

**BYLAWS
OF
TOLL LAKEWOOD RANCH HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
IDENTITY**

Section 1. Name. The name of this corporation is Toll Lakewood Ranch Homeowners Association, Inc. (“**Association**”).

Section 2. Address. The address of the initial principal office of the Association is c/o Toll Bros., Inc., 24201 Walden Center Drive, Suite 204, Bonita Springs, Florida 34134.

**ARTICLE II
DEFINITIONS**

All terms used herein which are defined in that certain Declaration of Covenants, Conditions and Restrictions of Toll Lakewood Ranch (hereinafter “**Declaration**”), as it may be amended from time to time, shall have the same meaning herein as therein.

**ARTICLE III
MEMBER MEETINGS**

Section 1. Annual Meeting. The annual meeting of the Members for the election of Directors and the transaction of whatever other business may properly come before the Members shall be held as outlined below.

Section 2. Notice. Notice of the annual meeting shall be mailed, postage prepaid, not less than fourteen (14) days and not more than sixty (60) days prior to the date of the annual meeting and shall state the purpose, time and location of the meeting. Such notice shall be addressed to the Member at the address of the Member as set forth in the Association’s books and records.

Section 3. Special Meetings. Special meetings of the Members may be called for any purpose at any time by a majority of the Board, or by the written petition of fifty percent (50%) or more of the total voting interests of the Members, setting forth the purpose of the special meeting. Notice of such special meeting shall be in the same form and mailed in the same manner as for the annual meeting. Written notice of special membership meetings stating the time, place and date of such meeting shall be served upon or mailed to each Member entitled to notice at least fourteen (14) days but not more than sixty (60) days prior to such meeting, except in the case of an emergency, in which case notice shall be given that is reasonable under the circumstances. Members may waive notice of special membership meetings prior to, at or subsequent to any meetings of Members except where prohibited by law. Nothing in these Bylaws shall be construed to prevent Members from acting by written agreement without meetings, as more particularly set forth in Section 3.12 hereof.

Section 4. Quorum. Thirty percent (30%) of the total vote that could be cast at any annual or special meeting, represented in person or by proxy, shall constitute a quorum at any meeting of the Members. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough to leave less

than a quorum, provided that Members representing at least 25% of the total Class “A” votes in the Association remain in attendance, and provided that any action taken is approved by at least a majority of the votes required to constitute a quorum. A majority of the votes cast shall decide each matter submitted to the Members at a meeting, except in cases where a larger vote is specifically required.

Section 5. Order of Business. The order of business at Members’ meetings shall be substantially as follows:

- A. Call of the roll and certification of quorum;
- B. Proof of notice of meeting or waiver of notice;
- C. Reading of minutes and disposal of any unapproved minutes;
- D. Reports of Officers;
- E. Reports of Committees;
- F. Election of Directors;
- G. Old Business;
- H. New Business; and
- I. Adjournment.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed a waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

Section 7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

Section 8. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated by reference.

Section 9. Proxies. No proxy shall be valid unless signed by the Member or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to any meeting for which it is to be effective. No proxy shall be valid after two (2) months from its date of execution unless otherwise specified in the proxy.

Section 10. Majority. As used in these Bylaws, the term “majority” shall mean those votes, Members, or other group as the context may indicate totaling more than 50% of the total eligible number.

Section 11. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 12. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all Members entitled to vote thereon were present. Such consents shall be signed within 60 days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of Florida. Such consents shall be filed with the minutes of the Association, and shall have the same force and effect as a unanimous vote of the Members.

ARTICLE IV BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS COMPOSITION AND SELECTION

Section 1. Governing Body; Composition. The affairs of the Association shall be overseen by a Board of Directors, each of whom shall have one (1) equal vote. Except with respect to directors appointed by the Class “B” Member or the Declarant, the directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of a Member which is not a natural person, any officer, director, partner or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member.

Section 2. Number of Directors. The number of directors in the Association shall be not less than three (3) nor more than seven (7), as provided in Section 4.5 below. The initial Board shall consist of three directors as identified in the Articles of Incorporation.

