

Type B	1350	1080	1620
Type C	1450	1160	1740

26.4. AMENDMENT - Notwithstanding anything in this Declaration to the contrary, no amendment adding a phase to the Condominium shall require the execution of such amendment or any form of consent thereto by Unit Owners, the Association, any Mortgagees of Units, or by any party other than the Developer.

26.5. IMPACT OF PHASING - The general scheme of phasing the Condominium is the submission of the parcel described in Exhibit "E" hereof of property to condominium ownership and the proposed addition of subsequent parcels becoming part and parcel of this Condominium and governed by the same Condominium Association. It is not anticipated that the submission of these additional phases to the Condominium will have significant impact upon any Unit Owner's rights except as set forth in this Declaration. The adding of the subsequent residential phases to this Condominium, thereby adding additional Units, will reduce the percentage of Common Elements attributable to each previously created Unit, in accordance with the formula set forth in Exhibit "F". The adding of subsequent phases to this Condominium will not affect the vote of any Unit Owner as a member of the Association. Each voting interest shall continue to have one vote for each Unit in the Condominium owned by such Unit Owner; provided, however, that the total number of votes entitled to be cast will increase by the number of units contained in the phases so added. If Developer decides not to add all of the additional phases to this Condominium, the number of Units in this Condominium will be as created by this Declaration

and any amendments thereto adding phases and the Owners will own 100% of the Common Elements submitted to condominium.

26.6. RIGHT TO ALTER - Unless otherwise provided in F.S. 718.403, Developer reserves the right to alter the design, boundaries, configuration and arrangements of all buildings in the future phases in the Condominium as long as Developer has not conveyed Units in buildings so altered. Said alteration shall be accomplished by an amendment to this Declaration, which need only be signed by Developer without the approval of any other party. Developer reserves the right to add phases in or out of numerical order.

26.7. ADDITIONAL CONDOMINIUMS - In the event the Developer does not submit all proposed phases to condominium ownership, the Developer or its designee may, but is not obligated to, create other Condominiums (or other forms of residential property ownership) on the lands which were proposed to be in this condominium. All unit owners in such other condominiums, upon their creation, may share in the use of some (if not all) of the grounds and streets. The expense of the operation of such grounds and areas shall be equitably allocated to the various users as agreed to by the Association. The Developer reserves the right to alter the number, design, boundaries, configuration and arrangements of all units and buildings in all such other Condominiums in the project.

27. COMMUNITY ASSOCIATION MEMBERSHIP AND OBLIGATIONS - This Condominium exists within the Fountain Lakes planned community which is administered by a Community Association pursuant to a set of recorded Covenants and Restrictions dated August 11, 1987, and recorded in Official Record Book 1938, Page 4601, Public Records of Lee County, Florida. Consequently, unit

owners are members of, subject to, and are required to pay assessments to the Fountain Lakes Community Association, Inc.

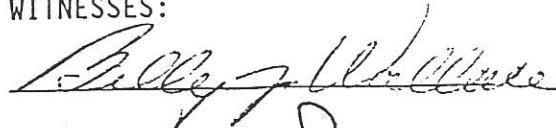
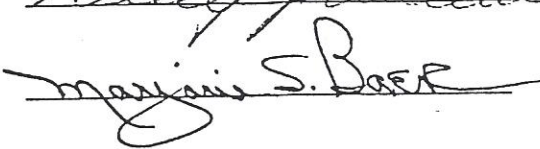
28. CABLE TV AND ELECTRONIC SECURITY - The Association may enter into contracts with companies to supply basic cable television and electronic security to the condominium. Because this arrangement would be of benefit to the unit owners, the Association is authorized to act as a conduit for these costs and each subscribing unit owner shall have the obligation to pay the Association its cable TV and security fees before they become overdue. The Association shall have no contractual obligation to pursue legal collection efforts against delinquent subscribers. The fees for electronic security services may be a common expense of the Association and cable TV may be a common expense pursuant to F. S. 718.115(1) if approved by the Board of Directors.

29. NO TIME SHARE ESTATES may be created in this Condominium.

30. SEVERABILITY - If any provision of this Declaration or its exhibits as now constituted or as later amended or any section, sentence, clause, phrase or word, or the application thereof in any circumstances is held invalid, the validity of the remainder and of the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

THIS DECLARATION OF CONDOMINIUM and exhibits hereto made and entered into this 10th day of January, 19 91.

WITNESSES:

KRAUS-ANDERSON DEVELOPMENT AND
FINANCE COMPANY, a Minnesota
corporation, Developer

By: 

OK 150-001710

STATE OF FLORIDA

COUNTY OF LEE

The foregoing instrument was acknowledged before me this 10th
day of January, 19 91, by TORE WISTROM, as
Vice President of KRAUS-ANDERSON DEVELOPMENT AND FINANCE COMPANY, a
Minnesota corporation, on behalf of said corporation.


Notary Public

(SEAL)

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXPIRES MAY 21, 1994
BONDED THRU GENERAL INS. CO.

OR2198 Feb 3/4

2993807

AMENDMENT TO DECLARATION OF CONDOMINIUM

OF

SUNGATE VILLAS AT FOUNTAIN LAKES, A CONDOMINIUM

NOTE: WORDS HIGHLIGHTED ARE ADDITIONS AND WORDS
STRICKEN THROUGH ARE DELETIONS

Pursuant to the authority reserved by the Developer contained in Paragraph 24, the Declaration of Sungate Villas At Fountain Lakes, A Condominium, as recorded in Official Record Book 2198, Page 4337, Public Records of Lee County, Florida, is hereby amended as follows:

By-Law 7.4. is amended to read as follows:

7.4. SPECIAL ASSESSMENTS AND CHARGES - Assessments and charges for expenses which are not provided for and or funded in the Budget shall also be made by the Board of Directors, and the time of payment shall likewise be determined by them.

END OF AMENDMENT.

THIS AMENDMENT made and entered this 11 day of
March, 1991.

WITNESSES:

Susan Garbina
Susan Garbina
Barbara Harris
Barbara Harris

KRAUS-ANDERSON DEVELOPMENT
AND FINANCE COMPANY, a Minnesota
Corporation

By Tore Wistrom
Vice President
Tore Wistrom

RECORDER'S MEMO
Legibility of Writing, Typing or Printing Unsatisfactory in This Document When Received.

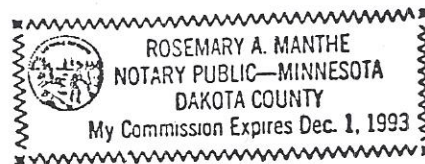
STATE OF MINNESOTA

COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this 11 day of March, 1991, by TORE WISTROM, as Vice President of KRAUS-ANDERSON DEVELOPMENT AND FINANCE COMPANY, a Minnesota corporation, on behalf of said corporation.

