the lease. Any lease entered into without approval may, at the option of the Board, be treated as a nullity, and the Board shall have the power to evict the lessee with five (5) days notice, without securing consent to such eviction from the unit owner.

(E) Applications: Assessments. Applications for authority to lease shall be made to the Board of Directors on such forms and include such terms as the Board may provide from time to time. The legal responsibility for paying condominium assessments may not be delegated to the lessee. If a unit is leased and any special assessment or installment of a regular assessment or any other monetary obligation due the Association for a unit remains unpaid for at least thirty (30) days after the due date, then the Association may make a written demand as provided by Statute that the tenant pays the subsequent rental payments related to the condominium unit to the Association, and the tenant must make such payments and continue to make such payments until all monetary obligations of the unit owner related to the unit have been paid in full to the Association. The tenant must pay the monetary obligations to the Association until the Association releases the tenant or the tenant discontinues tenancy in the unit. The Association must mail written notice to the unit owner of the Association's demand that the tenant make payments to the Association. The Association shall, upon request, provide the tenant with written receipts for payments made. A tenant is immune from any claim by the landlord or unit owner related to the rent timely paid to the Association after the Association has made written demand. The liability of the tenant may not exceed the amount due from the tenant to the tenant's landlord. The tenant's landlord shall provide the tenant a credit against rents due to the landlord in the amount of monies paid to the Association. The Association may issue notice under Section 83.56, Florida Statutes and may sue for eviction under Sections 83.59-83.625, Florida Statutes, as if the Association were a landlord under part II of Chapter 83 if the tenant fails to pay a required payment to the Association after written demand has been made to the tenant. However, the Association is not otherwise considered a landlord under Chapter 83 and specifically has no obligations under Section 83.51, Florida Statutes.

(F) Committee Approval. To facilitate approval of leases proposed during times when many of the members are not in residence, the Board of Directors may by resolution delegate its approval powers to an *ad hoc* committee. Only the Board of Directors shall have the power to disapprove a lease. If the Committee, after reviewing a lease and all information provided by the applicant, determines that it will not approve the lease, the Committee shall forward the proposed lease to the members of the Board of Directors for their review. Notwithstanding any other time periods set forth in this Section 13., the

Board of Directors shall have twenty (20) days after the receipt of the lease from the Committee and all information or interviews requested in which to approve or disapprove the lease.

14.2 Term of Lease and Frequency of Leasing. No Unit shall be leased for less than thirty (30) days. No lease may be for a period of more than one (1) year, and no option for the lessee to extend or renew the lease for any additional period shall be permitted. However, the Board may, in its discretion, approve the same lease from year to year. No subleasing or assignment of lease rights by the lessee is allowed.

14.4 Use of Common Elements and Association Property. To prevent overtaxing the facilities, a unit owner whose unit is leased may not use the recreation or parking facilities during the lease term, except as the guest of another unit owner.

14.5 Regulation by Association. All of the provisions of the condominium documents and the rules and regulations of the Association shall be applicable and enforceable against any person occupying a unit as a lessee or guest to the same extent as against the owner. A covenant on the part of each occupant to abide by the rules and regulations of the Association and the provisions of the condominium documents, designating the Association as the owner's agent with the authority to terminate any lease agreement and evict the tenants in the event of breach of such covenant, shall be deemed to be included in every lease agreement, whether oral or written, and whether specifically expressed in such agreement or not.

14.6 Fees and Deposits Related to the Lease of Units. Whenever herein the Board's approval is required to allow the lease of a unit, the Association may charge the owner a preset fee for processing the application, such fee not to exceed the maximum amount allowed by law. No fee may be charged for approval of a renewal or extension of a lease with the same lessee. The Association may also require any deposits that are authorized by the Condominium Act as amended from time to time.

15. OWNERSHIP OF UNITS: In order to maintain a community of congenial, financially responsible residents with the objectives of protecting the value of the units, inhibiting transiency, and facilitating the development of a stable, quiet community and peace of mind for all residents, the transfer of ownership of a unit shall be subject to the following provisions:

15.1 Forms of Ownership:

(A) One Person. A unit may be owned by one (1) natural person who has qualified and been approved as elsewhere provided herein.

(B) Two or More Persons. Co-ownership of units by two (2) or more natural persons is permitted. However, the intent of this provision is to allow flexibility in estate, tax or financial planning, and not to create circumstances where the unit may be used as short-term transient accommodations for multiple families. If there are co-owners other than husband and wife, the Board shall condition its approval upon the designation of one (1) approved natural person as "primary occupant." The use of the unit by other persons shall be as if the primary occupant were the only actual owner. Any change in the primary occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of this Section 14. No more than one (1) such change will be approved in any twelve (12) month period.

