

may not be appointed or elected to a position as an officer. However, if the charges are resolved without a finding of guilt, the officer shall be reinstated for the remainder of his or her term of office, if any.

5.2 President. The President shall be the chief officer of the Association; he shall preside at all meetings of the members and Directors, 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. He shall execute bonds, mortgages and other contracts requiring 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 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 the standing committees when required. He shall give, or cause to be given, 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 any has been designated.

5.5 Treasurer. The Treasurer shall be responsible for Association funds and securities, the keeping of full and accurate amounts 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. He shall oversee the disbursement of the funds of the Association, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at the meetings of the Board, or whenever they may require it, an 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 any has been designated.

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

AMENDED AND RESTATED BY-LAWS

-16-

6.1 Depository. The Association shall maintain its funds in 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. The Board, or its designee, may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities, FDIC backed investments, and other similar investment vehicles.

6.2 Budget. The Board of Directors shall adopt a budget of Common Expenses 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, hand-delivered or electronically transmitted (to those Unit Owners who have so consented) to the Owner of each Unit not less than fourteen (14) days prior to that meeting. The proposed budget shall be detailed and shall show the amounts budgeted by income and expense classifications in the form and manner required by Sections 718.112(2)(f) and 718.504(21) of the Condominium Act, as the same may be amended from time to time. The Board shall follow the same procedures as outlined above in the event that it wishes to amend an already approved budget for the remainder of the fiscal year.

6.2.1 Member Rejection of Budget. If an annual budget adopted by the Board of Directors requires an Assessment against the Unit Owners in any fiscal year exceeding one hundred fifteen percent (115%) of the Assessment for the previous fiscal year, the Board shall conduct a special members' meeting to consider a substitute budget if the Board receives, within twenty-one (21) days after adoption of the annual budget, a written request for a special members' meeting from at least ten percent (10%) of the Voting Interests. The special meeting shall be conducted within sixty (60) days after adoption of the annual budget. At least fourteen (14) days prior to such special meeting, the Board shall provide each Unit Owner a notice of the meeting. Unit Owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of all Voting Interests. If there is not a quorum at the special meeting or a substitute budget is not adopted, the annual budget previously adopted by the Board shall take effect as scheduled. Provisions for reasonable reserves for repair or replacement, nonrecurring expenses and Assessments for betterments shall be excluded from the computation in determining whether Assessments exceed one hundred fifteen percent (115%) of similar Assessments in the previous fiscal year.

6.3 Statutory Reserves for Capital Expenditures and Deferred Maintenance. In addition to annual operating expenses, each proposed budget must include reserve accounts for capital expenditures and deferred maintenance as required by Section 718.112(2)(f) of the Condominium Act. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000. The amount to be reserved shall be computed

AMENDED AND RESTATED BY-LAWS

-17-

by a formula based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve Assessments annually to take into account any changes in estimates of costs or changes in the useful life of a reserve item caused by capital expenditure or deferred maintenance. These reserves shall be funded unless the members determine by a majority vote at a duly called meeting of the members, to fund no reserves or less reserves than required by Section 718.112(2)(f) of the Condominium Act. The Board of Directors may schedule its budget meeting to occur immediately after the adjournment of a membership meeting held for purposes of voting on reserve funding for the subsequent fiscal year. Reserves funded under this Section 6.3, and all interest earned on such reserves, shall not be commingled with operating funds (unless combined for investment purposes), and 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 vote at a members' meeting called for that purpose. Proxy questions relating to waiving or reducing the funding of reserves or using existing reserve funds for purposes other than purposes for which the reserves were intended shall contain the following statement in capitalized, bold letters in a font size larger than any other used on the face of the proxy ballot: **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.** Operating and reserve funds may be invested in combined accounts, but such funds shall be accounted for separately, and the combined account balance may not, at any time, be less than the amount identified as reserve funds. Operating and reserve funds may be combined in the quarterly Assessment paid by Owners, provided that the operating and reserve funds are segregated within thirty (30) days after receipt (unless combined for investment purposes).

6.4 Contingency Funds. In addition to the statutory reserves provided in Section 6.3 above, or in place of them if the members so vote, the Board may establish one or more "contingency funds" for contingencies and operating expenses. The purpose of these contingency funds is to provide financial stability and to avoid the need for Special Assessments on a frequent basis. The amounts proposed to be so collected shall be shown in the proposed annual budget as a line item in the operating portion of the budget.

6.5 Assessments. Regular annual Assessments based on the adopted budget shall be paid either monthly or quarterly, as determined by the Board. Failure to send or receive notice of Assessments shall not excuse the obligation to pay. If an annual budget has not been adopted at the time the first installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last installment and shall be continued at such rate until a budget is adopted and pro rata Assessments are calculated, at which time any overage or shortage shall be added or subtracted from each Unit's next due installment.

