

NOTE: SUBSTANTIAL AMENDMENTS OF ENTIRE AMENDED AND RESTATED BYLAWS. FOR PRESENT TEXT SEE EXISTING AMENDED AND RESTATED BYLAWS

**SECOND AMENDED AND RESTATED BYLAWS
OF
PARK PLACE WEST ASSOCIATION, INC.**

1. GENERAL. These are the Second Amended and Restated Bylaws of Park Place West Association, Inc., hereinafter the "Association", a corporation not for profit organized under the laws of Florida as a community association for the purpose of operating a residential community. All prior Bylaws, if any, are hereby revoked and superseded in their entirety. Any terms used herein that are defined terms in the Second Amended and Restated Declaration of Restrictions and Protective Covenants for Park Place West, as the same may be amended, shall have the same meaning as set forth in the Declaration.

1.1 Principal Office. The principal office of the Association shall be at c/o Sentry Management, Inc., 2180 West SR 434, Ste. 5000, Longwood, FL 32779, or at such other address as the Board of Directors determines from time to time.

1.2 Seal. The seal of the Association, if so created by election of the Board, shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "corporation not for profit". The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the corporation where a seal may be required.

2. MEMBERS. The members of the Association are the record owners of legal title to the sixty (60) Parcels within Park Place West. In the case of a Parcel subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the Parcel solely for purposes of determining use rights.

2.1 Change of Membership. A change of membership shall become effective after all the following events have occurred.

(A) Recording in the Public Records of a Deed or other instrument evidencing legal title to the Parcel in the member.

(B) Delivery to the Association of a copy of the recorded deed or other instrument evidencing title.

(C) Designation, in writing, of a Primary Occupant, which is required when title to a Parcel is held in the name of two (2) or more persons who are not husband and wife, or by a trustee or a corporation or other entity which is not a natural person. No more than one change in the "primary occupants" will be approved in any twelve-month period.

2.2 Voting Interests. The members of the Association are entitled to one (1) vote for each Parcel owned by them. The total number of possible votes (the voting interests) of the Association is the total number of Parcels in Park Place West. The vote of a Parcel is not divisible. The right to vote may be suspended for non-payment of Assessments or other charges owed to the Association that are delinquent in excess of 90 days. If a Parcel is owned by one (1) natural person, the right to vote shall be established by the record title to the Parcel. If a Parcel is owned jointly by two (2) or more natural persons, that Parcel's vote may be cast by anyone (1) of the record owners. If two (2) or more owners of a Parcel do not agree among themselves how their one (1) shall be cast on any issue, that vote shall not be counted for any purpose. If the owner of a Parcel is other than a natural person, the vote of that Parcel shall be cast by the residential Parcel's Primary Occupant. All votes must be cast by an Owner or Primary Occupant.

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

2.4 Change of Membership. A change of membership in the Association shall be established by the new member's membership becoming effective as provided for in Section 2.1 above. At that time the membership of the prior owner shall be terminated automatically.

2.5 Termination of Membership. The 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 Association 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 Collier County, Florida at a place and on a date so designated by the Board of Directors, for the purpose of electing Directors and transacting any other business duly authorized to be transacted by the members.

3.2 Special Members' Meetings. Special members' meetings must be held whenever called by the President or by a majority of the Directors, and also may be called by members having at least twenty percent (20%) of the voting interests. The business at any special meeting shall be limited to the items specified in the notice of meeting.

3.3 Notice Meetings; Waiver of Notice. Notices of all members' meetings must state the date, time and place of the meeting. Notice of special meetings must include a description of the purpose or purposes for which the meeting is called. The notice must be mailed to each member at the member's address as it appears on the books of the Association, or may be furnished by personal delivery or electronic transmission. The members are responsible for providing the Association with

any change of address. The notice must be mailed, transmitted or delivered at least fourteen (14) days prior to the date of the meeting. If ownership of a Parcel is transferred after notice has been mailed or transmitted, no separate notice to the new owner is required. 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. A member may also waive notice of any meeting at any time by written waiver. Notice to the members of meeting of the Board, meetings of a committee for which the Act requires notice in the same manner as transmitted in the manner set forth in Section 617.0141, Florida Statutes, as amended from time to time.

3.4 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 thirty percent (30%) of the votes of the entire membership.

3.5 Vote Required. The acts approved by a majority of the votes cast by eligible voters at a meeting of the members at which a quorum has been attained shall be binding upon all Parcel owners for all purposes, except where a different number of votes is expressly required by law or by any provision of the governing documents.

