

# **BYLAWS**

BYLAWS  
OF  
ISLAND COVE CONDOMINIUM ASSOCIATION, INC.\*

I. IDENTITY

These are the Bylaws of ISLAND COVE CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida (The "Association"), organized for the purpose of operating that certain condominium located in Brevard County, Florida, and known as ISLAND COVE CONDOMINIUM, (the "Condominium").

1.1 Principal Office. The principal office of the Association shall be at 343 North Tropical Trail, #408, Merritt Island, Florida 32953 or at such other place as may be designated by the Board of Directors.

1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.3 Seal. The seal of the Association shall bear the name of the corporation, the word "Florida", the words "Corporation Not for Profit," and the year of incorporation.

1.4 Definitions. For convenience, these Bylaws shall be referred to as the "Bylaws", the Articles of Incorporation of the Association as the "Articles"; and the Declaration of Condominium for the Condominium as the "Declaration". The other terms used in these Bylaws shall have the same definitions and meaning as those set forth in F.S. Chapter 718, The Condominium Act (the "Act"), as well as those set forth in the Declaration and the Articles, unless provided to the contrary in these Bylaws, or unless the context otherwise requires.

II. MEETING OF MEMBERS AND VOTING

2.1 Annual Meeting. The annual meeting of the members shall be held on the date and at the place and time as determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and no later than 13 months after the last annual meeting. The purpose of the meeting shall be to elect Directors and to transact any other business authorized to be transacted by the members.

2.2 Special Meetings. Special meetings of the members shall be held at such places as provided for annual meetings and may be called by the President or by a majority of the Board of Directors of the Association, and must be called by the President or Secretary on receipt of a written request from at least 10% of the

\* As originally enacted & incorporating those amendments adopted through 3/26/99 and recorded with Brevard County Clerk of Courts

voting interests of the Association. Requests for a meeting by the members shall state the purpose for the meeting and business conducted at any special meeting shall be limited to the matters stated in the notice for it. The provisions of this section, as applicable, shall be modified by the provisions of F.S. 718.112(2)(e), concerning budget meetings; F.S. 718.112(2)(k), concerning recall; and F.S. 718.301(1) and (2), concerning election of Directors by Unit Owners other than the developer.

*Amend #1*

2.3 Notice of Annual Meeting. Written notice, which notice must include an agenda, shall be mailed or delivered to each unit owner at least 14 days prior to the annual meeting and shall be posted in a conspicuous place on the condominium property at least 14 continuous days preceding the annual meeting. A unit owner may waive, in writing, the right to receive notice of the annual meeting. Where a unit is owned by more than one person, the Association shall provide notice, for meetings and all other purposes, to the one address for the owners as shown on the records of the Association; notice to one such owner shall be deemed notice to all owners of the unit. An officer of the Association, or the manager or other person providing notice of the Association meeting, shall provide an affidavit or the United States Postal Service certificate of mailing, to be included in the official records of the Association affirming that the notice was mailed or hand delivered, in accordance with this provision, to each unit owner at the address last furnished to the Association.

Upon 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 unit owner and Board meetings will be posted.

*Amend #1*

2.4 Notice of Special Meeting. Except as modified by the specific requirements for special meetings of the Association as set out in these By-Laws, notice of special meetings of the Association shall be in writing, shall state the place, day and hour of the meeting and the purpose or purposes for which the meeting is called. This notice shall be mailed or delivered to each unit owner at least 14 days prior to the meeting and shall be posted in a conspicuous place on the condominium property at least 14 continuous days preceding the special meeting. The notice shall be given at the direction of the President, the Secretary, or the officer or persons calling the meeting. An officer of the Association, or the manager or other person providing notice of the meeting, shall provide an affidavit of mailing to be included in the official records of the Association affirming that the notice was mailed or hand delivered, in accordance with this provision, to each unit owner of the address last furnished to the Association.

*Budget*

2.5 Notice of Budget Meeting. The Board of Directors shall mail a notice and a copy of the proposed annual budget to the Unit

Owners not less than 14 days before the meeting at which the Board will consider the budget.

2.6 Notice of Budget Meeting: Special Circumstances. If a budget adopted by the Board of Directors requires assessment against the Unit Owners for any calendar year exceeding 115% of assessment for the preceding year (less any lawfully excluded items), the Board, on written application of 10% of the voting interests to the Board, shall call a special meeting of the Unit Owners within 30 days, on not less than 10 days' written notice to each Unit Owner.

*Amend #1*  
2.7 Notice of Meeting to consider Recall of Board Members. A special meeting of the unit owners to recall a member or members of the Board of Directors may be called in the manner provided by Chapter 718, Florida Statutes, and applicable administrative law.

*Amend #1*  
2.8 Notice of Meeting to Elect Nondeveloper Directors. Notice of a meeting to elect a Director or Directors from Unit Owners other than the developer shall be given in the manner provided by Chapter 718, Florida Statutes, and applicable administrative law.

*Amend #1*  
2.9 Quorum. The percentage of voting interests required to constitute a quorum at a meeting of the members shall be a majority of the voting interests. Limited proxies and general proxies may be used to establish a quorum.

Quorum  
22

#### 2.10 Voting.

A. Number of Votes. In any meeting of members, each Unit shall have one voting interest. The vote of a Unit is not divisible.

B. Majority Vote. The acts approved by a majority of the voting interests present in person or by proxy at a meeting at which a quorum is present shall be binding on all Unit Owners for all purposes unless the Act, the Declaration, the Articles, or these Bylaws require a larger percentage, in which case that larger percentage shall control.

2.11 Membership Designation of Voting Members. Persons or entities shall become members of the Association on the acquisition of fee title to a unit in the Condominium after approval of the acquisition in the manner provided in the Declaration. Membership shall be terminated when a person or entity no longer owns a Unit in the Condominium. If a Unit is owned by more than one natural person, or a corporation, partnership or other artificial entity, then the voting interest of that Unit shall be exercised only by such natural person as shall be named in a voting certificate signed by all the natural persons who are owners or by the chief executive officer of the artificial entity and filed with the Secretary of the Association among its official records.

Natural Person  
Voting Certificate

Amend #1

2.12 Proxies; Powers of Attorney. Except as specifically otherwise provided herein, 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. 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 bylaws and for any other matter that 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 matter for which limited proxies are not required, and may also be used for nonsubstantive changes to items for which a limited proxy is required and given. Notwithstanding these provisions, unit owners may vote in person at unit owner meetings.

Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meeting thereof. In no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy is revocable at any time prior to its usage at the pleasure of the unit owner executing it. The proxy shall be signed by the unit owner or by the designated person referred in 2.11, or the duly authorized attorney-in-fact of that person or entity provided the power of attorney is filed with the Secretary of the Association). The proxy shall be filed with the Secretary before the commencement of the meeting for which the proxy is given. Subject to the limitations set forth herein, one holding power of attorney from a Unit Owner, properly executed and granting such authority, may exercise the voting interest of that Unit.

2.13 Adjourned Meetings. 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; except that in those cases where meetings have been called to consider the enactment of a budget to replace a proposed budget which exceeds 115% of the assessments for the preceding year, or to determine to provide no reserves or reserves less adequate than required, they may not be adjourned for lack of a quorum and if a quorum is not present the excessive budget, or the reserves as the case may be, shall go into effect as scheduled. The time and place to which the meeting is adjourned shall be announced at the meeting at which the adjournment is taken and a notice shall be posted in a conspicuous place on the condominium property as soon thereafter as may be practical stating the time and place to which the meeting is adjourned.

2.14 Waiver of Notice. Unit owners may waive their right to receive notice of any meeting, whether annual or special, by a writing signed by them to that effect. The waiver shall be filed

with the Secretary of the Association either before, at or after the meeting for which the waiver is given.

2.15 Action by Members Without a Meeting. Unit owners may take action by written agreement without a meeting, provided written notice is given to the Unit Owners in the manner prescribed elsewhere in these Bylaws appropriate to the subject matter to be agreed on, unless that notice is waived as provided in these Bylaws. The decision of a majority of the Unit Owners, or a larger percentage vote as otherwise may be required by the Act, the Declaration, the Articles or these Bylaws (the decision to be evidenced by written response to be solicited in the notice), shall be binding on the membership. The notice shall set forth a time period within which responses must be made by the members, and responses received after that shall not be considered.

2.16 Minutes of Meetings. The minutes of all meetings of Unit Owners shall be kept in a book open to inspection by any Association member or the authorized representative of such member, and Board members at all reasonable times. The minutes shall be retained by the Association for a period of not less than seven (7) years. Association members and their authorized representatives shall have the right to make or obtain copies at the reasonable expense, if any, of the Association member.

2.17 Order of Business. The order of business at annual meetings of members and as far as practical at other members' meetings, shall be:

- A. Call to order.
- B. Election of a chairman of the meeting, unless the President or Vice President is present, in which case he or she shall preside.
- C. Calling of the roll, certifying of proxies, determination of a quorum.
- D. Proof of notice of meeting or waiver of notice.
- E. Reading and disposal of any unapproved minutes.
- F. Reports of Officers.
- G. Reports of Committees.
- H. Appointment of inspectors of election.
- I. Determination of number of Directors.
- J. Election of Directors.

K. Unfinished Business.

L. New Business.

M. Adjournment.

2.18 Actions Specifically Requiring Unit Owner Approval. The following actions require approval by the Unit Owners and may not be taken by the Board of Directors acting alone:

A. Amendments to the Declaration, except those made by the developer adding a phase to the Condominium and recording a Certificate of Survey or as otherwise provided specifically in the Declaration.

B. Merger of two or more independent condominiums of a single complex to form a single condominium.

C. Purchase of land or recreation lease.

D. Cancellation of grants or reservations made by the Declaration, a lease or other document and any contract made by the Association before the transfer of control of the Association from the Developer to Unit Owners other than the Developer, that provided for operation, maintenance or management of the Condominium Association or property serving the Unit Owners.

E. Exercise of Option to purchase recreational or other commonly used facilities lease.

F. Recall of members of Board of Directors.

G. Other matters contained in the Declaration, the Articles or these Bylaws that specifically require a vote of the members.

### III. DIRECTORS

3.1 Number and Qualifications. The affairs of the Association shall be managed by a Board of five (5) Directors. Directors must be either Unit Owners, officers of a corporate unit owner, or partners of a partnership Unit Owner. No director shall continue to serve on the Board after his ownership interest terminates.

3.2 Election of Directors. Directors shall be elected at the annual meeting of the Unit Owners. The members of the Board of Directors shall be elected by written ballot or voting machine. Proxies shall in no event be used in electing the Board of Directors, either in general elections or elections to fill vacancies caused by recall, resignation or otherwise. Not less than 60 days before a scheduled election, the Association shall mail or deliver, whether by separate association mailing or included in

Amend #1

Amend #1

60 days  
notice

another association mailing or delivery including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or other eligible person may nominate himself or may nominate another unit owner of eligible person, if he has permission in writing to nominate the other person. Any unit owner or other eligible person desiring to be a candidate for the Board of Directors must give written notice to the association not less than 40 days before a scheduled election. Not less than 14 days before the election, the association shall mail or deliver a second notice of the election to all unit owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the association shall include an information sheet, no larger than 8½ inches by 11 inches, which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot, with the costs of mailing and copying to be borne by the association. However, the association has no liability for the contents of the information sheets prepared by the candidates. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors. No unit owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. A unit owner who needs assistance in casting the ballot for the reasons stated in s. 101.051, Florida Statutes, may obtain assistance in casting the ballot. Any unit owner violating this provision may be fined by the association in accordance with s. 718.303, Florida Statutes. Notwithstanding the provisions of this subparagraph, 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.

Amend #2  
Candidate  
40 DAY  
Notice  
14 days  
2nd Notice

3.3 Term. In order to provide a continuity of experience, the first directors elected after the transfer of association control from the developer were created for a term of two and three years so that a system of staggered terms were initiated. Future directors shall serve for a term of three (3) years.

Now - 1 year

3.4 Vacancies. Except as to vacancies resulting from removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by majority vote of the remaining Directors, such vote to occur no sooner than 10 days after written notice to the members of the existence of a vacancy so that members may express their interest in writing in serving the remainder of such vacancy. In the event more than one member gives formal notice in writing to the Board of Directors of an interest in filling such vacancy, then the vacancy shall be filled by election held pursuant to Section 3.2 of these By-Laws. Any Director elected to fill a vacancy shall hold office for the remaining term of the vacating Director.