Rosemary A. Manthe
NOTARY PUBLIC

MY COMMISSION EXPIRES: 12-1-93



OR2209 Pg1397

MAR 19 4 10 PM '91

RECORDED & VERIFIED
CLERK OF DISTRICT COURT
LEE CO. MINN. FLA.

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AMENDMENT TO DECLARATION OF CONDOMINIUM

OF

SUNGATE VILLAS AT FOUNTAIN LAKES, A CONDOMINIUM

NOTE: WORDS HIGHLIGHTED ARE ADDITIONS AND WORDS
STRICKEN THROUGH ARE DELETIONS

Pursuant to the authority reserved by the Developer contained in Paragraph 24, the Declaration of Sungate Villas At Fountain Lakes, A Condominium, as recorded in Official Record Book 2198, Page 4337, Public Records of Lee County, Florida, is hereby amended as follows:

Paragraph 16.3 of the Declaration is amended to read as follows:

16.3. GENERAL PROVISIONS - Upon termination, the former unit owners shall become the owners, as tenants in common, of all Condominium and Association property and the assets of the Association. The shares of such tenants in common shall be the same as were their shares of the common elements. The mortgagee or lienor of a unit owner shall have a mortgage or lien solely and exclusively upon the undivided share of such tenant in common in and to the lands and other properties and rights which he may receive by reason of such termination. The termination of the Condominium shall be evidenced by a certificate of the Association executed by its President and Secretary certifying as to facts affecting the termination. Termination shall become effective when that certificate is recorded in the Public Records of Collier Lee County, Florida.

END OF AMENDMENT.

THIS AMENDMENT made and entered this 13th day of May, 1991.

WITNESSES:

KRAUS-ANDERSON DEVELOPMENT
AND FINANCE COMPANY, a Minnesota
Corporation

Susan Garbina
Susan Garbina

Barbara Harris
Barbara Harris
STATE OF MINNESOTA

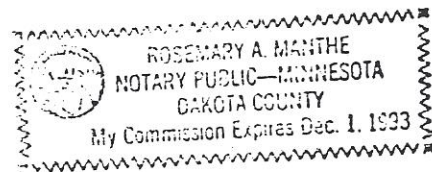
By [Signature]
Vice President

COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this 13 day
of May, 1991, by TORE WISTROM, as Vice President of KRAUS-ANDERSON DEVELOPMENT
AND FINANCE COMPANY, a Minnesota corporation, on behalf of said corporation.

Rosemary A. Manthe
NOTARY PUBLIC

MY COMMISSION EXPIRES:



OR 2223 PG3531

CHARLIE GREEN LEE CITY FL
91 MAY 28 PM 3:56

15.00

CERTIFICATE

3254669

THE UNDERSIGNED being President and Secretary of SUNGATE VILLAS AT FOUNTAIN LAKES CONDOMINIUM ASSOCIATION, INC., a Florida non-profit corporation, do hereby certify that the attached Amendment to the Declaration of SUNGATE VILLAS AT FOUNTAIN LAKES, A CONDOMINIUM, as recorded in O. R. Book 2198, Page 4337, Public Records of Lee County, Florida, was duly adopted by the required percentages of the unit owners pursuant to Paragraph 15.6 of the Declaration effective on the 12th day of August, 1992.

Dated this 12th day of August, 1992.

WITNESSES:

(Sign) Victoria Perse

(Print) Victoria Perse

(Sign) Jerome W. Linke

(Print) Jerome W. Linke

(Sign) Marcia R. Lindberg

(Print) MARCIA R. LINDBERG

(Sign) Janice R. Gebel

(Print) JANICE R. GEBEL

SUNGATE VILLAS AT FOUNTAIN LAKES
CONDOMINIUM ASSOCIATION, INC.

BY Daniel Engelsma

(Print) DANIEL ENGELSMA

(Title) President

(Address) 523 South Eighth Street
Minneapolis, MN 55404

ATTEST: Bruce W. Engelsma

(Print) BRUCE W. ENGELSMA

(Title) Secretary

(Address) 525 South Eighth Street
Minneapolis, MN 55404

THIS INSTRUMENT PREPARED BY:
RICHARD D. DeBOEST
ATTORNEY AT LAW
P. O. BOX 1480
FORT MYERS, FLORIDA 33902

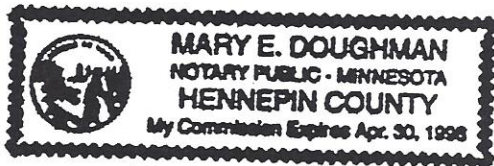
UR 2322 P 53340

RECORD VERIFIED - MARIE GREEN, CLERK
TITLE, D.C.
BY: TOSHA

STATE OF MINNESOTA

COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this 12th day of August, 1992, by DANIEL ENGELSMA, as President of SUNGATE VILLAS AT FOUNTAIN LAKES CONDOMINIUM ASSOCIATION, INC., a Florida non-profit corporation, on behalf of said corporation. He is personally known to me or has produced _____ as identification and did (did not) take an oath.



NOTARY PUBLIC:

(Sign) Mary E. Doughman

(Print) Mary E. Doughman

(SEAL)

MY COMMISSION EXPIRES: April 30, 1998

STATE OF MINNESOTA

COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this 12th day of August, 1992, by BRUCE W. ENGELSMA, as Secretary of SUNGATE VILLAS AT FOUNTAIN LAKES CONDOMINIUM ASSOCIATION, INC., a Florida non-profit corporation, on behalf of said corporation. He is personally known to me or has produced _____ as identification and did (did not) take an oath.

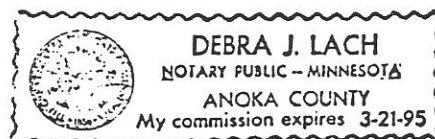
NOTARY PUBLIC:

(Sign) Debra J. Lach

(Print) Debra J. Lach

(SEAL)

MY COMMISSION EXPIRES: 3-21-95



141 90

3421137

AMENDMENT TO DECLARATION OF CONDOMINIUM
OF
SUNGATE VILLAS AT FOUNTAIN LAKES, A CONDOMINIUM

RECORD VERIFIED - CHARLIE GREEN, CLERK
BY: KAY TANNER, D.C.

Pursuant to the authority reserved by the Developer contained in Paragraph 24, the Declaration of Sungate Villas At Fountain Lakes, A Condominium, as recorded in Official Record Book 2198, Page 4337, Public Records of Lee County, Florida, is hereby amended as follows:

(SUBSTANTIAL REWORDING OF DECLARATION - SEE FORMER PARAGRAPHS FOR FORMER TEXT) - NOTE: WORDS UNDERLINED ARE ADDITIONS).

