

BY-LAWS

**BY-LAWS OF
GRAND PARK SOUTH COMMUNITY ASSOCIATION, INC.**

A Corporation Not for Profit
Under the Laws of the State of Florida

1. **IDENTITY.** These are the By-Laws of Grand Park South Community Association, Inc. (the "Association"), a corporation not for profit incorporated under the laws of the State of Florida, and organized for the purpose of administering that certain Declaration of Covenants, Conditions and Restrictions for Grand Park South (the "Declaration") executed by Rainbow Springs, Limited as Declarant and recorded (or to be recorded) in the Public Records of Marion County, Florida.
 - 1.1 **Principal Office.** The principal office of the Association shall be as provided in its Articles of Incorporation, or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept at its principal office.
 - 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" and the words "Corporation Not for Profit", and the year of incorporation.

2. **DEFINITIONS.** For convenience, these By-Laws shall be referred to as the "By-Laws" and the Articles of Incorporation of the Association as the "Articles". The other capitalized terms used in these By-Laws shall have the same definitions and meanings as those set forth in the Declaration, unless herein provided to the contrary or unless the context otherwise requires.

3. **MEMBERS.**
 - 3.1 **Annual Meeting.** The annual Members' meeting shall be held on the date, at the place and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and, to the extent possible, no later than twelve (12) months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect directors and to transact any other business authorized to be transacted by the Members, or as stated in the notice of the meeting sent to Members in advance thereof. Unless changed by the Board of Directors, the first annual meeting shall be held in the month of December following the year in which the Declaration is recorded.
 - 3.2 **Special Meetings.** Special Members' meetings shall be held at such places as provided herein for annual meetings, and may be called by a majority of the members of the Board of Directors, or upon written request from at least ten (10) percent of the total Voting Interests of the Association. The business conducted at a special meeting shall be limited

to that stated in the notice of the meeting.

3.3 Notice of Meetings. Notice of a meeting of Members, stating the time and place and the purpose(s) for which the meeting is called, shall be given by the president or secretary. The notice of the annual meeting shall be sent by mail or hand delivery to each Member, unless the Member waives in writing the right to receive notice of the annual meeting by mail. The delivery or mailing shall be to the address of the Member as it appears on the roster of Members. The posting and mailing of the notice shall be effected not less than seven (7) days, nor more than twenty-one (21) days, prior to the date of the meeting.

3.4 Notice of Meeting: Waiver of Notice. Notice of specific meetings may be waived by a written waiver of notice before or after the meeting. The attendance of any Member, either in person or by proxy, shall constitute such Member's waiver of notice of such meeting, unless the Member attends solely for the purpose of objecting, at the beginning of the meeting, to the transaction of business because the meeting is not lawfully called.

An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered in accordance with this Section. No other proof of notice of a meeting shall be required.

3.5 Quorum. A quorum at Members' meetings shall be attained by the presence,¹ either in person or by proxy, of twenty-five (25%) percent of the total of Members of the Association. If the required quorum is not present, another meeting shall be called by the Board and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting, such subsequent meeting shall be held within thirty (30) days of the preceding meeting with such notice given as may be prescribed by the Board.

3.6 Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote, but shall only be effective for the specific meeting for which it was originally given, as the meeting may lawfully be adjourned and reconvened from time to time, and automatically expires ninety (90) days after the date of the meeting for which it was originally given. Proxies may be used for purposes of determining the presence of a quorum at all meetings of the membership and in the election of directors.

A proxy must be in writing and signed by the person who is authorized to grant the proxy, name the person(s) who will vote the proxy at the meeting and be filed with the secretary before the appointed time of the meeting, or before the time to which the meeting is adjourned. Each proxy shall be dated, state the date, time and place of the meeting for which the proxy is given and shall set forth the matters on which the proxy holder may vote and the manner in which the vote is to be cast. A proxy is revocable at any time at the pleasure of the person who executes it. An executed telegram or cablegram transmitted by a Member

of the Association or a photographic, photostatic, facsimile or equivalent reproduction of a proxy form. is a sufficient proxy.

3.7 Order of Business. Meetings shall be governed by Robert's Rules of Order (latest edition) to the extent not inconsistent with these By-Laws, the Articles and the Declaration.