Board  
Vacancies



*Amend #1*

3.5 Removal. Any member of the Board of Directors may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the unit owners to recall a member or members of the Board of Directors may be called by 10 percent of the voting interests given notice of the meeting as required for a meeting of unit owners, and the notice shall state the purpose of the meeting. If more than one Director is subject to recall, there shall be a separate vote on the question to remove each Director. Reference should be made to the specific provisions of the Act contained in Section 718.112 in the case of recall by an agreement in writing or a disputed recall.

If the recall is approved by the majority of all voting interests by a vote at the meeting, the recall will be effective immediately, and the recalled member or members of the Board of Directors shall turn over to the Board any and all records of the association in their possession within 72 hours after the meeting.

If a vacancy occurs on the board as the result of a recall and less than a majority of the board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors. If vacancies occur on the board as a result of recall and a majority or more of the board members are removed, the vacancies shall be filled in accordance with procedural rules of the Florida Administrative Code.

3.6 Disqualification and Resignation. Any Director may resign at any time by sending or personally delivering a written notice of resignation to the Association, addressed to the Secretary. The resignation shall take effect on receipt by the Secretary, unless it states differently. Any board member elected by the Unit Owners who is absent from more than three consecutive regular meetings of the Board, unless excused by resolution of the Board, shall be deemed to have resigned from the Board of Directors automatically, effective when accepted by the Board. Any Board member more than 30 days delinquent in the payment of an assessment shall be deemed to have resigned from the Board, effective when the resignation is accepted by the Board of Directors.

3.7 Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within 10 days of their election at a place and time that shall be fixed by the Directors at the meeting at which they were elected and without further notice, except notice to Unit Owners required by F.S. 718.112(2)(c).

*Amend #1*

3.8 Regular Meetings. The Board of Directors may establish a schedule of regular Board meetings to be held at a time and place as a majority of them shall determine from time to time. Notice of regular meetings, however, shall be given to each Director personally or by mail, telephone or facsimile, at least two (2) days

before the day named for the meeting. Adequate notice of all meetings which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the condominium property at least 48 continuous hours preceding the meeting except in an emergency. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one of the members of the board.

Notice of any meeting in which regular assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. However, written notice of any meeting at which nonemergency special assessments or at which amendments to rules regarding unit use will be considered, shall be mailed or delivered to the unit owners and posted conspicuously on the condominium property not less than 14 days prior to the meeting. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the person providing the notice and filed among the official records of the condominium.

SPEC. ASSES  
AMENDS

Upon 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 will be posted.

Amend #1

3.9 Special or Emergency Meetings. Special meetings of the Board of Directors may be called by the President and, in his absence, by the Vice President, and must be called by the Secretary at the written request of one-third of the Directors. Notice of the meeting shall be given to each Director personally or by mail, telephone or facsimile. The notice shall state the time, place and purpose of the meeting. A copy of the notice of any special meeting shall be posted conspicuously on the Condominium property at least 48 hours before the meeting, except for an Emergency meeting. Any action at an emergency meeting shall be included in the notice of and ratified at the next regular meeting of the Board.

3.10 Waiver of Notice. Any Director may waive notice of a meeting before, at or after the meeting and that waiver shall be deemed equivalent to the giving of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of the meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

3.11 Quorum. A quorum at the meetings of the Directors shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Declaration, the Articles or these Bylaws.

3.12 Adjourned Meetings. If there is less than a quorum present at any meeting of the Board of Directors, the majority of those present may adjourn the meeting until a quorum is present. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

*Amend #1*  
3.13 No Proxy. Directors may not vote by proxy or by secret ballot at board meetings, except that officers may be elected by secret ballot.

*Amend #1*  
3.14 Presumed Assent. A director of the association who is present at a meeting of its board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. A vote or abstention for each member present shall be recorded in the minutes.

3.15 Joinder in Meeting by Approval of Minutes. A Director may join in the action of a meeting by signing and concurring the minutes of that meeting. That concurrence, however, shall not constitute the presence of that Director for the purpose of determining a quorum.

3.16 Attendance by Conference Telephone. When telephone conference is used, a telephone speaker shall be attached so that the discussion may be heard by the Board members and by any Unit Owners present in an open meeting. Board members utilizing telephone conference calls may be counted toward obtaining a quorum and may vote over the telephone.

*Amend #1*  
3.17 Meetings Open to Members. Meetings of the Board of Directors and any committee thereof at which a quorum of the members of that committee is present shall be open to all unit owners. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items. The association may adopt reasonable rules governing the frequency, duration and manner of unit owner statements. Any unit owner may tape record or videotape meetings of the Board of Directors.

3.18 Presiding Officer. The presiding officer at Board meetings shall be the President or, in his absence, the Vice President, and in his absence, the Directors present shall designate any one of their number to preside.

3.19 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book open to inspection by any Association member or the authorized representative of such member and Board members at all reasonable times. The Association shall retain these minutes for a period of not less than seven years. Association members and their authorized representatives shall have

the right to make or obtain copies, at the reasonable expense, if any, of the Association member.

EXECUTIVE  
COMMITTEE  
Board Members

3.20 Executive Committee. The Board of Directors, by resolution, may appoint an executive committee to consist of three or more members of the Board. The executive committee shall have and may exercise all of the powers of the Board in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board insofar as may be permitted by law. The executive committee, however, shall not have power to: (a) determine the common expenses required for the operation of the Condominium; (b) determine the assessments payable by the Unit Owners to meet the common expenses of the Condominium; (c) adopt or amend rules and regulations covering the details of the operation and use of the Common Elements; (d) purchase, lease or otherwise acquire Units in the Condominium in the name of the Association; (e) approve any actions or proposals required by the Act, the Declaration, the Articles or these Bylaws to be approved by Unit Owners; or (f) fill vacancies on the Board of Directors. Meetings of the executive committee shall be open to Unit Owners.

3.21 Compensation. Directors shall serve without pay but shall be entitled to reimbursement for expenses reasonably incurred in the discharge of their duties.

3.22 Order of Business. The order of business at meetings of Directors shall be:

- A. Calling of roll
- B. Proof of notice of meeting or waiver of notice
- C. Reading and disposal of any unapproved minutes
- D. Reports of officers and committees
- E. Election of Directors
- F. Unfinished Business
- G. New Business
- H. Adjournment

3.23 Election of Directors by Unit Owners Other than the Developer.

A & B Deleted

C. Developer Member. The developer is entitled to elect at least one member of the Board of Directors as long as the

Developer holds for sale in the ordinary course of business at least 5% of the Units that ultimately will be operated by the Association.