Section 3. Directors prior to the Turnover Date. Subject to the provisions of Section 4.5 below, the directors shall be selected by the Class “B” Member acting in its sole discretion and shall serve at the pleasure of the Class “B” Member until the first to occur of the following:

- a. Three (3) months after 90% of the total number of Units proposed by the Master Plan for the property described on Exhibit “A” of the Declaration have certificates of occupancy issued thereon and have been conveyed to Persons other than the Declarant or Builders;
- b. 20 years after the date on which the Declaration is recorded in the public records of Manatee County, Florida; or
- c. when, in its discretion, the Class “B” Member so determines.

Section 4. Nomination of Directors. Except with respect to directors selected by the Class “B” Member or the Declarant, nominations for election to the Board of Directors shall be made

by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three or more Members or representatives of Members. The Nominating Committee shall be appointed by the Board of Directors not less than 30 days prior to each annual meeting of the Members to serve a term of one year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled from each slate as provided in Section 4.5 below and provided such nominations comply with Chapter 720, Florida Statutes. Nominations shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Section 5. Election and Term of Office. Notwithstanding any other provision of these Bylaws:

a. Within 30 days after the time that Class “A” Members other than Builders own 25% of the Units proposed by the Master Plan for the Property, or whenever the Class “B” Member earlier determines, the President shall call a special meeting at which Members representing the Class “A” Members shall be entitled to elect one of the three directors, who shall be an at-large director. The remaining two directors shall be appointees of the Class “B” Member. The director elected by the Members shall not be subject to removal by the Class “B” Member and shall be elected for a term of two years or until the happening of the event described in subsection (b) below, whichever is shorter. If such director’s term expires prior to the happening of the event described in subsection (b) below, a successor shall be elected for a like term.

b. Within 30 days after the time that Class “A” Members other than Builders own 50% of the Units proposed by the Master Plan for the Property, or whenever the Class “B” Member earlier determines, the Board shall be increased to five directors. The President shall call a special meeting at which Members representing the Class “A” Members shall be entitled to elect two of the five directors, who shall serve as at-large directors. The remaining three directors shall be appointees of the Class “B” Member. The directors elected by the Members shall not be subject to removal by the Class “B” Member and shall be elected for a term of two years or until the happening of the event described in subsection (c) below, whichever is shorter. If such directors’ terms expire prior to the happening of the event described in subsection (c) below, successors shall be elected for a like term.

c. Within 90 days after the Turnover Date (as set forth in Section 4.3), the President shall call a special meeting at which Members representing the Class “A” Members shall be entitled to elect three of the five directors, who shall serve as at-large directors. The remaining two directors shall be appointees of the Declarant. The directors elected by the Members shall not be subject to removal by the Declarant and shall serve until the first annual meeting following the Turnover Date. If such annual meeting is scheduled to occur within 90 days after the Turnover Date, this subsection shall not apply and directors shall be elected in accordance with subsection (d) below.

d. At the first annual meeting of the membership after the Turnover Date, the Board shall be increased to seven directors. Three directors shall serve a term of two years and three directors shall serve a term of one year, as such directors determine among themselves. Upon the expiration of each director’s term of office, the Members shall elect a successor to serve a term of two years.

There shall be no cumulative voting. The candidate(s) receiving the most votes shall be elected. The directors elected by the Members shall hold office until their respective successors have been elected. Directors may be elected to serve any number of consecutive terms. Within 90 days after being elected or appointed to the Board, each director shall certify in writing to the Secretary of the Association that he or she has read the Declaration, Articles of Incorporation, Bylaws, and current written rules and policies of the Association; that he or she will work to uphold such documents and policies to the best of his or her ability; and that he or she will faithfully discharge his or her fiduciary responsibility to the Members. Within 90 days after being elected or appointed to the Board, in lieu of such written certification, the newly elected or appointed director may submit a certificate of having satisfactorily completed the educational curriculum administered by a division-approved education provider within 1 year before or 90 days after the date of election or appointment.

Section 6. Removal of Directors and Vacancies. The director elected by the Members may be removed, with or without cause, by a majority vote of the Members. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Members to fill the vacancy for the remainder of the term of such director.

Any director elected by the Members who has three consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent in the payment of any assessment or other charge due the Association, may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members shall elect a successor for the remainder of the term.