3.6 Proxy Voting. Members may cast their votes at a meeting in person or by proxy. A proxy shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting. No proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the Parcel, specify the date, time and place of the meeting for which it is given, and the original must be delivered to the Secretary by the appointed time of the meeting or adjournment thereof. No proxy shall be valid if it names more than one (1) person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy. Holders of proxies must be members.

3.7 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be reconvened at a later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. When a meeting is so adjourned it shall not be necessary to give further notice of the time and place of its continuance if such are announced at the meeting being adjourned. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted when the meeting is reconvened. At any reconvened meeting the quorum shall be reduced to twenty-five percent (25%) of the total voting interests.

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

- (A) Call of the roll or determination of quorum
- (B) Reading or disposal of minutes of last members' meeting
- (C) Reports of Officers
- (D) Reports of Committees
- (E) Election of Directors (annual meeting only)
- (F) Unfinished Business

- (G) New Business
- (H) Adjournment

3.9 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. Minutes must be reduced to written form within thirty (30) days after the meeting.

3.10 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall guide the conduct of the Association meetings when not in conflict with the law, with the Declaration, or with the Articles or 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.

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 Declaration, Articles and Bylaws, shall be exercised by the Board.

4.1 Number and Terms of Office. The number of Directors which shall constitute the whole Board of Directors shall be not less than three or more than five (5). In order to provide for continuity of experience it is the intention of these Bylaws that a system of staggered terms be created. Upon a majority vote of the total voting interests, Directors shall be elected for two-year staggered terms, and three (3) Directors will be elected in even years and two (2) Directors will be elected in odd years. A Director's term will end at the annual election at which his successor is to be duly elected, unless he sooner resigns or is recalled as provided for in Section 4.5 below. Directors shall be elected by the members as described in Section 4.3 below, or in the case of a vacancy, as provided for in Section 4.4 below.

4.2 Qualifications. Each Director must be a Parcel Owner. In the case of a Parcel owned by a corporation, any officer is eligible for election to the Board of Directors. If a Parcel is owned by a partnership, any partner is eligible to be a Director. If a Parcel is held in trust, the trustee, grantor or settlor of the trust, or any one of the beneficial owners residing in the Parcel is eligible to be elected to the Board of Directors. Any person who is delinquent in any monetary obligation owed to the Association at the time of submitting his notice of candidacy is ineligible to be on the election ballot.

4.3 Nominations and Elections for Directors. Nominations for election to the Board of Directors shall be made at least forty (40) days in advance of the day of election by submitting written notice to the Association. Any nominations received by the Association less than forty (40) days prior to the election shall not be accepted. Any candidates who submit a single sheet of paper (no larger than 8.5 x 11) stating their qualifications for the Board no later than thirty-five (35) days before election are entitled to have that sheet included with the final notice of the election meeting, which shall be sent to the members no later than fourteen (14) days prior to the election, along with a ballot and a proxy. Nominations may not be made from the floor at the election meeting. Election to the Board Directors shall be by secret written ballot, or by limited proxy. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these Bylaws. The persons receiving the largest number of votes

shall be elected, except that a run-off shall be held to break a tie vote. Cumulative voting is not permitted. The Association may adopt electronic voting procedures in the manner permitted by Chapter 720, Florida Statutes.

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 shall be elected at a special meeting of the Board of Directors of the Association. The successor so elected shall fill the remaining unexpired term of the Director being replaced. If for any reason there shall arise circumstances in which no Directors are serving and the entire Board is vacant, the members shall elect successors at a special meeting. A Director who ceases to be a Member of the Association, a Director who is more than ninety (90) days delinquent in the payment of any financial obligation to the Association, or a Director who is convicted of a felony in any state, shall become ineligible for Board service on the date of such delinquency or conviction, and his or her seat shall be deemed vacated as of that date.

4.5 Removal of Directors. Any Director who fails to attend three (3) or more meetings of the Board of Directors in a period of twelve (12) consecutive months will automatically be removed from the Board of Directors, and the vacancy shall be filled as provided in Section 4.4 above. Any Director may be removed, with or without cause, by a majority vote of the voting interests, either by a written agreement or at a meeting called for that purpose. If a special meeting is called by twenty percent (20%) 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 from the date that notice of the meeting is given. If removal is affected by written agreement, the vacancy or vacancies shall be filled as provided for in Section 4.4 above. If removal is affected at a meeting, any vacancies created thereby shall be filled by the members at the same meeting. Any director who is removed from office is not eligible to stand again for election to the Board until the next annual election, and must turn over to the Association within seventy-two (72) hours any and all records and other property of the corporation in his possession. If a Director who is removed does not relinquish his office or turn over records as required, the circuit court in the county where the Association has its principal office may summarily order the Director to relinquish his office and turn over corporate records upon application of any member. In any such action, the prevailing party shall be entitled to recover its attorney fees and costs.