D. & E Deleted

F. Compelling Compliance. In any action brought to compel compliance with F.S. 718.301 regarding transfer of Association control and election of Directors by Unit Owners other than the Developer, the summary procedure provided for in F.S. 51.011 may be employed, and the prevailing party shall be entitled to recover reasonable attorneys' fees.

G. Early Transfer. Nothing contained in this 3.23 shall be deemed to prevent the Developer from transferring control of the Association to Unit Owners other than the Developer before the occurrence of the events described in this section.

3.24 Failure to Elect Director Quorum. If the Association or the Board of Directors fails to fill vacancies on the Board of Directors sufficient to constitute a quorum, any Unit Owner may apply to the circuit court within whose jurisdiction the Condominium is situated for the appointment of a receiver to manage the affairs of the Association, in the manner prescribed in the Act. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs and attorneys' fees. The receiver shall have all the powers and duties of a duly constituted Board of Directors and shall serve until the Association fills vacancies on the Board sufficient to constitute a quorum.

#### IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association existing under the Act, the Declaration, the Articles and these Bylaws 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 that approval is specifically required. The powers and duties of the Board shall include, but shall not be limited to, the following:

4.1 Maintenance, Management and Operation of the Condominium Property.

4.2 Contract, Sue or be Sued. After control of the Association is obtained by Unit Owners other than the Developer, the Association may institute, maintain, settle, or appeal actions or hearings in its name on behalf of all Unit Owners concerning matters of common interest, including but not limited to the common elements and commonly-used facilities. The statute of limitations for any actions in law or equity that the Association may have shall not begin to run until the Unit Owners have elected a majority of the members of the Board Or Directors.

4.3 Right of Access to Units. The Association has the irrevocable right of access to each Unit during reasonable hours as necessary for the maintenance, repair, or replacement of any common elements or for making emergency repairs necessary to prevent damage to the common elements or to another Unit or Units.

4.4 Make and Collect Assessments.

4.5 Lease, Maintain, Repair and Replace the Common Elements.

4.6 Lien and Foreclosure for Unpaid Assessments. The Association has a lien on each Condominium parcel for any unpaid assessments with interest and for reasonable attorneys' fees incurred in the collection of the assessment or enforcement of the lien. It also has the power to purchase the Condominium parcel at the foreclosure sale and to hold, lease, mortgage, or convey it.

4.7 Purchase Unit. In addition to its right to purchase units at a lien foreclosure or to take title by deed, the Association generally has the power to purchase units in the condominium and to acquire, hold, lease, mortgage, and convey them.

4.8 Grant or Modify Easements. The Association, without the joinder of any Unit Owner, may grant, modify, or move any easement if the easement constitutes part of or crosses common elements.

Amend #2  
4.9 Purchase Land or Recreation Lease. Any land or recreation lease may be purchased by the Association on the approval of 66 percent of the voting interests of the Association.

Amend #1  
Amend #2  
4.10 Acquire Title to Property. The association has the power to acquire title to property or otherwise hold, convey, lease and mortgage association property for the use and benefit of its members. The power to acquire personal property shall be exercised by the Board of Directors. Except as otherwise provided in Bylaw 4.7 and 4.9, the association may acquire, convey, lease, or mortgage association real property only with the approval of 66 percent of the total voting interests.

4.11 Authorize Certain Amendments. If it appears that through a drafter's error in the Declaration that the common elements, common expenses, or common surplus has been stated or distributed improperly, an amendment to the Declaration correcting that error may be approved by the Board of Directors or a majority of the voting interests.

4.12 Adopt Rules and Regulations. The Association may adopt reasonable rules and regulations for the operation and use of the common elements, common areas, and recreational facilities serving the Condominium.

4.13 Maintain Official Records. The Association shall maintain all of the records, where applicable, set forth in Article IX of these Bylaws, which shall constitute the official records of the Association.

4.14 Obtain Insurance. The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association, the Association property and the Condominium property.

*Amended*  
4.15 Financial Reports. Within 60 days following the end of such fiscal year, the Board of Directors shall mail or furnish by personal delivery to each Unit Owner, and to the Division of Florida Land Sales, a complete financial report of actual receipts and expenditures for the previous 12 months.

4.16 Give Notice of Liability Exposure. If the Association may be exposed to liability in excess of insurance coverage in any legal action, it shall give notice of the exposure to all Unit Owners, who shall have the right to intervene and defend.

4.17 Provide Certificate of Unpaid Assessment. Any Unit Owner or unit mortgagee has the right to request from the Association a certificate stating all assessments and other monies owed to the Association with respect to the Condominium parcel.

4.18 Pay the Annual Fee to the Division of Florida Land Sales, Condominiums, and Mobile Homes for Each Residential Unit Operated by the Association.

4.19 Contract for Operation, Maintenance, and Management of the Condominium.

4.20 Pay Taxes or Assessments Against the Common Elements or Association Property.

4.21 Pay Costs of Utilities Service Rendered to the Condominium and Association Property and Not Billed Directly to Individual Owners.

4.22 Employ Personnel. The Association may employ and dismiss personnel as necessary for the maintenance and operation of the Condominium property and retain those professional services that are required for those purposes.

4.23 Impose Fines. The Board of Directors may impose fines on Unit Owners in such reasonable sums as they may deem appropriate, not to exceed \$50 for violations of the Declaration, these Bylaws or lawfully adopted rules and regulations, by Owners or their guests or tenants. See 7.9

4.24 Authorized Private Use of the Common Elements. The Board of Directors may authorize Unit Owners or others to use portions of

the Common Elements for private parties and gatherings. Reasonable charges may be imposed provided a written acknowledgment of same is entered into between the Association and the Unit Owner.

4.25 Repair or Reconstruct Improvements After Casualties.

4.26 Lien for Labor and Materials Furnished to the Common Elements. Labor performed on or materials furnished to the Common Elements; if authorized by the Board of Directors, may be the basis for the filing of a lien against all Condominium parcels in the proportions for which the Owners are liable for Common Expenses.

*Amended* 4.27 Written Complaints. When a unit owner files a written complaint by certified mail with the Board of Directors, the Board shall respond to the unit owner within 30 days of receipt of the complaint. The board shall give a substantive response to the complainant, notifying the complainant that a legal opinion has been requested, or notify the complainant that advice has been requested from the Division of Florida Land Sales.