AMENDED AND RESTATED BY-LAWS

-18-

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. The total of all Special Assessments for discretionary expenses coming due in any fiscal year shall not exceed fifteen percent (15%) of the Association's total annual budget (including reserves) unless a majority of the Voting Interests first consent. However, membership approval is not required if the Special Assessment is necessary for the Board of Directors to take any non-discretionary action in order to fulfill its fiduciary duty to the members or to comply with requirements imposed by a governmental authority or insurance carrier, including without limitation: maintenance, repair, replacement or insurance of the Condominium Property; enforcement of the Condominium Documents; and the initiation of or defense of legal action which is reasonably necessary to protect the rights of the Association, its members, directors or officers. Special Assessments are due on the day specified in the resolution of the Board approving such Assessments. Written notice of any Board meeting at which a non-emergency Special Assessment, will be considered, must be mailed, hand-delivered, or electronically transmitted (in the latter case, to those Unit Owners who have so consented) to all Owners and posted conspicuously on the Condominium Property at least fourteen (14) days in advance, which notice shall state that Special Assessments will be considered and the nature, estimated cost and description of the purpose(s) for such Special Assessments. The notice to Owners that any Special Assessment has been levied must contain a statement of the purpose(s) of the Special Assessment, and the funds collected must be spent for the stated purpose(s). If any funds remain upon completion of the purpose(s) such excess funds may, at the discretion of the Board, either be returned to the Owners or applied as a credit towards future Assessments.

6.7 Fidelity Bonds. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse Association funds. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time, or the maximum amount required by law. The term "persons who control or disburse Association funds", includes, but is not limited to those individuals authorized to sign checks and the President, Secretary and Treasurer of the Association. The Association shall bear the cost of bonding.

6.8 Financial Statement or Report. Notwithstanding that the Condominium contains fewer than 75 units, within 90 days after the end of the fiscal year, the Association shall prepare and complete, or cause to be prepared and completed by a third party, an audited financial statement ("audit") by a certified public accountant for the preceding fiscal year. Within 21 days after the audit is completed or received from the third party, but not later than 120 days after the end of the fiscal year, the Association shall mail or hand deliver to each Owner a copy of the audit or a notice that a copy of the audit will be mailed or hand delivered to the Owner, without charge, upon receipt of a written request from the Owner. The Association may prepare or cause to be prepared a review, compilation or financial report in lieu of an audit for the Association budget, only if approved by a majority of the Voting Interests present (in person or by proxy)

AMENDED AND RESTATED BY-LAWS

-19-

and voting at a members' meeting at which a quorum has been established. Such vote must occur prior to the end of the fiscal year and is effective only for the fiscal year in which the vote is taken.

6.9 Fiscal Year. The fiscal year shall be the calendar year, unless modified by the Board of Directors in accordance with IRS regulations.

7. **RULES AND REGULATIONS: USE RESTRICTIONS.** The Board of Directors may, from time to time, adopt and amend administrative Rules and Regulations governing the operation of the Association and the use of the Common Elements and Condominium Property subject to any limits contained in the Declaration of Condominium. Any Rules and Regulations created and imposed by the Board must be rationally related to a legitimate Association purpose. The Rules and Regulations may not conflict with the rights of Owners as provided in the Declaration or the Condominium Act or reasonably inferable therefrom. Rules and Regulations regarding Unit use shall be adopted by the Board of Directors as set forth in Section 4.9 hereof.

8. **COMPLIANCE AND DEFAULT: REMEDIES.** In addition to the remedies provided elsewhere in the Condominium Documents, the following provisions shall apply:

8.1 Suspensions and Fines.

(A) If an Owner is delinquent more than ninety (90) days in paying a monetary obligation due to the Association, the Association may suspend the right of an Owner or a Unit's Occupant, licensee or invitee, to use Common Elements or common facilities, or any other Association Property until the monetary obligation is paid. The foregoing does not apply to Limited Common Elements intended to be used only by that Unit, Common Elements that must be used to access the Unit, utility services provided to the Unit, parking spaces or elevators. The Board of Directors may also levy reasonable fines for the failure of the Owner of the Unit, or its Occupant, licensee or invitee to comply with any provision of the Condominium Documents. The fines shall be in an amount deemed necessary by the Board to deter future violations. A fine may not exceed one hundred dollars (\$100.00) per violation, unless the Condominium Act is amended to permit a higher amount per violation. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing. However, the fine may not in the aggregate exceed one thousand dollars (\$1,000.00), unless the Condominium Act is amended to permit a higher amount for a continuing violation. A fine does not become a lien against a Unit. A fine may not be levied and a suspension may not be imposed unless the Association provides at least fourteen (14) days' written notice and an opportunity for hearing to the Owner and, if applicable, its occupant, licensee or invitee. The hearing must be held before a committee of other Owners who are neither

AMENDED AND RESTATED BY-LAWS

-20-