4.6 Organizational Meeting. The organizational meeting of a new Board of Directors shall be held within thirty (30) days after the election of new Directors, at such place and time as may be fixed and announced by the Directors at the annual meeting at which they were elected.

4.7 Other Meetings. Meetings of the Board may be held at such time and place in Collier County, Florida, 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 electronic transmission at least forty-eight (48) hours before the meeting.

4.8 Notice to Owners. Meetings of the Board of Directors shall be open to members except for meetings between the Board and its attorney with respect to proposed or pending litigation where the discussion would otherwise be governed by the attorney-client privilege or personnel matters

and notices of all Board meetings, together, shall be mailed seven (7) days (or emailed if allowed by law) in advance of each Board meeting, except in an emergency unless the notice is posted in a conspicuous place forty-eight (48) hours in advance of the meeting. Notice of any Board meeting at which rules affecting the use of a Parcel or special assessments are to be considered shall specifically contain a statement that rules or special assessments will be considered and the nature of the rule or assessments and shall be mailed, delivered or electronically transmitted and posted at least 14 days in advance.

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 shall be attained by the presence in person of a majority of all Directors. Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting.

4.11 Vote Required. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum has been attained shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the governing documents or by applicable statutes. A Director who is present at a meeting of the Board is deemed to have voted in favor of every action taken, unless he voted against such action or abstained from voting because of an asserted conflict of interest. The vote or abstention of each Director present on each issue voted upon shall be recorded in the minutes of each meeting. Directors may not vote by proxy or secret ballot at Board meetings, except that secret ballots may be used in the election or removal of officers.

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

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 Directors' Fees and Reimbursement of Expenses. 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, including a search committee, as the Board may deem necessary and convenient for the efficient and effective operation of the Association. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. Only committees assigned with the power to make final decisions regarding the expenditure of association funds or committees vested with the power to approve or disapprove architectural decisions with respect to specific parcel of residential property owned by a member of the community are required to hold

meetings that are open to members and notice and hold their meetings with the same formalities as required for Board meetings. Committees vested with the power to approve or disapprove architectural decisions with respect to a specified parcel of residential property owned by a member of the community may not vote by proxy or secret ballot.

4.16 Emergency Powers. In the event of any "emergency" as defined in Section 4.16(G) 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, Florida Statutes, as amended from time to time.

(A) The Board may declare any portion of the Property unavailable for occupation or use by Owners, tenants, or guests after casualty, medical crisis or other state of emergency, including during the rebuilding process. Such decision by the Board shall be made only if necessary, to protect the health, safety, or welfare of the Association, Owners, tenants or guests, and to further prevent access by non-residents when the safety of residents and staff so requires it.

(B) The Board may regardless of any other provision of the governing documents, take such action as may reasonably appear to be necessary under emergency conditions, including a medical crisis or other state of emergency. This authority includes but shall not be limited to the authority to expend any and all available association funds, including reserves, levy special assessments for heightened cleaning costs related to an Owner's (or his tenant, occupant, guest, invitee and/or licensee) behavior in the midst of a medical crisis, delay any prospective purchaser and/or tenant's move-in date in the midst of a medical crisis or other state of emergency, suspend rental activity in the midst of a medical crisis, and suspend any interior alterations or improvements in a Unit or the Property in the midst of a medical crisis.

(C) The Board may implement a disaster plan prior to, during or after an impending casualty, medical crisis or other state of emergency including, but not limited to, shutting down elevators, electricity, security systems, and air conditioners.

(D) 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 assistant during the period of the emergency, to accommodate the incapacity of any officer of the Association.

(E) The Board may relocate the principal office or designate alternative principal offices or authorize the officers to do so.

(F) During any emergency the Board may hold meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice may be given in any practicable manner, including publication or radio. The Director or Directors in attendance at such a meeting shall constitute a quorum.

(G) Corporate action taken in good faith during what is reasonably believed to be an emergency under this Section to further the ordinary affairs of the Association shall bind

EXHIBIT C

the Association; and shall have the rebuttal presumption of being reasonable and necessary.

(H) Any officer, director, or employee of the Association acting with a reasonable belief that his actions are lawful in accordance with these emergency Bylaws shall incur no liability for doing so, except in the case of willful misconduct.

(I) These emergency Bylaws shall supersede any inconsistent or contrary provisions of the Bylaws during the period of the emergency.

