

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.

5.1 President.

The President shall be the Chief Executive Officer of the Association. He shall have all 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. He in his discretion may determine appropriate. He shall preside at all meetings of the Board.

5.2 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.

5.3 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 of the President.

5.4 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.

5.5 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.

ARTICLE 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 amounts budgeted by accounts and expense classifications, including, when applicable, but not limited to:

- (a) Administration of the association
- (b) Management fees
- (c) Maintenance and repairs
- (d) Rent for recreational and other commonly used facilities
- (e) Taxes on Association property
- (f) Taxes on leased areas
- (g) Insurance
- (h) Security provisions
- (i) Other expenses
- (j) Operating capital
- (k) Fees payable to the Division of Florida Land Sales and Condominiums
- (l) Reserve accounts for capital expenditures and deferred maintenance, including, but not limited to, roof replacement, building painting and pavement resurfacing. Reserves may be removed from the final budget if by vote of the majority of the unit owners present at a duly called meeting of the Association they shall determine for a fiscal year to provide no reserves or reserves less adequate than required by F.S. 718.112(2)(k).

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.

6.4 Member rejection of excessive budget.

If a budget adopted by the Board of Directors requires assessment against the unit owners in any fiscal year exceeding 115% of the assessment of the previous year, the Board, on written application of 10% of the unit owners 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 vote of all unit owners. Provisions for reasonable reserves for repair or replacement of the condominium property, nonrecurring expenses and assessments for betterments 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 unit owners 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 any assessments for any year greater than 115% of the previous year's assessment without approval of a majority of all unit owners.

6.7 Accounting records and reports.

The Association shall maintain accounting records in the county in which the condominium is located, according to good accounting practices. The records shall be open to inspection by unit owners or their authorized representatives at reasonable times. The records shall include, but shall not be limited to: (a) a record of all receipts and expenditures and (b) an account for each unit, designating the name and current mailing address of the unit owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amount paid on the account and the balance due. Within 60 days after the end of each fiscal year, the Board of Directors shall mail or furnish by personal delivery to each owner a complete financial report of actual receipts and expenditures for the previous 12 months.

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 than \$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.

ARTICLE VII. ASSESSMENTS AND COLLECTION

7.1 Assessments, generally.

Assessments shall be made against the unit owners not less frequently than quarterly at the discretion of the Board of Directors and shall be collected on a monthly basis. The assessments shall be made in an amount no less than 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. The assessment funds shall be collected against unit owners in the proportions or percentages provided in the Declaration of Condominium. Unit owners' shares of common expenses shall be in the same proportions as their ownership interest in the common elements. Failure to pay any

monthly installment when due shall render the entire unpaid assessment immediately due and payable without notice.

7.2 Emergency assessments.

Assessments for common expenses for emergencies that cannot be paid from the annual assessment for common expenses shall be made by the Board of Directors after 30 days notice given to the unit owners. These assessments shall be paid at the times and in the manner that the Board may require in the notice of assessment.

7.3 Assessment for charges.

Charges by the Association against members for other than common expenses shall be payable in advance. 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 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 members.

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 voluntary conveyance. A first mortgagee who acquires title by foreclosure or deed in lieu of foreclosure, however, shall not be liable for unpaid assessments of previous owners unless those assessments are evidenced by a lien recorded before the foreclosed mortgage. 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.

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 highest rate allowed by law until paid. All assessment payments shall be applied first to interest and then to the assessment payment due.

7.7 Lien for assessment.

The Association may have 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 in the county in which the condominium parcel is located. The claim of lien includes only those assessments that are due at the time the lien is recorded. 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 assessment 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 mail, return receipt requested, addressed to the unit owner.

ARTICLE 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 canceled by the unit owners after assumption of control in the manner and under the circumstances as provided in the Act.

8.2 Vending equipment.

The Developer may obligate the Association under lease agreements or other contractual arrangements for vending equipment. The leases or agreements for the vending equipment may not be subject to cancellation by unit owners other than the Developer if the vending equipment leases or agreements contain certain provisions as prescribed by the Act.

8.3 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.

8.4 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 service contracted for.

(e) The disclosure of any financial or ownership interest that the Developer has in the service provider, if the Developer is in control of the Association.