3.8 Adjournment. Adjournment of an annual or special meeting to a different date, time or place must be announced at the meeting before an adjournment is taken, or notice must be given of the new date, time, or place pursuant to Section 617.303(2), Florida Statutes. Any business that might have been transacted on the original date of the meeting may be transacted at the adjourned meeting. If a new record date for the adjourned meeting is or must be fixed, notice of the adjourned meeting must be given to persons who are entitled to vote and are Members as of the new record date but were not Members as of the previous record date.

3.9 Minutes of Meeting - Official Records. The minutes of all meetings of Members shall be kept in a book available for inspection by Members or their authorized representatives and Board Members during normal business hours. The Association may adopt reasonable written rules governing the frequency, time, location, notice and manner of inspections, and may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying. The Association shall maintain an adequate number of copies of the recorded Governing Documents, to ensure their availability to Members and prospective Members, and may charge only its actual costs for reproducing, and furnishing these documents to those persons who are entitled to receive them. . The minutes of all meetings of Members shall be retained for at least seven (7) years.

The official records of the Association shall be available for inspection within ten (10) business days after receipt of a written request. A Member of the Association who is denied access to the Association's official records is entitled to the actual damages or minimum damages for the Association's willful failure to comply with this subsection. The minimum damages are to be \$50.00 per calendar day up to ten (10) days, the calculation to begin on the eleventh (11th) business day after receipt of the written request.

3.10 Action Without a Meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any annual or special meeting of Members, or any action which may be taken at any annual or special meeting of such Members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the .Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of Members at which a quorum of Members (or authorized persons) entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written

consent, notice must be given to Members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

- 3.11 Recording and Taping Membership Meetings. Any Member may tape-record or videotape meetings of the Association membership. This right to record meetings may be subject to restrictions imposed by the Board of Directors, provided that the restrictions are reasonable and have been adopted as rules of the Association by the Board of Directors.

4. BOARD OF DIRECTORS.

- 4.1 The operation and management of the community's affairs are vested in the Association. The Board of Directors is responsible for carrying out the duties and responsibilities of the Association. To the extent that the Association has control of the affairs and the property of the community, the Board has the responsibility to implement that authority. When Members other than the Declarant are entitled to elect a majority of the Board of Directors as provided in the Declaration and Section 4.2(c) of these By-Laws, the Board shall be composed of any odd number of Board members that the members may decide. The number of Board members, however, shall never be less than three. Other than those selected by the Declarant, members of the Board must be Members of the Association. No Board member (except those selected by the Declarant) shall continue to serve on the Board after the member ceases to be a Member of the Association.

Members of the Board shall be elected at annual meetings of Members as set forth in the Declaration, the Articles and these By-Laws. Directors may not be compensated for their services as such.

- 4.2 Elections, Vacancies and Removal. The procedure for the election of directors shall be: to the extent that a Member(s) does not simply nominate a director by written notice to the Association, the president or designated alternate of the Association shall call a meeting of the Members, who shall hold a meeting in accordance with Robert's Rules of Order (latest edition) and shall nominate as many candidates for director as they deem appropriate. Upon the closing of such nominations, each Member shall cast its votes for as many nominees as there are directorships to be filled by such votes and the nominee(s) receiving the highest aggregate number(s) of the votes of all participating Members shall be elected to the applicable Board of Directors' seat(s).

- (1) 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 the remaining directors, provided that all vacancies in directorships which were appointed by the Declarant shall be filled by the Declarant without the necessity of any meeting.
- (2) Members of the Board of Directors elected by Members of the Association other

than those appointed by the Declarant, may be removed by a majority of the votes of the Members of the Association other than the Declarant. The Declarant shall not vote in such recall. A special meeting of the Members to recall a director may be called by at least ten (10%) percent of the total Members giving notice of the meeting, as required for a meeting of Members, and the notice shall state the exact purpose of the meeting. The vacancy in the Board of Directors so created shall be filled by the Members at the same meeting, or by the Board of Directors, in the case of removal by a written agreement unless said agreement also designates a new director to take the place of the one removed.