The introductory paragraph of Paragraph 10.2., Paragraphs 10.2.5, 10.2.6. and 10.2.7. of the Declaration are deleted and the following are substituted in their place:

10.2. BASIC INSURANCE - Insurance covering all of the buildings and improvements as well as all Association property, in an amount determined annually by the Board of Directors. Pursuant to F. S. 718.111(11)(b) the word "building" does not include floor coverings, wall coverings, ceiling coverings nor electrical fixtures, appliances, air conditioning or heating equipment, water heaters or built-in cabinets located within a unit. Such insurance shall afford the following protection:

Paragraph 10.2.5. is amended to read as follows:

10.2.5. WORKERS' COMPENSATION - The Association shall maintain worker's compensation insurance on at least a minimum premium basis unless a majority of the voting interests of the Association present at a meeting at which a quorum is present in person or by proxy vote annually not to maintain such insurance.

10.2.6. **FIDELITY BONDING** - The Association shall obtain and maintain blanket fidelity bonding for each person who is authorized to sign checks and the President, Secretary and Treasurer of the Association in an amount not less than \$10,000.00 for each such person, but in no event less than the minimum required by the Condominium Act from time to time. The Association shall bear the cost of bonding.

10.2.7. **DIRECTORS AND OFFICERS LIABILITY INSURANCE** - The Association shall obtain and maintain adequate Directors and officers liability insurance utilizing the broad form of policy coverage for all Directors and officers and, if available, committee members of the Association.

Paragraph 11 of the Declaration - **RECONSTRUCTION OR REPAIR AFTER CASUALTY** - is deleted in its entirety and the following substituted therefor:

11. **RECONSTRUCTION OR REPAIR AFTER CASUALTY** - If any part of the condominium property is damaged by casualty, whether and how it shall be reconstructed or repaired shall be determined as follows:

11.1. **DAMAGE TO UNITS** - Where loss or damage is only to those parts of a unit for which the responsibility of maintenance and repair is that of the unit owner, any Association insurance proceeds on account of the damage, less the deductible, shall be distributed to such contractors, suppliers and personnel for work done, materials supplied or services required for reconstruction or repair. Payments shall be in such amounts and at such times as the unit owners may direct. The owners of damaged units shall be responsible for reconstruction and repair and shall bear the cost thereof, if any, in excess of the insurance proceeds.

11.2. **DAMAGE TO COMMON ELEMENTS - LESS THAN "VERY SUBSTANTIAL"** - Where loss or damage occurs to the common elements, but the loss is less than

"very substantial", as hereinafter defined, it shall be mandatory for the Association to repair, restore or rebuild the damage caused by the loss, and the following procedures shall apply:

11.2.1. ESTIMATES - The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the cost of reconstruction and repair, and shall negotiate and contract for the work.

11.2.2. INSURANCE INSUFFICIENT - If the net proceeds of insurance plus available reserves are insufficient to pay for the cost of reconstruction and repair of the common elements, the Association shall promptly, upon determination of the deficiency, levy a special assessment against all unit owners. Such special assessments need not be approved by the unit owners. The special assessments shall be added to the proceeds available for reconstruction and repair of the property.

11.2.3. "VERY SUBSTANTIAL" DAMAGE - As used in this Declaration, the term "very substantial" damage shall mean loss or damage whereby three-fourths (3/4) or more of the total units are rendered uninhabitable. Should such "very substantial" damage occur, then:

11.2.3.1. OWNERS' MEETING - A meeting of the Association shall be called by the Board of Directors to be held within a reasonable time after the casualty. A determination by the Board of Directors as to what is a reasonable time shall be conclusive. The purpose of the meeting shall be to determine the wishes of the membership with reference, to reconstruction or termination of the condominium, subject to the following:

11.2.3.1.1. INSURANCE SUFFICIENT - If the insurance proceeds and reserves available for reconstruction and repair are sufficient to cover the cost thereof, so that no special assessment is required, then the

condominium property shall be reconstructed or repaired unless the then applicable zoning or other regulatory laws will not allow reconstruction of the same number and general type of units, in which case the condominium shall be terminated pursuant to Paragraph 16.2.

11.2.3.1.2. INSURANCE INSUFFICIENT - If the insurance proceeds and reserves available for reconstruction and repair are not sufficient to cover the cost thereof so that a special assessment will be required, then unless 67% of the voting interests of the Association vote in favor of such special assessment and against termination of the condominium, it shall be terminated pursuant to Paragraph 16.2. If 67% of the voting interests of the Association approve the special assessment, the Association, through its Board, shall levy such assessment and shall proceed to negotiate and contract for such reconstruction and repairs. The special assessment shall be added to the proceeds of insurance and reserves available for reconstruction and repair of the property.

11.2.4. DISPUTES - If any dispute shall arise as to whether "very substantial" damage has occurred, a determination by the Board of Directors shall be binding upon all unit owners.

11.3. APPLICATION OF INSURANCE PROCEEDS - It shall be presumed that the first monies disbursed for reconstruction and repair shall be from the insurance proceeds and they shall first be applied to reconstruction of the common elements and Association property and then to the units; if there is a balance in the funds held by the Association after the payment of all costs of reconstruction and repair, such balance shall be distributed to the Association. Provided, however, if special assessments were made pursuant to Paragraph 11.2.3.1.2.. hereof, then all or a part of such balance shall be returned to the

unit owners paying said assessments pro-rata, according to the amount each paid, up to the full amount each paid, then to the Association.

11.4. EQUITABLE RELIEF - In the event of substantial damage to the condominium property, and if the property is not reconstructed or repaired within a reasonable period of time, any unit owner may petition a court for equitable relief, which may include a termination of the condominium and a partition. For the purposes of this provision, it shall be conclusively presumed that reconstruction or repair has occurred within a reasonable period of time if substantial work is commenced within such time following the damage or destruction as is determined by the Board of Directors to be reasonable and the work proceeds without intentional and unwarranted delay to completion.

11.5. PLANS AND SPECIFICATIONS - Any reconstruction or repairs must be substantially in accordance with the plans and specifications for the original buildings, or in lieu thereof, according to plans and specifications approved by the Board of Directors and by the owners of 67% of the voting interests of the Association and the Design Review Committee (if one exists) of the Fountain Lakes Community Association.