(C) Ownership by Corporations, Partnerships or Trusts. A unit may be owned in trust, or by a corporation, partnership or other entity which is not a natural person, if approved in the manner provided

elsewhere herein. The intent of this provision is to allow flexibility in estate, financial or tax planning, and not to create circumstances in which the unit may be used as short-term transient accommodations for several individuals or families. The approval of a trustee, corporation, partnership or other entity as a unit owner shall be conditioned upon designation by the owner of one (1) natural person to be the "primary occupant." The use of the unit by other persons shall be as if the primary occupant were the only actual owner. Any change in the primary occupant shall be treated as a transfer of ownership by sale or gift subject to the provisions of this Section 14. No more than one (1) such change will be approved in any twelve (12) month period.

(D) Designation of Primary Occupant. Within thirty (30) days after the effective date of this provision, each owner of a unit which is owned in the forms of ownership stated in preceding subsections 14.1(B) and (C) shall designate a primary occupant in writing to the Association. If any unit owner fails to do so, the Board of Directors may make the initial designation for the owner, and shall notify the owner in writing of its action. If the ownership of a unit is such that the designation of a primary occupant is not required, the unit owner may, nevertheless, choose to designate one, subject to Board approval. Tenants cannot be designated as Primary Occupants.

(E) Life Estate. A unit may be subject to a life estate, either by operation of law or by a voluntary conveyance approved under Section 14.2 below. In that event, the life tenant shall be the only Association member from such unit, and occupancy of the unit shall be as if the life tenant was the only owner. Upon termination of the life estate, the holders of the remainder interest shall have no occupancy rights unless separately approved by the Association. The life tenant shall be liable for all assessments and charges against the unit. Any consent or approval required of Association members may be given by the life tenant alone, and the consent or approval of the holders of the remainder interest shall not be required. If there is more than one (1) life tenant, they shall be treated as co-owners for purposes of determining voting and occupancy rights under Section 14.1(B), above.

15.2 Transfers.

(A) Sale or Gift. No unit owner may dispose of a unit or of any ownership interest in a unit by sale or gift (including agreement for deed) without prior written approval of the Board of Directors.

(B) Devise or Inheritance. If any owner acquires title by devise or inheritance, his right to occupy or use the unit shall be subject to the approval of the Board of Directors under Section 14.3(A)(2) below. The approval shall not be denied to any devisee or heir who was the prior owner's lawful spouse or non-spouse companion at the time of death, or who was related to the owner by blood or adoption in the first degree.

(C) Other Transfers. If any person acquires title in any manner not covered in the foregoing subsections, that person shall have no right to occupy or use the unit before being approved by the Board of Directors under the procedures outlined in Section 14.3 below.

(D) Committee Approval. To facilitate transfers proposed during times when many members are not in residence, the Board of Directors may delegate its approval powers to an *ad hoc* committee, which shall consist of at least three (3) members. The Chairman of the committee shall be deemed a Vice-President, and as such shall be empowered to execute Certificates of Approval on behalf of the Association. Only the Board of Directors shall have the power to disapprove a transfer. If the

Committee, after reviewing a proposed transfer and all information provided by the applicant, determines that it will not approve the transfer, the Committee shall forward the proposed transfer documentation to the members of the Board of Directors for their review. Notwithstanding any other time periods set forth in this Section 13., the Board of Directors shall have twenty (20) days after the receipt of the transfer documentation from the Committee and all information or interviews requested in which to approve or disapprove the proposed transfer.

15.3 Procedures.

(A) Notice to Association.

(1) Sale or Gift. An owner intending to make a sale or gift of his unit or any interest therein shall give to the Board of Directors or its designee written notice of such intention at least ten (10) days before the intended closing date, together with the name and address of the proposed purchaser or donee, if any, and all other information the Board may reasonably require. The Board may require a personal interview with any purchaser or donee and his spouse or non-spouse companion, if any and all others who will be occupying the unit with the purchaser or donee, as a pre-condition to approval.

(2) Devise, Inheritance or Other Transfers. The transferee must notify the Board of Directors of his ownership and submit a certified copy of the instrument evidencing his ownership and such other information as the Board may reasonably require. The transferee and all others who will be occupying the unit with the transferee shall have no occupancy or use rights unless and until approved by the Board, but may sell or lease the unit following the procedures in this Section or Section 14.

(3) Demand. With the notice required in Subsection (A)(1) above, the owner or transferee seeking approval may make a written demand that if the transfer is disapproved without good cause, the Association shall furnish an approved alternate purchaser who shall purchase the unit at the same price and upon substantially the same terms as in the disapproved sales contract, or if no contract is involved, for the fair market value of the unit determined as provided below.