- (3) Anything to the contrary herein notwithstanding, until a majority of the directors are elected by the Members other than the Declarant as set forth in Article IV of the Declaration, neither the first directors of the Association, nor any new or replacement directors named by the Declarant, shall be subject to removal by Members other than the Declarant. The first directors and Declarant-appointed directors replacing them may be removed and replaced by the Declarant without the necessity of any meeting.
- (4) If a vacancy on the Board of Directors results in the inability to obtain a quorum of directors in accordance with these By-Laws, any Member may apply to the Circuit Court of Marion County for the appointment of a receiver to manage the affairs of the Association. At least thirty (30) days prior to applying to the Circuit Court, the applying Member shall mail to the Association a notice describing the intended action and giving the Association an opportunity to fill the vacancy(ies) in accordance with these By-Laws. If, during such time, the Association fails to fill the vacancy(ies), the Member may proceed with the petition. 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 powers and duties of a duly constituted Board of Directors, and shall serve until the Association fills the vacancy(ies) on the Board sufficient to constitute a quorum in accordance with these By-Laws.
- (5) A member of the Board of Directors has the absolute right to resign at any time by delivery of its written notice of resignation to the Board of Directors, to its president, or to the Association. The resignation is effective when the notice is delivered unless the notice specifies a later effective date. When the resignation is effective at a later date the remaining directors in office shall then fill the vacancies, provided that if all directors resign, a special meeting of the Members shall be called as soon as possible for the purpose of electing new directors and the resignation of such directors shall not be effective until such election is held and new directors are elected, except that if no meeting is held or no directors are elected after two (2) attempts to call and hold such meeting, the resignations shall become effective simultaneously with the date and time of the scheduled second

meeting, whether held or not or whether new directors are elected. Notwithstanding the foregoing, the Declarant shall have the sole power and authority to remove and replace directors designated by it.

- 4.3 Term. Except as provided herein to the contrary, the term of each director's service shall extend until the next annual meeting of the Members and subsequently until its successor is duly elected and has taken office or until the director is removed in the manner elsewhere provided. After such time as the Members of the Association, other than the Declarant, have elected a majority of the Board of Directors, the Board may elect, by resolution of a majority of the directors, to provide for increased and/or staggered terms of service. Such resolution shall set forth the method by which the terms may be staggered and the procedures for electing directors to the terms thus established.
- 4.4 Organizational Meeting. The first meeting of the duly elected Board of Directors, for the purposes of organization, shall be held within ten (10) days of their election or appointment at such place and time as shall be fixed by the directors at the meeting at which there were elected or appointed, and no further notice to the Board of the organizational meeting shall be necessary.
- 4.5 Regular Meetings. Regular meetings of the Board of Directors shall be held immediately after the annual meeting of the Members of the Association, provided that the majority of the members of the Board of Directors elected are present. Any action taken at such meeting shall be by a majority of the whole Board of Directors. If the majority of the directors elected shall not be present at that time, or if the directors shall fail to elect officers, the meeting of the Board to elect officers shall then be held within thirty (30) days after the annual meeting of the Members upon three (3) days' notice in writing to each member of the Board of Directors elected, stating the time, place and object of such meeting.

Meeting requirements for the Board of Directors also apply to meetings of any committee, including any architectural advisory board of the Association.

- 4.6 Notice of Meeting: There are two types of notices which must be given before a proper meeting of the Board can be held. The first is for the individual members of the Board and the second is for the general Association Membership. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, and shall be transmitted at least three (3) days prior to the meeting.

With regard to Members of the Association, all meetings of the Board shall be open to all Members of the Association, except those meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussions would otherwise be governed by the attorney-client privilege. Notice of the Board's meeting shall be posted in a conspicuous place in the community at least 48 hours in advance of a

meeting, except in an emergency. If notice is not posted in a conspicuous place in the community, notice of each Board meeting shall be mailed or hand delivered to each Member of the Association at least seven (7) days before the scheduled meeting, except in an emergency. Notice of any meeting in which Assessments against Members are to be considered for any reason shall specifically contain the statement that Assessments will be considered, the nature of the Assessment and a copy of the proposed budget.