Paragraph 15.4. of the Declaration - MORTGAGEE JOINDER - is deleted and the following substituted therefor:

15.4. MORTGAGEE JOINDER - Amendments materially affecting the rights or interests of mortgagees must have the approval of the holders of institutional first mortgages of record representing 51% of the votes of units subject to such mortgages who have requested the Association to notify them on any proposed action specified in this paragraph. Implied approval shall be assumed when such holder fails to submit a response to any written proposal for an amendment within 30 days after it receives proper notice of the proposal provided the notice was

delivered certified or registered mail, with a "Return Receipt" requested. In the event that mortgagee consent is provided other than by properly recorded joinder, such consent shall be evidenced by affidavit of the Association and recorded in the Public Records of the county where this Declaration is recorded. A change to any of the following shall be considered as material:

- any change in the proportion or percentage by which the owner of the unit shares the common expenses or owns the common surplus.
- reallocation of interests in the general or limited common elements, or rights to their use;
- redefinition of any unit boundaries;
- convertibility of units into common elements or vice versa;
- expansion or contraction of the condominium, or the addition, annexation, or withdrawal of property to or from the condominium;

The attached Amended and Restated By-laws of Sungate Villas at Fountain Lakes Condominium Association, Inc. shall replace the By-laws recorded in O. R. Book 2198, Page 4386 through 4401, inclusive, Lee County, Florida Public Records.

END OF AMENDMENT.

THIS AMENDMENT made and entered this 6th day of July,

1993.

WITNESSES:

(Sign) Barbara Harris

(Print) Barbara Harris

(Sign) Donna Kraft

(Print) Donna Kraft

KRAUS-ANDERSON DEVELOPMENT
AND FINANCE COMPANY,
a Minnesota Corporation

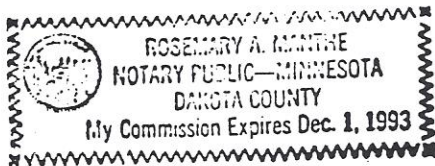
By Tore Wistrom

Tore Wistrom, Vice President
2510 Minnehaha Avenue
Minneapolis, MN 55404

STATE OF MINNESOTA

COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this 6th day of July, 1993, ~~1992~~, by TORE WISTROM, as Vice-President of KRAUS-ANDERSON DEVELOPMENT AND FINANCE COMPANY, a Minnesota corporation, who is personally known to me.



NOTARY PUBLIC:

Sign Rosemary A. Manthe

Print Rosemary A. Manthe

MY COMMISSION EXPIRES: 12-1-93

EXHIBIT "C" TO DECLARATION
AMENDED AND RESTATED BY-LAWS

OF

SUNGATE VILLAS AT FOUNTAIN LAKES CONDOMINIUM ASSOCIATION, INC.

1. **IDENTITY** - These are the By-Laws of Sungate Villas At Fountain Lakes Condominium Association, Inc., a nonprofit Florida Corporation formed for the purpose of administering Sungate Villas At Fountain Lakes, A Condominium which is located at Fort Myers, Lee County, Florida, upon the lands described in the Declaration of Condominium. (The corporation shall hereafter be referred to as the "Association".)

1.1. **OFFICE** - The office of the Association shall be at the Condominium or such other location within the County as may from time to time be determined by the Board of Directors.

1.2. **FISCAL YEAR** - The fiscal year of the Association shall be the calendar year, unless otherwise determined by the Board of Directors.

1.3. **SEAL** - The seal of the Association shall be circular in shape, bear the abbreviated name of the Association, the word "Florida," and the year of establishment, 1990.

2. **MEMBERS' MEETINGS**

2.1. **ANNUAL MEETINGS** - Annual members' meetings shall be held at the Condominium or at such other convenient location as may be determined by the Board of Directors, no later than the month of March each year, in conjunction with the election of Directors and for transacting any business authorized to be transacted by the members.

2.2. SPECIAL MEETINGS - Special member's meetings shall be held whenever called by the President, Vice President or by a majority of the Board of Directors and when requested by written petition signed and dated from at least 25% of the Association voting interests. Such petition shall state the purpose(s) of the meeting. The business at any special meeting shall be limited to the items specified in the petition, and contained in the notice of the meeting. In the event that the Board of Directors adopts a budget requiring assessments exceeding 115% of the assessments for the preceding year, the Board upon written application of 10% of the voting interests shall call a special meeting of the unit owners to consider and enact an alternate budget. Members meetings to recall a member or members of the Board of Directors may be called by 10% of the Association voting interests.

2.3. NOTICE OF MEMBERS' MEETINGS - Notice of members meetings including a recall meeting and the annual meeting, which must include an identification of agenda items, shall be delivered or mailed to each unit owner by United States mail, unless waived in writing, at least 14 days prior to the meeting, provided however, that any election at which one or more Directors are to be elected must be noticed as provided for in Section 2.4. next following. An officer of the Association shall execute an affidavit of mailing or delivery per F. S. 718.112(2)(d)(2) or provide a United States Postal Certificate of Mailing which shall be retained in the official records of the Association as proof of such mailing or delivery. Written notice of the meeting shall also be posted in a conspicuous place on the condominium property at least 14 continuous days prior to the annual meeting. The Board, upon notice to unit owners shall by duly adopted rule designate a specific location on the condominium property upon which all notices of unit owner meetings shall be posted.

2.4. BOARD ELECTION MEETINGS - NOTICE AND PROCEDURE - The regular or general election shall occur at the time and place at which the annual meeting is scheduled to occur, regardless of whether a quorum is present.

2.4.1. Not less than 60 days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each unit owner entitled to vote, the first notice of the date of the election. It must contain the name and correct mailing address of the Association. Any unit owner or other eligible person desiring to be a candidate for the board of administration must give written notice to the Association not less than 40 days before a scheduled election. Not less than 30 days before the scheduled election the Association shall then mail or deliver a second notice of the election to all unit owners entitled to vote therein, together with a written ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet which must be furnished by the candidate not less than 35 days before the election, on one side of a sheet, no larger than 8 1/2 inches by 11 inches, with the costs of copying and mailing to be borne by the Association. The Association shall not edit, alter, or otherwise modify the content of the information sheet and shall have no liability for its contents. The Board shall hold a meeting within 5 days after the deadline for the candidates to provide their notices to the Association of intent to run. At this meeting, the Board shall accept additional nominations. Any unit owner or other eligible person may nominate himself or may nominate another unit owner or eligible person, if he has permission in writing to nominate the other person.

2.4.2. A voting machine may also be used by those attending the meeting in person, and a unit owner who needs assistance in voting due to blindness, disability or inability to read or write may obtain assistance from

a member of the Board of Administration or other unit owner but no unit owner shall permit another person to cast his ballot and any such ballots improperly cast shall be deemed invalid.

2.4.3. There is no quorum requirement; however at least 20 percent of the eligible voters must cast a valid ballot to have a valid election and elections shall be decided by a plurality of those votes cast.

2.4.4. An election and balloting are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the Board.

2.5. NOTICE - OWNERS BUDGET MEETING - Notice of a special meeting called by the Board at the written request of 10% of the owners because of a budget exceeding 115% of that of the preceding year requires not less than 10 days' written notice to each unit owner.