(J) An "emergency" exists for purposes of this Section during the 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, act of war, civil unrest or terrorism, medical crisis or other similar event. An "emergency" also exists during the period of time that civil authorities have declared that a state of emergency exists in, or have ordered the evacuation of, the area in which Park Place West is located, or have declared that area a "disaster area". A determination by any two (2) Directors, or by the President, that an emergency exists shall have presumptive validity.

5. OFFICERS.

5.1 Officers and Elections. The executive officers of the Association shall be a President, Vice-President, Secretary and Treasurer, all of whom must be Directors, and 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 the Directors. Any officer so removed shall return all books, records and property of the Association to the Association within seventy-two (72) hours of their removal. 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.

5.2 President. The President shall be the chief executive officer of the Association; 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 and documents requiring the seal 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 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. The Secretary 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. The Secretary 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 governing documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated or by a management company hired for management services by the Association and who is qualified and licensed to perform such duties in the state of Florida. A management company performing the duties described in this section will operate under the supervision of the Secretary while performing these duties.

5.5 Treasurer. The Treasurer shall have the custody of Association funds and securities and be responsible for the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association. The Treasurer is responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as are selected 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. The Treasurer shall prepare an annual budget of estimated revenues and expenses to present to the Board of Directors for approval. Any of the foregoing duties may be performed by an Assistant Treasurer, if one is elected or by a management company hired for management services by the Association and who is qualified and licensed to perform such duties in the state of Florida. A management company performing the duties described in this section will operate under the supervision of the Treasurer while performing these duties.

5.6 Compensation of Officers. No compensation shall be paid to any officer for services as an officer of the Association. This provision does not preclude the Board of Directors from employing officers as employees of the Association.

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

6.1 Depository. The Association shall maintain its funds in such federally insured accounts at financial institutions 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. The Board may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities and other similar investment vehicles.

6.2 Accounts of the Association. The Association shall maintain its accounting books and records according to generally accepted accounting principles. There shall be an account for each residential unit. Such accounts shall designate the name and mailing address of each residential unit, the amount and due date of each assessment or charge against the residential unit, amounts paid, date of payment and the balance due.

6.3 Budget. The Treasurer shall prepare, and the Board of Directors shall adopt, a budget of Association estimated revenues and expenses for each coming fiscal year. Once adopted, the Association shall provide to each member a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member. The proposed budget shall be

detailed and shall show the amounts budgeted by accounts and revenue and expense classifications. The estimated surplus or deficit as of the end of the current year shall be shown and all fees or charges for recreational amenities shall be set out separately.

6.4 Reserves. The Board of Directors may establish in the budget one (1) or more restricted reserve accounts for capital expenditures and deferred maintenance, which may only be used, waived or reduced in the manner provided by Florida Statutes Chapter 720. Contingency reserves for unanticipated operating expenses shall be included, if at all, in the operating portion of the budget, which may be spent for any purpose approved by the Board. The purpose of reserves is to provide financial stability and to avoid the need for special assessments. The annual amounts proposed to be so reserved shall be shown in the annual budget.

6.5 Assessments; Installments. The regular annual assessment based on an adopted budget shall be paid quarterly. Written notice of the annual regular assessment shall be sent to the owners of each Parcel at least fourteen (14) days prior to the first installment being due, but failure to send (or receive) such notice does not excuse the obligation to pay. If an annual budget for a new fiscal year has not been adopted, or if notice of any increase has not been made at the time the payment for the first quarterly installment is due, it shall be presumed that the amount of such installment is the same as the last quarterly installment, and payments shall be continued at such rate until a budget is adopted and new annual assessments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each unit's next due quarterly installment. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within fifteen (15) days after the due date shall accrue interest from the due date at the rate of eighteen percent (18%) per annum and shall incur a late fee of five percent (5%) of the assessment, or twenty-five (\$25.00) dollars, whichever is greater.

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, or for such other purposes as are authorized by the Declaration and these Bylaws. Special assessments are due on the day specified in the resolution of the Board approving such assessment. The notice of any Board meeting at which a special assessment will be considered 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 Specific Assessments and Re-Sale Capital Assessments. The Association shall also have the authority to levy specific assessments against individual Owners and Parcels, as well as capital contribution assessments when Parcels are transferred.

6.8 Fidelity Bonds. The President, Treasurer, and all other persons who are authorized to sign checks, 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 are a common expense.

6.9 Financial Reports. Not later than sixty (60) days after the close of each fiscal year, the Board shall cause to be prepared a financial report as prescribed in 720.303, Florida Statutes. The Association shall provide each member with a copy of the financial report or a written notice that a

copy of the financial report is available upon request at no charge to the member.