Section 7. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within 10 days thereafter at such time and place the Board shall fix.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as a majority of the directors shall determine, and such meetings shall be held during each fiscal year as often as are reasonable and necessary. Notice of the time and place of the meeting shall be communicated to directors and members not less than four days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by any two directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director and member by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) telegram, charges prepaid. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four business days before the

time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 72 hours before the time set for the meeting.

Section 10. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors, unless otherwise specifically provided in these Bylaws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Members representing a majority of the total Class "A" votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board of Directors, excluding the interested director.

Section 13. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 14. Open Meetings. Subject to the provisions of Section 4.15, all meetings of the Board shall be open to all Members, but a Member other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak, provided, however, such time may not be limited to less than three (3) minutes. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session, excluding Members, to discuss matters of a sensitive nature with the Association attorneys which would be subject to the attorney client privilege.

Section 15. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting

if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

Section 16. Powers. The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Declaration, these Bylaws, the Articles, and as provided by law. The Board may do or cause to be done all acts and things as are not by the Declaration, Articles, these Bylaws, or Florida law directed to be done and exercised exclusively by the Members or the membership generally.

Section 17. Duties. The duties of the Board shall include, without limitation:

- a. preparation and adoption of annual budgets and establishing each Member's share of the Common Expenses and Neighborhood Expenses;
- b. levying and collecting assessments from the Members to fund the Common Expenses and Neighborhood Expenses;
- c. providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;
- d. designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- e. depositing all funds received on behalf of the Association in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;
- f. making and amending rules and regulations;
- g. opening of bank accounts on behalf of the Association and designating the signatories required;
- h. making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Areas in accordance with the Declaration and these Bylaws;
- i. enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules adopted by it and bringing any proceedings which may be instituted on behalf of or against the Members concerning the Association;
- j. obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

k. paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Members;

l. keeping books with detailed accounts of the receipts and expenditures of the Association;

m. making available to any prospective purchaser of a Unit, any Member, and the holders, insurers, and guarantors of any mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the Bylaws, rules and all other books, records, and financial statements of the Association;

n. permitting utility suppliers to use portions of the Common Areas reasonably necessary to the ongoing development or operation of the Community;

o. indemnifying a director, officer or committee member, or former director, officer or committee member of the Association in accordance with Florida law, and in accordance with the Articles of Incorporation and the Declaration; and

p. assisting in the resolution of disputes between Members and others without litigation, as set forth in the Declaration.

Section 18. Right of Declarant to Disapprove Actions. So long as the Declarant owns at least one Unit in the community, the Declarant shall have a right to disapprove any action, policy or program of the Association, the Board and any committee which, in the judgment of the Declarant, would tend to impair rights of the Declarant or Builders under the Declaration or these Bylaws, or interfere with development, construction of any portion of the Community or diminish the level of services being provided by the Association.

No such action, policy or program shall become effective or be implemented until and unless:

a. The Declarant shall have been given written notice of all meetings and proposed actions approved at meetings of the Association, the Board or any committee thereof by certified mail, return receipt requested, or by personal delivery 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 Sections 4.8, 4.9 and 4.10 of these Bylaws and which notice shall, except in the case of the regular meetings held pursuant to the Bylaws, set forth in reasonable particularity the agenda to be followed at said meeting; and

b. The Declarant 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 which would be subject to the right of disapproval set forth herein. The Declarant, its representatives or agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Declarant shall have and is hereby granted a right to disapprove any such action, policy, or program authorized by the Association, the Board of Directors or any committee thereof, if Board, committee, or Association approval is necessary for such action. This right may be exercised by the Declarant, its successors, assigns, representatives or agents at any time within 10 days

following 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 Declarant 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.

Section 19. Management. The Board of Directors may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board of Directors may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making authority or those duties set forth in Sections 4.17(a) and 4.17(i). The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

The Association shall not be bound, either directly or indirectly by any management contract executed prior to the Turnover Date unless such contract contains a right of termination exercisable by the Association, with or without cause and without penalty, at any time after the Turnover Date upon not more than 90 days' written notice.