2.6. NOTICES SPECIFIC - All notices of meetings shall state clearly and particularly the time, place, and purpose or purposes of the meeting and shall incorporate an identification of agenda items.

2.7. QUORUM - A quorum at members' meetings shall consist of persons entitled to cast a majority of the voting interests of the entire membership. Decisions made by a majority of the voting interests represented at a meeting at which a quorum is present in person or by proxy shall be binding and sufficient for all purposes except such decisions as may by F.S. 718 or the documents require a larger percentage in which case the percentage required in F.S. 718 or the Documents shall govern.

2.8. OWNER PARTICIPATION - Unit owners shall have the right to participate in meetings of unit owners with reference to all designated agenda items. However, the Association may adopt reasonable rules governing the frequency, duration and manner of unit owner participation. Such rules must be

adopted in advance and in written form. Any unit owner may tape record or videotape a meeting of the unit owners subject and pursuant to Rules adopted from time to time by the Division of Florida Land Sales, Condominiums and Mobile Homes.

2.9. INDIVISIBLE VOTE - Each unit shall have one indivisible vote. If multiple owners of a unit cannot agree on a vote, the vote shall not be counted. Voting certificates are not authorized.

2.10. PROXIES - Votes may be cast in person or by proxy. Proxies shall be in writing, signed and dated and shall be valid only for the particular meeting designated therein or an adjournment thereof, but in no event for more than 90 days, and must be filed with the Secretary before or at the voter registration immediately preceding the meeting. A photographic, photostatic or equivalent reproduction of a proxy is a sufficient proxy pursuant to F.S. 607.0722. Except as specifically otherwise provided in this paragraph, or by the Condominium Act from time to time, unit owners may not vote by general proxy, but may vote by limited proxies substantially conforming to a limited proxy form adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes. Both limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes taken to waive or reduce reserves; for votes taken to waive financial statement requirements; for votes taken to amend the Declaration; for votes taken to amend the Articles of Incorporation or By-Laws; and for any other matter which F.S. 718 requires or permits a vote of the unit owners. No proxy, limited or general, shall be used in the election of Board members. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given.

2.11. NO QUORUM - If any meeting of members cannot be organized because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.12. ORDER OF BUSINESS - The order of business at annual members' meetings and, as far as applicable at all other members' meetings, may be: -

- (a) Election of a Chairman of the meeting, unless the President or Vice President of the Association is present then he (or she) shall preside.
- (b) Collection of ballots.
- (c) Checking of signatures and unit identifications on ballot outer envelopes against the eligible voter lists.
- (d) Registering proxies and counting votes.
- (e) Proof of Notice of meeting or waiver of notice.
- (f) Calling of the roll.
- (g) Reading and disposal of any unapproved minutes.
- (h) Reports of Directors.
- (i) Reports of Committees.
- (j) Announcement of the results of the election of Directors.
- (k) Unfinished business.
- (l) New business.
- (m) Adjournment.

3. BOARD OF DIRECTORS

3.1. NUMBER, TERM, AND QUALIFICATIONS. The affairs of the Corporation shall be governed initially by a Board composed of three (3) persons appointed by the Developer. The Developer-appointed Board may be, at the Developer's option, expanded to five (5) persons. The Board, after turnover of control by the Developer, may consist of three to five as may be determined from time to time by the voting interests of the Association. All non-Developer

Directors shall be members or spouses of members. All officers of a corporation, trust, partnership or other such owner shall be deemed to be members so as to be eligible for Board membership. Directors shall be elected by the Voting Interests as to regular or general elections at the time and place at which the annual meeting is scheduled to occur regardless of whether a quorum is present, except for Developer-appointed Directors. After turnover, members of the Board shall be elected with a majority elected for two (2) years and the balance elected for one (1) year to provide continuity. Those persons receiving the highest number of votes shall serve the two year terms. In the event of a tie, for a designated position on the Board the tie shall be resolved by agreement of the candidates, if possible; otherwise a runoff election must be held in accordance with Rule 61B-23.0021 of the Florida Administrative Code.

3.2. **TERM OF SERVICE** - The term of each Director's service, except in the case of a vacancy caused by recall, shall extend until their elected term is completed and thereafter until their successor is duly elected and qualified or until the Director is recalled in the manner provided in the Condominium Act by a majority of the voting interests. A Board member appointed by the Board to replace a recalled Board member shall fill the vacancy until the next regularly scheduled election for any position. Provided that a seat held by a Director who ceases to be an owner shall thereby automatically become vacant.

3.3. **BOARD VACANCIES** - Vacancies in the Board of Directors occurring between annual meetings of members shall be filled by appointment by a majority vote of the remaining Directors; provided, however, that if a majority or more of the Board members are removed by recall the vacancies shall be filled in accordance with Rule 61B-23.0027 (if at a meeting) or with Rule 61B-23.0028 (if by written agreement), Florida Administrative Code; provided further that a Director who has been recalled by the membership may not be appointed to fill the

vacancy created by his removal; and further provided that during the time that both the Developer and unit owners other than the Developer have representation on the Board, the filling of vacancies shall be in compliance with the provisions of Rule 61B-23.001(12), Florida Administrative Code. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office.

3.4. ORGANIZATIONAL MEETING - The organizational meeting of each newly elected Board of Directors to elect officers shall be held at such place and time as shall be fixed by the Directors, provided a quorum shall be present. Unless otherwise noticed, it shall be held immediately following the annual meeting. Election of officers may be by secret ballot.

3.5. REGULAR MEETINGS - Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings, unless noticed previously, shall be given to each Director personally or by mail, telephone or telecopier at least three days prior to the day named for such meeting.

3.6. SPECIAL MEETINGS - Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of any two (2) Directors. Not less than three day's notice of the meeting (except in an emergency) shall be given personally or by mail, telephone or telecopier, which notice shall state the time, place and purpose of the meeting.

3.7. WAIVER OF NOTICE - Any Director may waive notice of a meeting before, at or after the meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at a meeting shall constitute waiver of notice of the meeting.

3.8. NOTICE TO OWNERS - Notices of Directors meetings, and meetings of committees to make recommendations regarding the Association budget or which have the authority to take action on behalf of the Board shall be posted conspicuously on the condominium property at least 48 continuous hours in advance for the attention of unit owners, except in an emergency. Notices shall specifically incorporate an identification of agenda items. Meetings at which a regular assessment is to be considered shall contain a statement that assessments will be considered and the nature of such assessments. However, written notice of any meeting at which non-emergency special assessments, or at which amendment to rules regarding unit use will be proposed, discussed, or approved, shall be mailed or delivered to the unit owners and posted conspicuously on the condominium property not less than 14 continuous days prior to the meeting. Evidence of compliance with this 14-day notice shall be by an affidavit executed by the Secretary and filing among the official records of the Association. Upon prior notice to the unit owners, the Board shall by duly adopted rule designate a specific location on the condominium property upon which all notices of Board meetings shall be posted.