- 4.7 Special Meetings. Special meetings of the directors may be called by the president, and must be called at the written request of at least one-third (1/3) of the directors. Notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than two (2) days prior to the meeting, except in an emergency. The notice requirement of a special meetings will following the same formality as the notice requirement for a regular meeting, except that any item not included on the notice for a special meeting may be taken upon on an emergency basis by at lease a majority plus one of the members of the Board.
- 4.8 Action Upon Written Consent Without a Meeting: Action of the Board of Directions may be taken without a meeting upon the written consent signed by all members of the Board. Any such action without a meeting shall be effective on the date the last Board member signs the consent or on such date as is specified in the consent. Any such action by written consent shall have the same effect as a vote taken at a meeting of the Board of Directors.
- 4.9 Membership Participation. Members of the Association, although entitled to notice of all Board meetings, do not have the right to participate at meetings of the Board of Directors, unless specifically permitted by the Board. The requirement for notice and for open Board meetings extends to Members of the Association the right to attend and to observe the business being transacted at the meeting. It does not extend the right to participate in the meeting or to object to actions being taken by the Board of Directors. Members are, however, permitted to tape-record or videotape meetings of the Board of Directors, although the Board may adopt reasonable rules to govern the taping.
- The Board of Directors may, at its discretion, set aside a specific part of the agenda so that individual Members of the Association can make presentations to the Board of Directors.
- 4.10 Waiver of Notice. Any director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said director of notice. Attendance by any director at a meeting, except when his attendance is for the express purpose of objecting, at the beginning of a meeting, to the transaction of business because the meeting is not lawfully called.
- 4.11 Quorum. A quorum of the Board of Directors consists of a majority of the members of the Board. 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 specifically required by the Declaration, the Articles or these By-Laws.

- 4.12 Proxies. A director is not permitted to vote by proxy or by secret ballot at Board meetings, except that directors may vote by secret ballot when electing officers of the Association.
- 4.13 Adjourned Meetings. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.
- 4.14 Joinder in Meeting by Approval of Minutes. The joinder of a Board member in the action of a meeting by signing a joinder concurring in the minutes of that meeting shall not constitute the presence of that Board member for the purpose of determining a quorum.
- 4.15 Presiding Officer. The presiding officer at the directors' meetings shall be the president of the Association (who may, however, designate any other person to preside).
- 4.16 Order of Business. Meetings shall be governed by Robert's Rules of Order (latest edition) to the extent not inconsistent with these By-Laws, the Articles and the Declaration.
- 4.17 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Members, or their authorized representatives, and Board members during normal business hours.
- 4.18 Powers and Duties. All powers and duties of the Association existing under Chapter 617, Florida Statutes, the Declaration, the Articles 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 of Members when that approval is specifically required.
- 4.19 Meetings - General. Directors shall be permitted to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication, such as by conference call, so long as all directors participating may simultaneously hear each other during the meeting. A director participating in a board meeting in this manner is deemed to be present in person at the meeting.

5. OFFICERS

- 5.1 The officers of the Association shall be elected, or appointed, by the Board of Directors within thirty (30) days of the annual meeting at which directors are elected. They are not

elected by the membership of the Association. Officers of the Association shall not be compensated for their services as such.

- 5.2 Resignations and Removal. Any officer of the Association may resign at any time by delivery of its written notice of resignation to the Association. The resignation shall be effective when the notice is delivered by the office unless the notice specifies a later effective date. When the resignation is effective at a later date, the vacant office may be filled before the effective date of the resignation, provided the successor does not take office until the vacancy is effective.
- An officer of the Association may be removed at any time by the Board of Directors with or without cause. An officer or assistance officer appointed by another officer may likewise be removed at any time with or without cause by the officer of the Association who made the appointment.
- 5.3 Executive Officers. The executive officers of the Association shall be a President, a Vice President, a Treasurer and a Secretary (none of whom other than the President need be directors), all of whom shall be elected or appointed by the Board of Directors. A person may hold more than one office, except that the president may not also be the secretary. No person shall sign an instrument or perform an action the capacity of more than one office. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall deem necessary or appropriate to manage the affairs of the Association.
- 5.4 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Members of the Association and of the Board of Directors. The president shall have the powers and duties that are usually vested in the office of president of an association.
- 5.5 Vice President. The vice president shall exercise the powers and perform the duties of the president in the absence or disability of the president. Such officer shall also assist the president and exercise such other powers and perform such other duties are incident to the office of the vice president of an association and as may be required by the Board of Directors.
- 5.6 Secretary. The secretary shall issue notices of all meetings of the membership of the Association and the directors where notices of such meetings are required by law or in these By-Laws. The secretary shall keep the minutes of the meetings of the membership and of the Board of Directors. The secretary shall custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. The secretary 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 Board or the president.

5.7 Treasurer. The treasurer shall have custody of all property of the Association, including all the monies, securities and evidence of indebtedness of the Association. The treasurer shall enter on the books of the Association, to be kept by it for that purpose, full and accurate accounts of all monies received by him and paid by him on account of the Association. The treasurer shall sign such instruments as require its signature and shall perform all such duties as usually pertain to his office or as are properly required of him by the Board of Directors.