6.10 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 shall be available to all members.

6.11 Application of Payments and Co-Mingling of Funds. All monies collected by the Association may be co-mingled in a single fund or divided into two (2) or more funds, as determined by the Board of Directors. Regardless of any restrictive endorsement all payments on account by a Parcel owner shall first be applied to late fees, then to interest, then to costs, then to attorney fees, then to other charges, then to fines and then to assessments in the order they came due.

6.12 Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each calendar year and end on December 31 that same calendar year.

7. RULES AND REGULATIONS; USE RESTRICTIONS. The Board of Directors may, from time to time, adopt, amend and rescind rules and regulations governing the use, maintenance, management and control of the Common Areas, the Parcels, Units and the operation of the Association. Copies of such rules and regulations shall be furnished to each residential Parcel owner.

8. COMPLIANCE AND DEFAULT; REMEDIES. In addition to the remedies provided in the Declaration, the following shall apply.

8.1 Fines; Suspensions. Fines and Suspensions. The Board, subject to the approval of a fining committee to the extent required by Florida law, may impose a fine or fines against an Owner for failure of the Owner, his family, Guests, invitees, tenants, or agents of any of the foregoing, to comply with any covenant, restriction, rule, or regulation contained herein or promulgated pursuant to the Governing Documents. The maximum accrued fine for a continuing violation shall not exceed \$5,000.00. Suspensions of the use of common areas, facilities and non-essential services (e.g. bulk cable TV and/or internet) may be imposed for a reasonable period of time to deter future violations. The procedure for imposing fines or suspending use rights shall be as follows:

(A) Notice. The party against whom the fine and/or suspension is sought to be levied or imposed 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 Chapter 720, Florida Statutes, the governing documents or the 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 of common areas or facilities to be suspended.

(B) Hearing. At the hearing the party against whom the fine and/or suspensions 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 Recreation Association. The hearing shall be conducted before a panel of three (3) owners appointed by the Board, none of whom may then be serving as Directors or officers, or who are employees of the Association, or the spouse, parent, child, brother or sister of an officer, director or employee. If the committee, by majority vote, does not agree with the proposed fine and/or suspension, it may not be levied or imposed. If the committee agrees with the proposed fine and/or suspensions, the Board of Directors shall levy and enforce same.

(C) Written Notice of Fine or Suspension. If the Recreation Association imposes a fine or suspension, the Recreation Association must provide written notice of such fine or suspension by mail or hand delivery to the parcel owner and, if applicable, any tenant, licensee, or invitee of the parcel owner.

(D) Collection of Fines. Any fine not paid within thirty (30) days of the Written Notice in subsection (C) above shall become delinquent. Fines may be treated as an individual assessment subject to the provisions for the collection of assessments set forth in this Declaration and any fine of \$1,000.00 or more may become a lien against a Parcel or Unit. Fines may also be collected utilizing any lawful method. In any action to recover a fine, the prevailing party is entitled to collect its reasonable attorney fees and costs.

8.2 Suspensions and Fines without Hearing. The foregoing notwithstanding, if allowed by law, no prior notice or opportunity for a hearing is required for the imposition of a fine or suspension upon any member for the nonpayment of any monetary obligation that is delinquent in excess of ninety (90) days. The suspension must be approved at a properly noticed board meeting and upon approval, the Association must notify the owner and if applicable, the owner's occupant, lessee, or invitee by mail or hand delivery of the suspension.

8.3 Correction of Health and Safety Hazards. Any violations of the Association rules which creates conditions of the property which are deemed by the Board of Directors to be a hazard to the public health or safety may be dealt with immediately as an emergency matter by the Association, and the cost thereof shall be charged to the Unit Owner.

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

9.1 Proposal. Amendments to these Bylaws shall be proposed by a majority of the Board or upon petition of twenty percent (20%) of the voting interests, and shall be submitted to a vote of the members not later than the next annual meeting.

9.2 Vote Required. These Bylaws may be amended if the proposed amendment is approved by a majority of the voting interests, voting in person or by proxy, at any annual or special members meeting called for the purpose.

9.3 Effective Date. An amendment shall become effective upon the recording of a copy in the Public Records of Collier County, Florida with the same formalities as are required in the Declaration for recording amendments to the Declaration.

10. MISCELLANEOUS.

10.1 Gender; Number. 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.

10.2 Severability. If any portion of these Bylaws is void or become unenforceable, the remaining provisions shall remain in full force and effect.

10.3 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration of Restrictions and Protective Covenants, or the Association's Articles of Incorporation, the provisions of the Declaration or Articles of Incorporation shall prevail over the provisions of these Bylaws.