V. OFFICERS

*Must be Board of Directors member see 3.20*

*EXECUTIVE OFFICERS Board Member See 3.20*

5.1 Executive Officers. The executive officers of the Association shall be a President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer, a Secretary and an Assistant Secretary. The officers shall be elected annually by the Board of Directors and may be removed without cause at any meeting by a vote of a majority of all of the Directors. A person may hold more than one office except that the President may not also be the Secretary or Assistant Secretary. No person shall sign an instrument nor perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that usually are vested in the office of president of an Association, including but not limited to the power to appoint committees from among the members to assist in the conduct of the affairs of the Association as he in his discretion may determine appropriate. He shall preside at all meetings of the Board.

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

5.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the serving of all notices to the members and Directors and other



notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association and as may be required by the Directors or the President.

5.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. He shall submit a treasurer's report to the Board at reasonable intervals and shall perform all other duties incident to the office of treasurer. All money and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board.

5.6 Compensation. The compensation, if any, of all officers and other employees of the Association shall be fixed by the Board of Directors. This provision shall not preclude the Board from employing a Director as an employee of the Association or preclude the contracting with a Director for the management of the Condominium.

## VI. FISCAL MANAGEMENT

6.1 Board Adoption of Budget. The Board of Directors shall adopt a budget for the common expenses of the Association in advance of each fiscal year at a special meeting of the Board called for that purpose at least 45 days before the end of each fiscal year.

6.2 Budget Requirements. The proposed annual budget of common expenses shall be detailed and shall show the amount budgeted by accounts and expense classifications, including, when applicable, but not limited to:

- A. Administration of the Association
- B. Management fees
- C. Maintenance
- D. Taxes on Association property
- E. Insurance
- F. Security provisions
- G. Other expenses

Budget  
Before  
Nov 14  
Amended

H. Operating capital

I. Fees payable to the Division of Florida Land Sales, Condominiums, and Mobile Homes

<sup>Amend #1</sup> J. Reserve accounts for capital expenditures and deferred maintenance, including, but not limited to, roof replacement, building painting, and pavement resurfacing. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item. Reserves must be included in the proposed annual budget. Reserves

Reserve funds and any interest accruing thereon shall remain in the reserve account for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of a majority of the voting interests present at a duly called meeting of the association.

Reserves may only be waived or reduced upon a vote of a majority of voting interests present at a duly called unit owners meeting of the association.

6.3 Notice of Budget Meeting. The Board of Directors shall mail a meeting notice and copies of the proposed annual budget to the Unit Owners not less than 14 days before the meeting at which the budget will be considered. The meeting shall be open to all the Unit Owners. Budget

6.4 Member Rejection of Certain Budgets. If a budget adopted by the Board of Directors requires assessment against the Unit Owners in any fiscal year exceeding 115% of the assessment for the previous year, the Board, on written application of 10% of the voting interests shall call a special meeting of the Unit Owners within 30 days. The special meeting shall be called on not less than ten days written notice to each Unit Owner. At the special meeting, Unit Owners shall consider and enact a budget by not less than a majority of all voting interests. If at the special meeting, a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board of Directors shall go into effect as scheduled. Provisions for reasonable reserves for repair or replacement of the Condominium property, nonrecurring expenses and assessments for betterment to the Condominium property shall be excluded from the computation in determining whether assessments exceed 115% of similar assessments in the previous year.

6.5 Alternative Budget Adoption by Members. At its option, for any fiscal year, the Board of Directors may propose a budget to the Unit Owners at a meeting of members or in writing. If the proposed budget is approved by the Unit Owners at the meeting or by a majority of all voting interests in writing, the budget shall be adopted.

6.6 Budget Restraints on Developer. As long as the Developer is in control of the Board of Directors, the Board shall not impose an assessment for any year greater than 115% of the previous year's assessment without approval of a majority of all voting interests other than those held by the Developer.

Amend #1  
6.7 Accounting Records. Accounting records for the association shall be maintained according to good accounting practices. All accounting records shall be maintained for a period of not less than 7 years. The accounting records shall include, but are not limited to:

A. Accurate, itemized, and detailed records of all receipts and expenditures.

B. A current account and a monthly, bimonthly, or quarterly statement of the account for each unit designating the name of the unit owner, the due date and the amount of each assessment, the amount paid upon the account and the balance due.

C. All audits, reviews, accounting statements, and financial reports of the association or condominium.

D. All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one (1) year.

E. All funds shall be maintained separately in the association's name. Reserve and operating funds of the association may be co-mingled for purposes of investment, but separate ledgers must be maintained for each account.

6.8 Depository. The depository of the Association shall be those banks or savings and loan associations, state or federal, located in Florida, as shall be designated from time to time by the Board of Directors and in which the money for the Association shall be deposited. Withdrawal of money from those accounts shall be only by checks or other withdrawal instruments signed by those persons as are authorized by the Directors.

6.9 Fidelity Bonding. Each officer and Director of the Association who controls or disburses its funds shall be bonded by a fidelity bond in the principal sum of not less \$10,000. The cost of bonding shall be at the expense of the Association.

6.10 Annual Election of Income Reporting Method. The Board of Directors shall make a determination annually, based on competent advice, whether it shall cause the Association's income to be reported to the Internal Revenue Service by the "regular" method (Federal Tax Form 1120) or the "alternative" method (Federal Tax Form 1120H), according to which method of reporting shall best serve

the interests of the Association for the reporting period under consideration.

## **VII. ASSESSMENTS AND COLLECTION**

**7.1 Assessments, Generally.** The annual assessment made against the Units shall be paid in monthly installments due the first day of each month. The assessments shall be made in an amount no less than that required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred.

**7.2 Special Assessments.** The specific purpose or purposes of any special assessment, including emergency assessments, that cannot be paid from the annual assessment for Common Expenses, as determined by the Board of Directors, shall set forth in a written notice of such assessment sent or delivered to each Unit Owner. The notice shall be sent or delivered within such time before the payment or initial payment thereunder shall be due, as may be reasonable or practicable in the circumstances. Special assessments shall be paid at the time and in the manner that the Board may require in the notice of the assessment. The funds collected pursuant to a special assessment shall be only used for the specific purpose or purposes set forth in such notice, or returned to the Unit Owners. Upon completion of such specific purpose or purposes, however, any excess funds shall be considered Common Surplus.