Section 20. Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

- a. accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- b. accounting and controls should conform to generally accepted accounting principles;
- c. cash accounts of the Association shall not be commingled with any other accounts;
- d. no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;
- e. any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;
- f. commencing at the end of the quarter in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

- (1) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;
- (2) a statement reflecting all cash receipts and disbursements for the preceding period;
- (3) a variance report reflecting the status of all accounts in an “actual” versus “approved” budget format;
- (4) a balance sheet as of the last day of the preceding period; and
- (5) a delinquency report listing all Members who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the fifteenth day following the due date unless otherwise specified by resolution of the Board of Directors); and

g. an annual report consisting of at least the following shall be made available to all Members within 120 days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant. Prior to the Turnover Date, the annual report shall include certified financial statements.

Section 21. Borrowing. The Association shall have the power to borrow money for any legal purpose. Prior to the Turnover Date, no mortgage lien shall be placed on any portion of the Common Areas without the affirmative vote or written consent, or any combination thereof, of Members representing at least 51% of the total Class “A” votes in the Association.

Section 22. Rights of the Association. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other Members or resident associations, both within and outside the Community. Such agreements shall require the consent of a majority of the total number of directors of the Association.

Section 23. Enforcement. In addition to such other rights as are specifically granted under the Declaration, the Board shall have the power to impose reasonable fines not to exceed the amount allowed by law, which shall constitute a lien upon the Unit of the violator, and to suspend a Member’s right to vote or any person’s right to use the Common Areas or recreational facilities for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Board to limit ingress and egress to or from a Unit or access to Common Areas used to provide utility services to a Unit. Notwithstanding the foregoing, the Member’s right to vote may only be suspended due to the nonpayment of any assessments that are delinquent in excess of 90 days. **In addition, the Board may suspend any services provided by the Association to a Member or the Member’s Unit if the Member is more than 30 days delinquent in paying any assessment or other charges owed to the Association.** In the event that any occupant, guest or invitee of a Unit violates the Declaration, Bylaws, or a rule and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is

not paid by the occupant within the time period set by the Board, the Member shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule shall not be deemed a waiver of the right of the Board to do so thereafter. A voting interest or consent right allocated to a Unit or Member which has been suspended by the Board shall be subtracted from the total number of voting interests in the Association, which shall be reduced by the number of suspended voting interests when calculating the total percentage or number of all voting interests available to take or approve any action, and the suspended voting interests shall not be considered for any purpose, including, but not limited to, the percentage or number of voting interests necessary to constitute a quorum, the percentage or number of voting interests required to conduct an election, or the percentage or number of voting interests required to approve an action under Chapter 720, Florida Statutes or pursuant to the governing documents of the Association.

a. Notice. Except as otherwise provided in the Declaration, prior to the imposition of any sanction hereunder or under the Declaration, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than 14 days within which the alleged violator may present a written request for a hearing to the Covenants Committee appointed pursuant to Article VI; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within 14 days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed; provided the Board of Directors, or the Covenants Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 14 day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. The role of the Covenants Committee is limited to determining whether to confirm or reject the proposed fine or suspension levied by the Board of Directors.

b. Hearing. Except as otherwise provided in the Declaration, if a hearing is requested within the allotted 14 day period, the hearing shall be held before the Covenants Committee, as defined in Section 6.2. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

c. Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within 14 days after the hearing date.

d. Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Declaration, these Bylaws or the rules of the Association, by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or, following compliance with the procedures set forth in Article XIV of the Declaration, by suit, at law or in equity, to enjoin any violation or to recover monetary damages, or both, without the necessity of

compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Member or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred.

Section 24. Budget. The Board shall adopt a detailed budget for each calendar year that shall include the estimated funds required to defray the Common Expenses and to provide and maintain funds for the foregoing accounts according to good accounting practices. On or before fourteen (14) days prior to the meeting of the Board at which a budget for the Association is to be considered for adoption by the Board, a copy thereof shall be posted at the office of the Association together with a notice of the meeting at which the budget will be considered which notice shall state the time and place of the meeting. The budget shall be determined by the Board no later than thirty (30) days prior to the commencement of the budget year.

ARTICLE V OFFICERS

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The President, Vice President, Secretary, and Treasurer shall be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed by the Board of Directors. Such other officers may, but need not be members of the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election and Term of Office. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Removal and Vacancies. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by resolution of the Board of Directors.

Section 7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 4.12 hereof.