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

6.1 Budget. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association (which shall reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year), determine the amount of Assessments payable by the Members to meet the expenses of the Association and allocate and assess such expenses among the Members in accordance with the provisions of the Declaration. In addition to annual operating expenses, the budget shall set out all fees or charges for recreational amenities, whether owned by the Association, the Declarant or another person. Reserve accounts for capital expenditures and deferred maintenance shall be reflected on the budget. The Association shall provide each member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no cost to the Member within ten (10) days of its completion.

6.2 Assessments. Assessments against Residential Units for their share of the items of the budget shall be made for the applicable fiscal year. annually at least thirty (30) days preceding the year for which the Assessments are made. Such Assessments shall be due in equal installments, payable in advance on the first day of each month (or each quarter at the election of the Board) of the year for which the Assessments are made. If General Assessments are not made as required, General Assessments shall be presumed to have been made in the amount of the last prior Assessments, and monthly (or quarterly) installments of such General Assessments shall be due upon each installment payment date until changed by amended General Assessments. In the event the General Assessment prove to be insufficient, the budget and General Assessments may be amended at any time by the Board of Directors. Unpaid General Assessments for the remaining portion of the fiscal year for which amended General Assessments are made shall be payable in as many equal installments as there are full months (or quarters) of the fiscal year left as of the date of such amended Assessment, each such monthly (or quarterly) installment to be paid on the first day of the month (or quarter), commencing the first day of the next ensuing month (or quarter). If only a partial month (or quarter) remains, the amended Assessments shall be paid with the next regular installment in the following year, unless otherwise directed by the Board of Directors in its resolution.

6.3 Assessments for Emergencies. Assessments for expenses for emergencies that cannot be

paid from the General Assessments shall be deemed Special Assessments and shall be levied in accordance with the portions of the Declaration providing for such and shall be due only after ten (10) days' notice is give to the Members concerned, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of such Assessments. .

- 6.4 Depository. The depository of the Association shall be such bank or banks in the State of Florida as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from those accounts shall be made only by checks signed by such person or persons as are authorized by the directors. All sums otherwise may be commingled in a single fund or divided into more than one fund, as determined by a majority of the Board of Directors. In addition, a separate reserve account may be established for the Association in such a depository for monies specifically designated as reserves for capital expenditures and/or deferred maintenance.
- 6.5. Financial Reports. Within sixty (60) days of the end of the Association's fiscal year, the Association shall prepare, or cause to be prepared, financial statements for the Association showing its actual receipts and expenditures for the previous twelve (12) months in the classifications provided in the budget for such period and the beginning and ending cash balances of the Association. The Association shall provide each Member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the Member within ten (10) business days of its completion.
- 6.6 Accounting Records and Reports. The Association shall maintain accounting records in the state of Florida according to the accounting practices normally used by similar-associations. The records shall be open to inspection by Members, their authorized. representatives, and the Board of Directors during normal business hours and written summaries of them shall be supplied at least annually.
- 6.7 Application of Payment. All payments made by a Member shall be applied as provided in these By-Laws and in the Declaration or as otherwise determined by the Board.
- 6.8 Official Records. The Association shall maintain each of the following items, when application, which constitute the official records of the Association.
- (1) A copy of the recorded Declaration and a copy of each amendment thereto.
 - (2) A copy of the Association Articles of Incorporation and of each amendment thereto.
 - (3) A copy of the By-Laws and of each amendment to the By-Laws.
 - (4) The minutes of all meetings of the Board of Directors and of the Members, which

minutes must be retained for at least seven (7) years.

- (5) Any rules and regulations which have been promulgated;
- (4) The financial and accounting records of the Association, kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:
 - i. Accurate, itemized, and detailed records of all receipts and expenditures.
 - ii. Accurate, itemized, and detailed statement of the account for each Member, designating the name and current address of each member who is obligated to pay Assessments, the due date and amount of each Assessment or other charge against the Member, the date and amount of each payment on the account, and the balance due.
 - iii. All tax returns, financial statements, and financial reports of the Association.
 - iv. Any other records that identify, measure, record, or communicate financial information.
- (7) A copy of the plans and specifications, permits and warranties related to improvements constructed on the common areas or other property that the Association is obligated to maintain, repair or replace.
- (8) All of the Association's insurance policies or a copy thereof, which policies must be retained for at least seven (7) years.
- (9) A current roster of all Members and their mailing addresses.
- (10) A current copy of all contracts to which the Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Association has any obligation or responsibility. Bids received by the Association for work to be performed shall also be considered official records and must be kept for a period of one (1) year.