**7.3 Charges for Other than Common Expenses.** Charges by the Association against individual members for other than Common Expenses shall be payable in advance and the billing and collection thereof may be administered by the Association. Charges for other than Common Expenses may be made only after approval of a member or when expressly provided for in the Declaration or other Condominium documents. These charges may include, without limitation, charges for the private use of the Condominium property or recreation area, maintenance services furnished at the expense of a member and other services furnished for the benefit of a member. The provisions of 7.7 shall not apply to the charges described herein.

**7.4 Liability for Assessments.** Each Unit Owner, regardless of how title is acquired, shall be liable for all assessments coming due while he is the unit owner. The Unit Owner and his grantee in a voluntary conveyance shall be jointly and severally liable for all unpaid assessments due and payable up to the time of the transfer of title. A first mortgagee or other purchaser of a Condominium Unit who obtains title to the Condominium parcel by a purchase at the public sale resulting from the first mortgagee's foreclosure judgment in a foreclosure suit in which the Association has been properly named as a defendant junior lienholder, or who obtains title as a result of a deed given in lieu of foreclosure, together with his successors and assigns, shall not be liable for the share of Common Expenses or assessments attributable to the Condominium

parcel or chargeable to the former Unit Owner of the parcel which became due prior to acquisition of title as a result of the foreclosure, unless the share is secured by a claim of lien for assessments that is recorded before the recording of the foreclosed mortgage. The unpaid share of Common Expenses or assessments are Common Expenses collectible from all of the Unit Owners, including such acquirer and his successors and assigns. The liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Element or by abandonment of the Unit for which the assessments are made.

**7.5 Assessments, Amended Budget.** If the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the year for which an amended assessment is made shall be payable in as many equal installments as there are installment payment dates remaining in the budget year as of the date of the amended assessment. The budget shall not be amended for emergency or special nonrecurring expenses.

*Amended*  
**7.6 Collection: Interest Application of Payment.** Assessments and installments on them, if not paid within ten days after the date they become due, shall bear interest at the rate of 18% per year until paid. Also, there will be an administrative late fee of the greater of \$25.00 or five (5) percent of each installment of the assessment for each delinquent installment that the payment is later than the 10th of the month when due. All assessment payments shall be applied first to interest and then to the assessment payment due.

**7.7 Lien for Assessment.** The Association has a lien on each Condominium parcel for any unpaid assessments with interest and for reasonable attorneys' fees incurred by the Association incident to the collection of the assessment or enforcement of the lien. The lien is effective from and after recording a claim of lien in the public records of Brevard County. No such lien shall continue for a period longer than one year after the claim of lien has been recorded, unless within that time an action to enforce the lien is commenced in a court of competent jurisdiction. The claim of lien shall secure all unpaid assessments, interest, costs, and attorneys' fees which are due and which may accrue after the recording of the claim of lien and before the entry of a final judgment of foreclosure. The lien is subordinate to any mortgage on the Condominium parcel recorded before it.

**7.8 Collection: Suit, Notice.** The Association may bring an action to foreclose any lien for assessments in the manner that a mortgage of real property is foreclosed. It also may bring an action to recover a money judgment for the unpaid assessment without waiving any claim of lien. The Association shall give notice to the Unit Owner of its intention to foreclose its lien at least 30 days before the foreclosure action is filed. The notice shall be given

by delivery of a copy of it to the Unit Owner or by certified or registered mail, return receipt requested, addressed to the Unit Owner at the last known address.

7.9 Fines. Before levying a fine pursuant to 4.23, the Board of Directors shall afford an opportunity for hearing to the party against whom the fine is sought to be levied, after reasonable notice of not less than 14 days. The notice shall include:

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

B. a statement of the provisions of the Declaration, these Bylaws and lawfully adopted rules and regulations which have allegedly been violated; and

C. a short and plain statement of the matters asserted by the Association. The party against whom the fine 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. Upon the levying of any fine, the Board may collect such fines like assessments in one or more installments. Each day of violation shall be a separate violation. The affected Unit Owner, whether the offending party or not, shall always be given notice of the hearing. No fine shall become a lien against a Unit. No fines may be levied against unoccupied Units.

#### VIII. ASSOCIATION CONTRACTS, GENERALLY

8.1 Fair and Reasonable, Cancellation. Any contracts made by the Association before the Unit Owners assume control from the Developer must be fair and reasonable. All contracts for the operation, maintenance or management of the Association or property serving the Unit Owners, made by the Association, whether before or after assumption of control of the Association by the Unit Owners, must not be in conflict with the powers and duties of the Association or the rights of the Unit Owners. Contracts made by the Association before the Unit Owners assume control may be cancelled by the Unit Owners after the assumption of control in the manner and under the circumstances as provided in the Act.

8.2 Escalation Clauses in Management Contracts Prohibited. No management contract entered into by the Association shall contain an escalation clause, since they have been declared to be against the public policy of the State of Florida.

8.3 Requirements for Maintenance and Management Contracts. Written contracts for operation, maintenance and management entered into by the Association must contain certain elements in order to be valid and enforceable. These include, but are not limited to:

- A. Specification of the services, obligations, and responsibilities of the service provider.
- B. Specification of costs for services performed.
- C. An indication of frequency of performance of services.
- D. Specification of minimum number of personnel to provide the services contracted for.
- E. The disclosure of any financial or ownership interest that the Developer has in the service provided, if the Developer is in control of the Association.

#### 8.4 Contracts for Products and Services.

*Amend #1*

A. All contracts as further described herein or any contract that is not to be fully performed within one year after the making thereof, for the purchase, lease, or renting of materials or equipment to be used by the association in accomplishing its purposes and all contracts for the provision of services, shall be in writing. If a contract for the purchase, lease, or renting of materials or equipment, or for the provision of services, requires payment by the association on behalf of any condominium operated by the association in the aggregate that exceeds 5 percent of the total annual budget of the association, including reserves, the association shall obtain competitive bids for the materials, equipment, or services. Nothing contained herein shall be construed to require the association to accept the lowest bid.

B. Notwithstanding the foregoing, contracts with employees of the association, and contracts for attorney, accountant, architect, engineering and landscape architect services are not subject to the provisions in this section.

C. A contract executed before January 1, 1992, and any renewal thereof, is not subject to the competitive bid requirements of this section. If a contract was awarded under the competitive bid procedures of this section, any renewal of that contract is not subject to such competitive bid requirements if the contract contains a provision that allows the board to cancel the contract on 30 days' notice. Materials, equipment or services provided to a condominium under a local government franchise agreement by a franchise holder are not subject to competitive bid requirements of this section. A contract with a manager, if made by a competitive bid, may be made for up to three (3) years.