ARTICLE IX. ROSTER OF UNIT OWNERS AND MORTGAGEES

Each unit owner shall file with the Association a copy of the deed or other instrument showing his ownership, together with a copy of any mortgage on his unit and any satisfaction of that mortgage. The Association shall maintain these documents in a suitable binder for reference as required in the exercise of its powers and duties.

ARTICLE X. COMPLIANCE AND DEFAULT

10.1 Violations, notice, actions.

In the case of a violation (other than the nonpayment of an assessment) by a unit owner of any of the provisions of the Act, the Declaration, the Articles, these By-Laws or any lawfully adopted rules and regulations, the Association by direction of its Board of Directors may transmit to the unit owner by certified mail, return receipt requested, a notice of the violation. If the violation shall continue for a period of 30 days from the date of the notice, the Association shall have the right to treat the violation as an intentional and material breach of the provision cited in the notice. It then, at its option, may take the following actions:

(a) File an action to recover for its damages on behalf of the Association or on behalf of other unit owners.

(b) File an action for injunctive relief requiring the offending unit owner to take or desist from taking certain actions.

(c) File an action for both damages and injunctive relief.

A unit owner may bring an action against the Association for damages, injunctive relief, or both, if the Association fails to comply with the provisions of the Act, the Declaration, the Articles, these By-Laws or the rules and regulations.

The foregoing action may be taken in addition to the Association's right to impose fines under 4.24 of these By-Laws.

10.2 Attorneys' fees.

In any action brought pursuant to the provisions of 10.1, the prevailing party is entitled to recover reasonable attorneys' fees.

10.3 No waiver of rights.

Neither a unit owner nor the Association may waive a provision of the Act if that waiver would adversely affect the rights of a unit owner or the purposes of the provision, except that unit owners or Board members may waive notice of specific meetings in writing.

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 and Condominiums of the Department of Business Regulations pursuant to F.S. 718.112(2)(m). 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.

ARTICLE 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.

ARTICLE 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.

ARTICLE 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 By-Laws.

ARTICLE 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, common areas 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 become 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, 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 licensed cable television service or exact a 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 reasonably related to the promotion of the health, happiness and peace of mind of the unit owners and uniformly applied and enforced.

ARTICLE 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 or additions shall be contained elsewhere than in the Declaration as adopted by a vote of the unit owners in the manner prescribed elsewhere in these By-Laws.

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 rights.

ARTICLE XVII. BY-LAWS DEEMED AMENDED

These By-Laws 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.

ARTICLE XVIII. PRIORITIES IN CASE OF CONFLICT

In the event of 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 of Condominium
- (c) The Articles
- (d) These By-Laws
- (e) The Rules and Regulations

ARTICLE 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.

ARTICLE XX. DEFECTIVE CONDOMINIUM
DOCUMENTS, CURATIVE PROVISIONS

The Association or a unit owner may petition the circuit court having jurisdiction in the county in which the condominium property is situated 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.

ARTICLE XXI. BINDING ARBITRATION

In the event of disputes arising from the operation of the Condominium among Unit Owners, Associations, or their agents and assigns, the parties involved in the dispute may voluntarily submit themselves to binding arbitration, pursuant to Florida Statute 718.112(2)(1), in order to resolve the dispute.

ARTICLE XXII. AMENDMENTS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

22.1 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.

22.2 Adoption.

An amendment may be proposed either by a majority of the Board of Directors or by not less than one third of the members of the Association. The amendment shall be adopted if it is approved either by: (a) not less than a majority of the votes of the

entire membership of the Association and by not less than two thirds of the Board of Directors; or (b) by not less than 75% of the votes of the entire membership of the Association.

22.3 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.

22.4 Recording.

A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and By-Laws. The certificate 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.

22.5 Format.

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

ARTICLE XXIII. 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 By-Laws of MARINA CLUB VILLAGE CONDOMINIUM ASSOCIATION, INC., on this ___ day of _____, 1986.

MARINA CLUB VILLAGE
CONDOMINIUM ASSOCIATION, INC.

ATTEST:

By: _____
William F. Spann
President

Ferrell Wood
Secretary

RCD: APR 30 1986 @ 4:03 PM
HAROLD BAZZEL, CLERK