(4) Failure to Give Notice. If no notice is given, the Board of Directors, at its election, may approve or disapprove at the time it learns of the transfer. If any owner fails to obtain the Association's approval prior to selling an interest in a unit, such failure shall create a rebuttable presumption that the seller and the purchaser intended to violate the covenants of the governing documents, and shall constitute good cause for Association disapproval.

(B) Board Action. Within ten (10) days after receipt of the required notice and all information or interviews requested, or not later than sixty (60) days after the notice required by paragraph (A) above is received, whichever occurs first, the Board shall approve or disapprove the transfer. If a transfer is approved, the approval shall be stated in a Certificate of Approval executed by the President or Vice-President of the Association in recordable form and delivered to the transferee. If the Board neither approves nor disapproves within the time limits as set forth above, such failure to act shall be deemed the equivalent of approval and on demand the Board shall issue a Certificate of Approval to the transferee.

(C) Disapproval.

(1) With Good Cause. Approval of the Association shall be withheld for good cause only if a majority of the whole Board so votes, after receiving a written opinion of counsel that good cause exists. Only the following may be deemed to constitute good cause for disapproval:

- (a) The persons seeking approval have been convicted of a felony involving violence to persons or property, a felony involving possession or sale of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;
- (b) The persons seeking approval have a record of financial irresponsibility, including without limitation prior bankruptcies, foreclosures or bad debts;
- (c) The persons seeking approval give the Board reasonable cause to believe that person intends to conduct himself in a manner inconsistent with the covenants and restrictions applicable to the Condominium;
- (d) The persons seeking approval have a history of disruptive behavior;
- (e) The persons seeking approval have evidenced an attitude of disregard for Association rules or the rights or property of others, by his past conduct;
- (f) The transfer to the persons seeking approval would result in those persons owning legal or beneficial title to more than two (2) units in the Condominium;
- (g) The persons seeking approval have failed to provide the information, fees or interviews required to process the application in a timely manner, or provided false information during the application process; or
- (h) The transaction, if a sale or gift, was concluded by the parties without having both sought and obtained the prior approval required herein.

(2) Without Good Cause. Approval shall not be denied unless a majority of the whole Board so votes. If the Board disapproves without good cause, and if the owner or transferee has made the demand set forth in Section 14.3(A)(3), then within thirty (30) days after the Board meeting at which the transaction was disapproved, the Board shall deliver in writing to the owner (hereafter "the seller") the name of an approved purchaser who will purchase the unit at the same price, and upon substantially the same terms, as in the disapproved sales contract. If no sales contract was involved, or if the Association challenges the contract price as not being a good faith purchase price, the purchase price shall be paid in cash, and the price to be paid shall be determined by agreement, or in the absence of agreement, shall be the fair market value determined by the arithmetic average of appraisals by two (2) state-certified property appraisers, one (1) selected by the seller and the other by the Association. The cost of the appraisals, and all other closing costs in cases where no sales contract is involved, shall be shared equally by the buyer and seller, except that the purchaser shall pay for his own title insurance, and all costs of mortgage financing. Real property taxes and condominium assessments shall be prorated to the day of closing and the parties shall bear their own

attorneys' fees, if any. The closing shall take place not more than sixty (60) days after the date of Board disapproval or thirty (30) days after determination of fair market value by appraisal, whichever occurred last. Failure or refusal to close by either party shall constitute a breach of contract and shall entitle the other party to seek specific performance or damages.

(3) If the Board fails to deliver the name of the approved purchaser within thirty (30) days as required above, the original proposed purchaser shall be deemed approved, despite the Board's former disapproval, and upon demand a Certificate of Approval shall be issued.

15.4 Exception. The provisions of Sections 14.2 and 14.3 are not applicable to the acquisition of title by a first mortgagee who acquires title through the mortgage, whether by foreclosure or deed in lieu of foreclosure.

15.5 Unapproved Transfers. Any sale or transfer which is not approved, or which is disapproved pursuant to the terms of this Section 15 shall be void unless subsequently approved in writing by the Board.

15.6 Fees and Deposits Related to the Sale of Units. Whenever herein the Board's approval is required to allow the sale or other transfer of an interest in a unit, the Association may charge the owner a preset fee for processing the application, such fee not to exceed the maximum amount allowed by law.

16. MISCELLANEOUS.

16.1 Gender. Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

16.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

16.3 Conflict. If any irreconcilable conflict between these Bylaws and the Declarations of Condominium or Articles of Incorporation should exist or arise, the provisions of the Declarations or Articles of Incorporation shall prevail over the provisions of these Bylaws.

BYLAWS

EXHIBIT "E"

-33-