ARTICLE VI COMMITTEES

Section 1. General. The Board may appoint such committees at it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

Section 2. Covenants Committee. In addition to any other committees which the Board may establish pursuant to Section 6.1, the Board of Directors may appoint a Covenants Committee consisting of at least three and no more than seven Members, which must be appointed by the Board and are not officers, directors, or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director, or employee. Acting in accordance with the provisions of the Declaration, these Bylaws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 4.23 of these Bylaws.

ARTICLE VII MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Florida law, the Articles of Incorporation, the Declaration, or these Bylaws.

Section 3. Conflicts. If there are conflicts between the provisions of Florida law, the Articles of Incorporation, the Declaration, and these Bylaws, the provisions of Florida law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

Section 4. Books and Records.

a. Inspection by Members and Mortgagees. The Board shall make available for inspection and copying within ten 10 business days after receipt of a written request, by any holder, insurer or guarantor of a first mortgage on a Unit, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit, the Declaration, Bylaws, Articles of Incorporation and any Association rules which may be adopted, any amendments to the foregoing, the rules of the Association, the membership register, books of account, copies of any plans, specifications, permits and warranties for any improvements located on the Common Areas, a current roster of all Members and their addresses and parcel identification numbers, a copy of all Association insurance policies, a copy of all contracts to which the Association is a party, a copy of all bids received for work in the preceding year, and the minutes of meetings of the Members, the Board, and committees, all for the preceding seven (7) years. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Community as the Board shall designate; provided it is within 45 miles of the

Community or within Manatee County, Florida. In lieu of the foregoing, the Board may make such records available electronically via the Internet or by allowing the records to be viewed in electronic format on a computer screen and printed upon request. The Board shall allow any holder, insurer or guarantor of a first mortgage on a Unit, any Member, or the duly appointed representative of any of the foregoing to use a portable device, including a smartphone, tablet, portable scanner, or any other technology capable of scanning or taking photographs, to make an electronic copy of the official records in lieu of the Board providing a copy of such records. The Board may not charge a fee for such use of a portable device.

b. Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (1) notice to be given to the custodian of the records;
- (2) hours and days of the week when such an inspection may be made; and
- (3) payment of the cost of reproducing copies of documents requested.

c. Inspection By Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

Section 5. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

a. if to a Member or Members, at the address which the Member or Members has/have designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member or Member; or

b. if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6. Amendment.

a. By Class "B" Member. Prior to the conveyance of the first Unit by Declarant to a Person other than a Builder, the Class "B" Member may unilaterally amend these Bylaws. After such conveyance, and before the Turnover Date, the Class "B" Member may unilaterally amend these Bylaws at any time and from time to time if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal

National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Units; or (d) necessary to enable any governmental agency or reputable private insurance company to guarantee or insure mortgage loans on the Units; provided, however, any such amendment shall not adversely affect the title to any Unit unless the Member shall consent thereto in writing.

b. By Members Generally. Except as provided above, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 75% of the total Class “A” votes in the Association, and the consent of the Class “B” Member prior to the Turnover Date. In addition, the approval requirements set forth in the Declaration shall be met if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

c. Validity and Effective Date of Amendments. Amendments to these Bylaws shall become effective upon recordation in the land records of Manatee County, Florida, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws.

If a Member consents to any amendment to the Declaration or these Bylaws, it will be conclusively presumed that such Member has the authority so to consent and no contrary provision in any Mortgage or contract between the Member and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

Section 7. Severability.

Invalidation of any of the provisions of these Bylaws, or the related Articles of Incorporation or Declaration, by judgment or court order shall in no way affect any other provision, and the remainder of these Bylaws, Articles of Incorporation and/or Declaration shall remain in full force and effect. Further, it is the intent that these Bylaws, and their related Articles of Incorporation and Declaration, be drafted in accordance with the provisions set forth in Chapter 720, Florida Statutes, as in effect on the date the Declaration is recorded and not being subject to subsequent amendments to Chapter 720, Florida Statutes; therefore, in the event that it is determined at any time and by any person that any provision or Section hereof is invalid under, in conflict with or in violation of any provision or section of Chapter 720, Florida Statutes, as enacted on the date the Declaration is recorded, then such provision or Section of these Bylaws, or their related Articles of Incorporation and/or Declaration, shall be deemed and interpreted to comply with such statute as if such provision or Section thereof had originally been drafted in such manner.