3.9. OWNER PARTICIPATION - Meetings of the Board of Directors and any committee thereof required to give notice pursuant to 3.8 above, at which a quorum of the members of that committee are present shall be open to all unit owners. The right to attend such meetings includes the right to speak with reference to all identified agenda items provided however, the Association may adopt reasonable rules governing the frequency, duration and manner of unit owner participation. Such rules must be adopted in advance and in written form. Unit owners shall have the right to tape record or videotape the meetings of the Board of Administration or Committee subject and pursuant to Rules adopted from time to time by the Division of Florida Land Sales, Condominiums and Mobile Homes.

3.10. BOARD MEETINGS, QUORUM AND VOTING - A quorum at Directors' Meetings shall consist of a majority of the Directors. The acts approved by a majority of Directors present at a meeting at which a quorum is present shall constitute the acts of the Board. Directors may not vote by proxy or by secret ballot at Board meetings, except as may be provided by the Condominium Act from time to time, and a vote or abstention for each member present shall be recorded in the minutes. If at any meeting of the Board there be less than a quorum present, the Director(s) present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, which must be properly noticed, any business which might have been transacted at the meeting as originally called may be transacted. Absent Directors may later sign written joinders in Board actions, but such joinders may not be used for purposes of creating a quorum.

3.11. PRESIDING OFFICER - The presiding officer at Directors' meetings shall be the President if such an officer has been elected; and if none, then the Vice President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

3.12. DIRECTOR COMPENSATION - Directors shall serve without pay unless the voting interests annually authorize Director's fees, but shall be entitled to reimbursement for expenses reasonably incurred.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS - All of the powers and duties of the Association existing under the Florida Corporation Statutes, the Condominium Act, the Declaration of Condominium, the Corporate Charter and these By-laws shall be exercised exclusively by the Board of Directors, or its duly authorized agents, contractors, or employees subject only to the approval by unit owners when such is specifically required. Such powers and duties of the Directors shall include, but shall not be limited to, the following:

4.1. TO ADOPT BUDGETS, BORROW MONEY AND MAKE AND COLLECT ASSESSMENTS AGAINST owners to defray the costs of the Association.

4.2. TO USE THE PROCEEDS OF ASSESSMENTS in the exercise of its powers and duties.

4.3. THE MAINTENANCE, REPAIR, REPLACEMENT AND OPERATION of the Condominium property.

4.4. TO ENACT RULES AND REGULATIONS concerning the use of the common elements and the units, subject to any limitations contained in the Condominium Act and the Declaration of Condominium.

4.5. THE RECONSTRUCTION OF COMMON ELEMENTS IMPROVEMENTS AFTER CASUALTY and the further improvement of the property.

4.6. TO APPROVE OR DISAPPROVE PROPOSED ACTIONS in the manner provided by the Condominium Declaration.

4.7. TO ENFORCE by legal means the provisions of applicable laws and the condominium documents.

4.8. TO CONTRACT FOR MANAGEMENT of the Condominium.

4.9. TO CARRY INSURANCE for the protection of the unit owners and the Association.

4.10. TO PAY THE COST OF ALL UTILITY SERVICES rendered to the Condominium and not billed to owners of individual units.

4.11. TO EMPLOY PERSONNEL and designate other officers for reasonable compensation and grant them such duties as seem appropriate for proper administration of the purposes of the Association.

4.12. TO BRING AND DEFEND SUITS, MAKE AND EXECUTE CONTRACTS, DEEDS, MORTGAGES, LEASES and other instruments by its officers and to purchase, own, lease, convey and encumber real and personal property. To grant easements and

licenses over the condominium property necessary or desirable for proper operation of the Condominium.

4.13. REQUIREMENTS - CONTRACTS FOR PRODUCTS AND SERVICES - All contracts for the purchase, lease or renting of materials or equipment or for services, or which are not to be fully performed within one year, shall be in writing. As to any such contract which requires payment exceeding 5 percent of the total annual budget of the Association including reserves except for contracts with employees of the Association, and for attorneys, accountants, architects, engineering and landscape architects, the Association shall obtain competitive bids unless the products and services are needed as the result of an emergency or unless the desired supplier is the only source of supply within the County serving the Association. The Association need not accept the lowest bid. This Paragraph shall be deemed to incorporate the provisions of the Condominium Act as it exists from time to time.

4.14. TO LEVY FINES - The Directors may, pursuant to F.S. 718.303, impose fines not to exceed \$100.00 per violation, for failure to comply with the provisions of the condominium documents, including the rules and regulations, by owners, occupants, licensees, tenants and invitees. A fine may be imposed for each day of continuing violation with a single notice and opportunity for hearing, provided that no fine shall in the aggregate exceed \$1,000.00.

4.14.1. HEARING NOTICE - The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:

1. A statement of the date, time and place of the hearing;

2. A statement of the provisions of the declaration, association charter, bylaws, or rules and regulations which have allegedly been violated; and
3. A short and plain statement of the matters asserted by the association.

4.14.2. **RESPONDENT'S RIGHTS** - The party against whom the fine or sanction may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the association.

4.14.3. **HEARING COMMITTEE** - The hearing must be held before a committee of other unit owners, none of whom are members of the Board of Directors. If the committee does not agree with the fine, the fine may not be levied.

4.15. **COMMITTEES** - The Directors may appoint committees except that committees for the purpose of nominating candidates for election to the Board of Directors are prohibited. The Board may, however, appoint a search committee to encourage qualified persons to become candidates for the Board. All committees and committee members shall serve at the pleasure of the Board.

4.16. **FIRE SAFETY COMPLIANCE** - The Directors may accept a Certificate of Compliance from a licensed electrical contractor or electrician as evidence of compliance of the condominium units with the applicable Fire and Life Safety Code.

4.17. **HURRICANE SHUTTERS** - The Board of Directors shall adopt hurricane shutter specifications for each building within each condominium operated by the Association which shall include color, style, and other factors deemed relevant by the Board. All specifications adopted by the Board shall

comply with the applicable building code. The Board shall not refuse to approve the installation or replacement of hurricane shutters conforming to the specifications adopted by the Board.

4.18. EMERGENCY POWERS - The following shall apply to the extent not viewed to be in conflict with the Condominium Act:

4.18.1. In anticipation of or during any emergency defined in Section 4.18.5. below, the Board of Directors of the Association may:

(a) Name as assistant officers persons who are not Board members, 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; and

(b) Relocate the principal office or designate alternative principal offices or authorize the officers to do so.