6.9 **Fidelity Bonds.** Fidelity bonds may be obtained by the Association for all persons handling or responsible for Association funds in such amounts as shall be determined by a majority of the Board. The premiums of such bonds shall be paid by the Association as a operating expense. In the event a contract is entered into with a management company to manage the affairs of the Association, the management company and not the Association will be responsible for obtaining fidelity bonds for its employees. Likewise, the premiums for such bonds shall be paid by the management company and not the Association.

2. ROSTER OF MEMBERS. Each Owner shall file with the Association a copy of the deed or other document showing its ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein. Only Members of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other Members shall produce adequate evidence, as provided herein of their interest and shall waive in writing notice of such meeting.

3. SMOKING AND THE CLEAN INDOOR AIR ACT. The Florida Clean Indoor Air Act places recreational facilities and meetings of the Association under its jurisdiction. Smoking is not permitted at meetings of the Association, either of the Board of Directors or the Members, except in designated smoking areas or unless the meeting is being held in a private residence. Any person violating the Act or the non-smoking area designated under the Act is subject to a \$100.00 fine for the first occurrence and a \$500.00 fine for each subsequent occurrence.

The Board of Directors shall be responsible for designating smoking areas in required places (i.e., recreational facilities) and during required meetings. The Board is also responsible for enforcing the designations. The Board shall not be required to designate any area for smoking; but if it does, not more than one-half the total square footage of the area may be designated for smoking. Signs must be posted conspicuously for smoking and non-smoking areas, and under no circumstances shall smoking be permitted in hallways, corridors, lobbies, aisles, water fountain areas, restrooms, stairwells, entry ways or conference room in any public place.

4. AMENDMENTS

9.1 Except as otherwise provided in the Declaration, these By-Laws may be amended or added to in the following manner:

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

(b) Adoption. A resolution for the adoption of a proposed amendment *may* be proposed by a majority of the Board of Directors or by not less than one-third (1/3rd) of the Members of the Association. Directors and Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the secretary at or prior to the meeting. The approval must be:

i. by not less than a majority of the votes of all Members of the Association represented at a meeting at which a quorum has been attained and by not less than a majority of the entire Board of Directors; or

ii by the Declarant, acting alone.

9.2 Proviso. No amendment, may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Declarant or mortgagees of Residential Units without the consent of said Declarant or mortgages in each instance. No amendment shall be made that is in conflict with the Articles or Declaration. No amendment to this Section shall be valid.

2. RIGHT TO DISAPPROVE ACTIONS. This Section may not be amended without the express, written consent of the Class "B" Member as long as the Class "B" membership exists.

10.1 So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove actions of the Board and any committees, as is more fully provided in this Section. This right shall be exercisable only by the Class "B" Member, its successors, and assigns who specifically take this power in a recorded instrument, or who become a successor Declarant pursuant to a recorded assignment or court order. The right to disapprove shall be as follows:

(a) No action authorized by the Board of Directors of any committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

1. The Class "B" Member shall have been given notice of any meetings of the Board of Directors or any committee thereof by certified mail, return receipt requested, or by personal deliver at the address it has registered with the secretary of the Association, as it may change from time to time, which notice complies as to the Board of Directors meetings with the By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and
 2. The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board, any committee thereof, or the Association. The Class "B" Member, its representatives or agents shall make its concerns, thought, and suggestions known to the members of the subject committee and/or the Board. The Class "B" Member shall have and is hereby granted a right to disapprove, in its sole discretion; any such action, policy, or program authorized by the Board of Directors or any committee thereof and to be taken by the Board, such committee, the Association, or any individual member of the Association, if Board, committee, or Association approval is necessary for such action. This right may be exercised by the Class "B" Member, its representatives, or agents at any time within ten (10) days following notice of the meeting held pursuant to the terms and provisions hereof. This right to disapprove may be used to block proposed actions but shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.
11. CAPTIONS. The captions herein are inserted only as a matter of convenience and for reference, and in no may define or limit the scope of these By-Laws or the intent of any provision hereof