D. Nothing contained herein is intended to limit the ability of the association to obtain needed products and services in an emergency.

E. This section (8.4) shall not apply if the business entity with which the association desires to enter into a contract is the only source of supply within the county serving the association.

*Amended*

## IX. ASSOCIATION OFFICIAL RECORDS

The Association, from its inception, shall maintain each of the following items when applicable, which shall constitute the official records of the Association:

A. A copy of the plans, permits, warranties and other items provided by the Developer pursuant to F.S. 718.301(4) of the Act.

B. A photocopy of the recorded Declaration of Condominium and all amendments thereto.

C. A photocopy of the recorded Bylaws of the Association and all amendments thereto.

D. A certified copy of the Articles of Incorporation of the Association and all amendments thereto.

E. A copy of the current rules of the Association.

F. A book or books containing the minutes of all meetings of the Association, of the Board of Directors and of Unit Owners, which minutes shall be retained for a period of not less than seven years.

G. A current roster of all Unit Owners, their mailing addresses, Unit identification, voting certifications, and, if known, telephone numbers. Additionally, the Association may require a copy of the deed or other instrument showing each Unit's ownership, together with a copy of any mortgage on the Unit and any satisfaction of that mortgage.

H. All current insurance policies affording coverage to the Association and its officers, directors and members.

I. A current copy of any management agreement, lease or other contract to which the Association is a party or under which the Association or the Unit Owners have an obligation or responsibility.

J. Bills of sale or transfer for all property owned by the Association.

K. The accounting records required in 6.7.



*Amend #1*  
L. Ballots, sign-in sheets, voting proxies, and all other papers to voting by unit owners, which shall be maintained for a period of one year from the date of the election, vote or meeting to which the documents relate.

*Amend #1*  
M. A copy of the current Question and Answer sheet as described by s.718.504.

*Amend #1*  
N. All other records of the association not specifically included in the foregoing which are related to the operation of the association.

*Amend #1*  
9.1 The official records of the association shall be maintained within the state. The records of the association shall be made available to a unit owner within five (5) working days after receipt of written request by the board or its designee. This paragraph may be complied with by having a copy of the official records of the association available for inspection or copying on the condominium property or association property.

*Amend #2*  
9.2 The official records of the association are open to inspection by any association member or the authorized representative of such member at all reasonable times. The right to inspect the records included the right to make or obtain copies, at the reasonable expense, if any, of the association member. The association may adopt reasonable rules regarding the frequency, time, location, notice and manner of record inspections and copying. The failure of an association to provide the records within ten (10) working days after receipt of a written request shall create a rebuttable presumption that the association willfully failed to comply with this paragraph. A unit owner who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply with this paragraph. The minimum damages shall be \$50 per calendar day up to ten (10) days, the calculation to begin on the 11th working day after receipt of the written request. The failure to permit inspection of the association records as provided herein entitles any person prevailing in an enforcement action to recover reasonable attorney's fees from the person in control of the records who, directly or indirectly, knowingly denied access to the records for inspection. The association shall maintain an adequate number of copies of the Declaration, Articles of Incorporation, Bylaws, and rules and all amendments to each of the foregoing as well as the question and answer sheet provided for in s 718.504 on the condominium property to ensure their availability to unit owners and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the same. Notwithstanding the provisions of this paragraph, the following records shall not be accessible to unit owners:

1. A record which was prepared by an association attorney or prepared at the attorney's express direction, which

reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the association and which was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings, or which was prepared in anticipation of imminent civil or criminal litigation or imminent adversarial administrative proceedings until the conclusion of the litigation or adversarial administrative proceedings.

2. Information obtained by an association in connection with the approval of the lease, sale, or other transfer of a unit.

3. Medical records of unit owners.

9.3 The association shall prepare a question and answer sheet as described in S. 718.504, and shall update it annually.

#### **X. OBLIGATIONS OF OWNERS**

*Amended* 10.1 Each unit owner, each tenant and other invitee, and each association shall be governed by, and shall comply with the provisions of the Act, the Declaration, the documents creating the association, and the association Bylaws and the provisions thereof shall be deemed expressly incorporated into any lease of unit. Actions for damages or for injunctive relief, or both for failure to comply with these provisions may be brought by the association or by a unit owner against:

(a) The association.

(b) A unit owner.

(c) Directors designated by the developer, for actions taken by them prior to the time control of the association is assumed by unit owners other than the developer.

(d) Any director who willfully and knowingly failed to comply with these provisions.

(e) Any tenant leasing a unit, and any other invitee occupying a unit.

The prevailing party in any such action or in any action in which the purchaser claims a right of voidability based upon contractual provisions as required in s. 718.503(1)(a) is entitled to recover reasonable attorney's fees. A unit owner prevailing in an action between the association and the unit owner under this section, in addition to recovering his reasonable attorney's fees, may recover additional amounts as determined by the court to be necessary to reimburse the unit owner for his share of assessments levied by the association to fund its expenses of the litigation. This relief does not exclude other remedies provided by law.

Amend #1  
10.2 A provision of the Act may not be waived if the waiver would adversely affect the rights of a unit owner or the purpose of the provision, except that unit owners or members of a Board of Directors may waive notice of specific meetings in writing if provided by the bylaws. Any instruction given in writing by a unit owner or purchaser to an escrow agent may be relied upon by an escrow agent, whether or not such instruction and the payment of funds thereunder might constitute a waiver of any provision of the Act.

Amend #3  
10.3 If the declaration or bylaws so provide, the association may levy reasonable fines against a unit for the failure of the owner of the unit, or its occupant, licensee, or invitee, to comply with any provision of the declaration, the association bylaws, or reasonable rules of the association. No fine will become a lien against a unit. No fine may exceed \$100 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, provided that no such fine shall in the aggregate exceed \$1,000. No fine may be levied except after giving reasonable notice and opportunity for a hearing to the unit owner and, if applicable, its licensee or invitee. The hearing must be held before a committee or other unit owners. If the committee does not agree with the fine, the fine may not be levied. The provisions of this subsection do not apply to unoccupied units.