4.18.2. During any emergency defined in Section 4.18.5. below:

(a) Notice of a meeting of the Board of Directors need be given only to those Directors whom it is practicable to reach and may be given in any practicable manner, including by publication and radio;

(b) The Director or Directors in attendance at a meeting shall constitute a quorum.

4.18.3. Corporate action taken in good faith during an emergency under this Section to further the ordinary affairs of the Association:

(a) Binds the Association; and

(b) Shall have the presumption of being reasonable and necessary.

4.18.4. An officer, director, or employee of the Association acting in accordance with any emergency By-laws is only liable for willful misconduct.

4.18.5. The provisions of these emergency By-laws shall supersede any inconsistent or contrary provisions of the By-laws for the period of emergency.

4.18.6. An emergency exists for purposes of this Section if a quorum of the Association's Directors cannot readily be assembled because of some catastrophic event.

5. OFFICERS

5.1. EXECUTIVE OFFICERS - The executive officers of the Association shall be the President, one or more Vice Presidents, a Secretary, a Treasurer, and such assistant officers as may be desired. The executive officers shall be elected annually by the Board of Directors and may be peremptorily removed and replaced by a majority vote of the Board at any meeting. The President, Secretary and Treasurer must be members of the Board. Any person may hold two or more offices except that the President shall not also be the Secretary.

5.2. PRESIDENT - POWERS AND DUTIES - The President shall be the chief executive officer of the Association and shall have all of the powers and duties which are usually vested in the office of President of a corporation.

5.3. VICE PRESIDENT - POWERS AND DUTIES - The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

5.4. SECRETARY - POWERS AND DUTIES - The Secretary shall keep the minutes of all proceedings of the Directors and the members; shall attend to the giving and serving of all notices to the members and Directors and other notices required by law; shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed; shall keep and have

custody of the records of the Association, except those of the Treasurer; and shall perform all other duties incident to the office of Secretary of the Association and as may be required by the Directors or the President.

5.5. TREASURER - POWERS AND DUTIES - The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness; shall keep the assessment rolls and accounts of the members; shall keep the books of the Association in accordance with good accounting practices; and shall perform all other duties incident to the office of the Treasurer of a corporation.

5.6. EMPLOYEE COMPENSATION - The compensation of all employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association.

5.7. INDEMNIFICATION - Every Director and every officer and committee member of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees through all trial and appellate levels, reasonably incurred by or imposed in connection with any proceeding, arbitration, or settlement to which such person may be a party, or in which they may become involved, by reason of being or having been a Director, officer, or committee member of the Association. Notwithstanding the foregoing, in the event of a voluntary settlement, the indemnification provisions herein shall not be automatic and shall apply only when the Board approves such settlement. Notwithstanding anything contained herein to the contrary, in instances where the Director, officer, or committee member admits or is adjudged guilty by a court with jurisdiction of malfeasance, misfeasance or nonfeasance in the performance of their duties, the indemnification provisions contained herein shall not apply. Otherwise, the foregoing right of indemnification shall

be in addition to and not exclusive of any and all rights of indemnification to which such Director, officer or committee member may be entitled by common law or statute.

5.8. DELEGATION - To the extent permitted by law, the powers and duties of the directors and officers may be delegated for the purpose of management.

6. MINUTES AND INSPECTION OF RECORDS - Minutes of all meetings of unit owners and of the Board of Directors shall be kept in a businesslike manner and shall be reduced to written form within thirty (30) days and these, plus records of all receipts and expenditures and all other official records, as defined in F.S. 718.111, except those which may be exempted by the Condominium Act and/or the Rules of the Division of Florida Land Sales, Condominiums and Mobile Homes from time to time, shall be available for inspection by unit owners and Board members within 5 working days after receipt of a written request by the Board or its designee. This provision shall be deemed to have been complied with by having a copy of the official records available for inspection or copying on the condominium or Association property. Provided, however, that the Directors may adopt, in advance and in written form, reasonable rules regarding the frequency, time, location, notice and manner of record inspections and copying.

7. FISCAL MANAGEMENT - Shall be in accordance with the following provisions:

7.1. BUDGET - A proposed annual budget of common expenses shall be prepared by the Board of Directors which shall include all anticipated expenses for operation, maintenance and administration of the Condominium including insurance and management fees, if any, and for all of the unpaid operating expenses previously incurred. It shall accrue reserves per F.S. 718.112(2)(F)(2) which may later be waived by the owners. Reserve funds and any accrued interest

on the funds shall remain in the reserve account for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the voting interests present at a duly called meeting of the Association. It will contain a reasonable allowance for contingencies and provide funds for all unpaid operating expenses previously incurred. If at any time a budget shall prove insufficient, it may be amended by the Board of Directors for the remaining portion of the fiscal year.

7.2. MAILING - A copy of the proposed annual budget shall be mailed or delivered to the unit owners not less than 14 days prior to the meeting of the directors at which the budget will be adopted together with a notice of the meeting.

7.3. ASSESSMENTS - The shares of the unit owners of the common expenses may be made payable in installments of from one to three months in advance and shall become due on the first day of each such period and which shall become delinquent 10 days thereafter. The Association shall have the right to accelerate assessments of an owner delinquent in the payment of common expenses. Accelerated assessments shall be due and payable on the date a claim of lien is filed in the Public Records of Lee County, Florida and may include the amounts due for the remainder of the fiscal year for which the claim of lien was filed.

7.4. SPECIAL ASSESSMENTS AND CHARGES - Assessments and charges for expenses which are not provided for and funded in the Budget shall be made by the Board of Directors, and the time of payment shall likewise be determined by them.

7.5. ASSESSMENT ROLL - The assessments for common expenses and charges shall be set forth upon a roll of the units which shall be available for inspection at all reasonable times by unit owners. Such roll shall indicate for each unit the name and address of the owner, and the assessments and charges paid and unpaid. A certificate made by a duly authorized representative of or by the

Board of Directors as to the status of a unit's account may be relied upon for all purposes by any person for whom made.

7.6. LIABILITY FOR ASSESSMENTS AND CHARGES - A unit owner shall be liable for all assessments and charges coming due while the owner of a unit, and such owner and owner's grantees after a voluntary conveyance shall be jointly and severally liable for all unpaid assessments and charges due and payable up to the time of such voluntary conveyance. Liability may not be avoided by waiver of the use or enjoyment of any common elements or Association property or by abandonment of the unit for which the assessments are made. A first mortgagee who acquires title to a unit by foreclosure or by deed in lieu of foreclosure is liable for the unpaid assessments that became due prior to the mortgagee's receipt of the deed, but in no event shall the mortgagee be liable for more than 6 months of the unit's unpaid common expenses or assessments accrued before the acquisition of the title to the unit by the mortgagee or 1 percent of the original mortgage debt, whichever amount is less. The first mortgagee's liability does not commence until 30 days after the date the first mortgagee received the last payment of principal or interest. Such mortgagee may obtain title, own, occupy, lease, sell or otherwise dispose of such unit without the approval of the Association. This Section shall be deemed amended as necessary to remain in accordance with F. S. 718.116 as it exists from time to time.