## **XI. ARBITRATION OF INTERNAL DISPUTES**

Internal disputes, arising from the operation of the Condominium, among Unit Owners, the Association, their agents, and assigns may be resolved by voluntary binding arbitration. Arbitrators shall be provided by the Division of Florida Land Sales, Condominiums, and Mobile Homes pursuant to F.S. 718.1255. Each party to the dispute first must agree to the arbitration process and, in such case, the arbitrator's decision will be final. If judicial proceedings are taken after arbitration, the arbitrator's final decision will be admissible in evidence. Any party may seek enforcement of the arbitrator's final decision in a court of competent jurisdiction. Nothing in this article shall preclude any party from proceeding alternatively in the manner prescribed in Article X above.

## **XII. LIABILITY SURVIVES MEMBERSHIP TERMINATION**

Termination of membership in the Association shall not relieve or release a former member from any liability or obligation incurred with respect to the Condominium during the period of membership, nor impair any rights or remedies that the Association may have against the former member arising out of his membership and his covenants and obligations incident to that membership.

**XIII. LIMITATIONS ON UNIT OWNER  
LIABILITY FOR USE OF COMMON ELEMENTS**

Each Unit Owner may be personally liable for the acts or omissions of the Association relating to the use of the Common Elements. That liability shall be shared with other Unit Owners in the same percentages as their respective interests in the Common Elements. No individual Unit Owner's liability shall exceed the value of his unit.

**XIV. PARLIAMENTARY RULES**

ROBERTS' RULES OF ORDER (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Act, the Declaration, the Articles, or these Bylaws.

**XV. RULES AND REGULATIONS**

**15.1 Board may Adopt.** The Board of Directors may adopt and amend, from time to time, reasonable rules and regulations governing the details of the use and operation of the Common Elements, Association property, and recreational facilities serving the Condominium.

**15.2 Posting and Furnishing Copies.** A copy of the rules and regulations adopted from time to time by the Board of Directors, and any amendments to existing rules and regulations, shall be posted in a conspicuous place on the Condominium property and a copy furnished to each Unit Owner. No rule, regulation, or amendment shall become effective until 30 days after posting, except in the case of an emergency, in which case the rule, regulation, or amendment shall be come effective immediately on posting.

**15.3 Limitations on Authority.** The Board of Directors may not unreasonably restrict any Unit Owner's right to peaceably assemble or right to invite public officers or candidates for public office to appear and speak in Common Elements, Association property, common areas, and recreational facilities. The Board may not deny any resident of the Condominium, whether tenant or owner, access to any available franchised or licenses cable television service or exact charge or anything of value in excess of charges normally paid for like services by residents of single-family homes within the same franchise or license area.

**15.4 Reasonableness Test.** Any rule or regulation created and imposed by the Board of Directors must be reasonable related to the promotion of the health, happiness, and peace of mind of the Unit Owners and uniformly applied to enforced.

**XVI. RESTRICTIONS ON AND REQUIREMENTS FOR  
USE, MAINTENANCE AND APPEARANCE OF THE UNITS**

16.1 Where Contained. Restrictions on the use, maintenance, and appearance of the individual Condominium Units shall be as stated in the Declaration and no amendments to such restrictions shall be contained elsewhere than in the Declaration as adopted by a vote of the Unit Owners conducted in the manner prescribed elsewhere in these Bylaws.

16.2 Tests for Validity of Restrictions. Restrictions contained in the Declaration and any amendments duly adopted by a vote of the Unit Owners shall be valid and in the nature of covenants running with the land, unless it is shown that they: (1) are wholly arbitrary in their application; (2) are in violation of public policy; or (3) abrogate some fundamental constitutional right.

**XVII. BYLAWS DEEMED AMENDED**

These Bylaws shall be deemed amended in those particulars as may be required to make them consistent with the provisions of the Act, as it may be amended from time to time.

**XVIII. PRIORITIES IN CASE OF CONFLICT**

In the event of a conflict between or among the provisions of any of the following, the order of priorities shall be, from highest priority to lowest:

- A. The Act
- B. The Declaration
- C. The Articles
- D. These Bylaws
- E. The rules and regulations

**XIX. INDEMNIFICATION**

Every officer and Director of the Association shall be indemnified by the Association against all expenses and liabilities, including reasonable attorneys' fees incurred and imposed in connection with any proceedings to which he may be a party, or in which he may become involved by reason of his being or having been an officer or Director of the Association, whether or not he is an officer or Director at the time the expenses are incurred. The officer or Director shall not be indemnified if he is adjudged guilty of gross negligence or willful misconduct or shall have breached his fiduciary duty to the members of the Association. The

Association shall not be liable, however, for payment of a voluntary settlement unless it is first approved by the Board of Directors. The foregoing rights shall be in addition to and not exclusive of all other rights to which the Director or officer may be entitled.

## **XX. DEFECTIVE CONDOMINIUM DOCUMENTS, CURATIVE PROVISIONS**

Pursuant to F.S. 718.110(10) of the Act, the Association or a Unit Owner may petition the circuit court to correct an error or omission in the Declaration or any other documents required to establish the Condominium, affecting its valid existence, and which errors or omissions are not correctable by the amendment procedures in the Declaration or the Act. In any case, after three years from the filing of the Declaration it shall be deemed to be effective under the Act to create a Condominium, whether in fact it substantially complies with the mandatory requirements of the Act or not.

## **XXI. AMENDMENTS**

*Dec. 19*

Amendments to these Bylaws shall be proposed and adopted in the following manner:

21.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.

21.2 Adoption. An amendment may be proposed either by a majority of the Board of Directors or by not less than one third of the voting interests of the Association. The amendment shall be adopted if it is approved by not less than two thirds of the voting interests of the Association.

21.3 Limitation. No amendment shall be made that is in conflict with the Act or the Declaration, nor shall any amendment abridge, alter or amend the rights of the Developer or mortgagees of Units without their consent.

21.4 Recording. A copy of each amendment shall be attached to or included in a certificate certifying that the amendment was duly adopted as an amendment of the Bylaws. The certificate, which shall identify the first page of the book and page of the public records where the Declaration of Condominium is recorded, shall be executed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the public records of the county where the Declaration is recorded.

21.5 Format. Proposals to amend existing Bylaws shall contain the full text of the Bylaws 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 BYLAW. SEE BYLAW NUMBER \_\_\_\_\_ FOR PRESENT TEXT".

## XXII. CONSTRUCTION

Whenever the context permits or requires, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

The foregoing were adopted as the Bylaws of ISLAND COVE CONDOMINIUM ASSOCIATION, INC., on \_\_\_\_\_, 19\_\_\_\_.

ISLAND COVE CONDOMINIUM  
ASSOCIATION, INC.

By: \_\_\_\_\_