7.7. LIENS FOR ASSESSMENTS - The unpaid portion of an assessment including an accelerated assessment which is due, together with costs, interest and reasonable attorneys' fees for collection, shall be secured by a lien upon the unit and all appurtenances thereto when a notice claiming the lien has been recorded by the Association in accordance with the requirements of Florida Statute 718.116.

7.8. UNPAID CHARGES - Unpaid charges which are due together with costs, interest and reasonable attorney's fees including appeals for collection shall be the basis for an action at law by the Association against the unit owner.

7.9. COLLECTION - INTEREST; ADMINISTRATIVE LATE FEE; APPLICATION OF PAYMENTS - Assessments paid on or before ten days after the date due shall not bear interest, but all sums not paid on or before ten days shall bear interest at the highest lawful rate from time to time (now 18% per annum) from the date due until paid. In addition to such interest the Association may charge an administrative late fee in an amount not to exceed the greater of \$25.00 or 5% of each installment of the assessment for which payment is late. All payments upon account shall be first applied to interest, then the late fee, then to any costs and reasonable attorney's fees and then to the assessment payment first due. All interest collected shall be credited to the common expense account.

7.10. COLLECTION - SUIT - The Association, at its option, may enforce collection of delinquent assessments by suit at law, by foreclosure of the lien securing the assessments, or by any other remedy available under the laws of the State of Florida, and in any event the Association shall be entitled to recover the payments which are delinquent at the time of collection, judgment or decree, together with those which have become due by acceleration plus interest thereon and all costs incident to the collection and the proceedings, including reasonable attorneys' fees, including appeals. The Association must deliver or mail by certified mail to the unit owner a written notice of its intention to foreclose the assessment lien 30 days before commencing foreclosure, unless Notice of Contest of Lien has been filed. The lien created by F.S. 718.116(5)(a) shall secure only assessments, interest, costs and attorneys fees and not fines, charges or other fees.

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7.11. ACCOUNTS - All sums collected from assessments or charges shall be credited to accounts from which shall be paid the expenses for which the respective assessments or charges are made.

7.12. ASSOCIATION DEPOSITORY - The depository of the Association shall be a bank or banks or state or federal savings and loan associations or a member firm of the New York Stock Exchange with offices in Florida and as shall be designated from time to time by the Directors and in which the monies for the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

7.13. COMMINGLING OF FUNDS PROHIBITED - All funds shall be maintained separately in the Association's name provided that reserve and operating funds may be commingled for purposes of investment, but separate ledgers must be maintained for each account. No manager or business entity required to be licensed or registered under F.S. 468.432, and no agent, employee, officer, or Director of the Association shall commingle any Association funds with his funds or with the funds of any other condominium association or community association as defined in F.S. 468.431.

7.14. FINANCIAL REPORTS - A complete financial report of actual receipts and expenditures of the Association shall be made annually which shall comply with F.S. 718.111(13) or in lieu thereof (if required by Rule 61B-23.004 Florida Administrative Code) a complete set of financial statements. A copy of the report or the financial statements shall be furnished to each member within 30 days after its completion and delivery to the Directors or at the annual meeting. A copy of the financial report must be mailed to the Division of Florida Land Sales, Condominiums and Mobile Homes as required by F. S. 718.111(13).

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7.15. FIDELITY BONDING - The Association shall obtain and maintain blanket fidelity bonding for each person who is authorized to sign checks and the President, Secretary and Treasurer of the Association in an amount not less than \$10,000.00 for each person, but in no event less than the minimum required by the Condominium Act from time to time based upon the total of the Association annual budget, including reserves. The Association shall bear the cost of bonding.

8. PARLIAMENTARY RULES - A parliamentary procedure such as Robert's Rules of Order uniformly applied shall govern the conduct of corporate proceedings when not in conflict with the Declaration, the Articles of Incorporation or By-Laws of the Association or with the laws of the State of Florida.

9. BY- LAW AMENDMENTS - After turnover, amendments to the By-Laws shall be adopted in the following manner:

9.1. NOTICE of the subject matter of a proposed amendment shall be included in the notice of any meeting or the text of any written agreement at which or by which a proposed amendment is considered.

9.2. PROPOSAL OF AMENDMENTS - An amendment may be proposed by either a majority of the Directors or by Twenty-five Percent (25%) of the voting interests.

9.3. ADOPTION OF AMENDMENTS - A resolution or written agreement adopting a proposed amendment must receive approval of sixty-seven percent (67%) of the voting interests of the Association. Prior to turnover, amendments may be adopted by the Board alone.

9.4. EFFECTIVE DATE - An amendment when adopted shall become effective only after being recorded according to law.

9.5. AUTOMATIC AMENDMENT - These By-Laws shall be deemed amended, if necessary, so as to make the same consistent with the provisions of the

Declaration of Condominium, the Association Articles of Incorporation, or the Condominium Act as amended from time to time.

9.6. PROPOSED AMENDMENT FORMAT - Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended. New words shall be underlined and words to be deleted shall be ~~lined through~~ with hyphens. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying, "SUBSTANTIAL REWORDING OF BY-LAW. SEE BY-LAW NUMBER _____ FOR PRESENT TEXT."

10. VOTING ON COMMUNITY ASSOCIATION MATTERS - Each Condominium Unit shall be entitled to one vote as a member of the Fountain Lakes Community Association, Inc. as defined in that certain Declaration of Covenants and Restrictions dated August 11, 1987, as amended, notwithstanding that the same Owner may own more than one Unit or that Units may be joined together and occupied by one Owner. In the event of a Joint ownership of a Condominium Unit, the vote to which that Unit is entitled may be exercised by one of such Joint Owners by agreement of the remainder of the Joint Owners; however, no split voting shall be permitted. The Secretary of the Condominium Association shall tabulate all votes on any Fountain Lakes Community Association, Inc. matter and give the results to the President of the Condominium Association who shall then proceed as provided for in the Community Association documents.

11. MANDATORY ARBITRATION OF DISPUTES - If unresolved, disputes between the Board and unit owners as defined in F.S. 718.1255(1) must be arbitrated in mandatory non-binding arbitration proceedings as provided in the Condominium Act prior to commencing litigation.

The foregoing were adopted as the Amended and Restated By-Laws of SUNGATE
VILLAS AT FOUNTAIN LAKES CONDOMINIUM ASSOCIATION, INC. on this 6th day of
July, 1993.


TORE WISTROM, VICE-PRESIDENT

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