

**BY-LAWS  
OF  
SOUTH WINDS MOBILE HOMEOWNERS ASSOCIATION, INC.  
AS REVISED AND ISSUED ON TBD**

**ARTICLE I - OFFICES**

The registered office of the Association in the State of Florida shall be in the County of Sarasota at 6103 South Tamiami Trail, Sarasota, Florida.

**ARTICLE II - PURPOSE**

The Board of Administration (hereinafter the "Board of Directors" or "Board") shall govern this Association in accordance with these Bylaws and the Florida Cooperative Act for the use and benefit of the Cooperative Unit owners. The terms "Assessment", "Association", "Board of Administration", "By-laws", "Committee", "Common areas", "Common expenses", "Common surplus", "Cooperative", "Cooperative parcel", "Cooperative property", "Unit", and "Unit owner" shall have the meanings defined in Section 719.103, F.S.

**ARTICLE III - MEMBERSHIP AND VOTING RIGHTS**

Membership in SOUTH WINDS MOBILE HOMEOWNERS ASSOCIATION, INC. (the "ASSOCIATION") is restricted to owners of mobile homes located upon Units in SOUTH WINDS MOBILE HOME PARK (the "Cooperative property") who have purchased Cooperative Parcels (as described in the Master Occupancy Agreement (the Master Form Proprietary Lease, hereinafter referred to as the "Agreement") issued by the Association) in SOUTH WINDS MOBILE HOME PARK, A COOPERATIVE (the "Cooperative"). There shall be one (1) membership available for purchase for each Cooperative Unit in the Cooperative. Memberships appurtenant to unsold Cooperative parcels shall be held by the Association. Unsold Cooperative parcels may be leased or sold by the Association upon such terms and conditions as may be established from time to time by the Board.

If a Unit owner desires to sell his or her mobile home in the Park, the purchaser must purchase the Unit owner's Cooperative Parcel as a condition precedent to owning a dwelling in the Park. The Board of Directors of the Association shall determine the method of transferring the Cooperative Parcel on the books of the Association and shall determine the method by which an original subscriber of the Cooperative shall recoup the equity portion of the value of the membership.

## **ARTICLE IV - DIRECTORS**

**Section 1. Function:** All corporate powers shall be exercised by or under the authority of, and the business and affairs of this Association shall be managed under the direction of the Board.

**Section 2. Unit owner complaints:** When a Unit owner files a written complaint by certified mail with the Board, the Board shall respond to the Unit owner within thirty (30) days of receipt of the complaint. The Board shall give a substantive response to the complainant (Unit owner) , notify the complainant that a legal opinion has been requested or notify the complainant that advice has been requested from the Department of Business Regulation, Division of Florida Land Sales, Condominiums and Mobile Homes (the "Division"). The failure to act within thirty (30) days and to notify the Unit owners within thirty (30) days of the action taken precludes the Board from recovering attorney's fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the complaint.

**Section 3. Qualification:** All members of the Board shall be Unit owners and reside in their unit for a portion of the year, which shall be no less than four (4) months in any calendar year that they remain on the Board, notwithstanding a personal emergency. A prospective Board member shall have been a unit owner for a minimum of one (1) year before applying for a position on the Board.

**Section 4. Compensation:** Unless otherwise provided in these By-laws, the Directors shall serve without compensation.

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**Section 5. Duties of Directors:** The Directors shall have a fiduciary relationship to the Association and the Unit owners. A Director shall perform his duties as a Director, including his duties as a member of any committee of the Board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Association, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

In performing his duties, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) one or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matters presented,

(b) counsel, public accountants, or other persons as to matters that the Director reasonably believes to be within such person's professional or expert competence, or

(c) a committee of the Board upon which he does not serve, duly designated in accordance with a provision of the Articles of Incorporation or the By-Laws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be acting in good faith if he has knowledge about the matter in question that would cause such reliance described above to be unwarranted. A person who does his duty in compliance with this section shall have no liability by reason of being or having been a Director of the Association. The Association shall indemnify and hold harmless any Directors from liability for corporate action.

Section 6. Presumption of Assent: A Director of the Association who is present at a meeting of its Directors at which action on any Association matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. A vote or abstention for each member present shall be recorded in the minutes of the meeting.

Section 7. Number: This Association shall be managed by a Board of nine (9) Directors. The number of Directors may be increased or decreased from time to time by amendment to these By-Laws, but no decrease shall have the effect of shortening the terms of any incumbent Director. No decrease shall have the effect of reducing the number of Directors to less than three (3).

Section 8. Election and Term: The initial Board of Directors shall be elected on staggered terms with the result being three (3) Directors serving three (3) year terms, three (3) Directors serving two (2) year terms and three (3) Director serving a one (1) year term. Thereafter, each Director shall be elected to a three (3) year term. This staggering of Directors' terms is intended to provide continuity to the management of the Association. The Unit owners also may elect additional Directors to fill the terms of any Directors resigning during their term or who otherwise leave office. At the discretion of the Board of Directors, the election of Directors may be held in a different manner than stated above for the first year after the purchase of the park as long as the alternative method satisfies the requirements of the staggered terms stated above. No proxy, general or limited, shall be used in the election of Board members. Every election of Board members, whether regular election or election due to vacancy, resignation, or removal, shall be by written ballot or voting machine and shall comply with any rules governing election of Directors as set forth by the Division. Elections shall be decided by a plurality of those ballots cast. No quorum shall be required for election of members of the Board of Directors. At least twenty percent (20%) of the eligible Unit owners must cast ballots for an election to be considered a

valid election. No Unit owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. The regular election of Directors shall occur on the date of the annual meeting of Unit owners. Any Unit owner violating this section may be fined by the Association in accordance with Section 719.303(3), F.S.

Section 9. Nominations: Unless nominated at a Board meeting as authorized by section 719.106 (1) (d) 1., any unit owner or other eligible person desiring to be a candidate for the board of administration must give written notice to the association at least 40 days before a scheduled election. Not less than thirty (30) days before the election meeting, the Secretary of the Association shall mail the second notice of the election to all Unit owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8 1/2 inches by 11 inches, which must be furnished by the candidate at least thirty-five (35) days before the election, to be included with the mailing, delivery, or electronic transmission of the ballot with the costs of mailing, delivery, or transmission and copying to be borne by the Association. The Association has no liability for the content of the information sheets provided by the candidates.

Section 10. Recall and Removal of Directors: At a meeting of the Unit owners called expressly for that purpose, any Director or the entire Board of Directors may be removed, with or without cause, by a vote or agreement in writing of a majority of all Unit owners then entitled to vote at an election of Directors. A special meeting of the Unit owners to recall a member or members of the Board may be called by ten percent (10%) of the Unit owners giving notice of the meeting as required for a meeting of the Unit owners and stating the purpose of the meeting.

(a) If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall shall be effective immediately, and each recalled member of the Board of Directors shall turn over to the Board of Directors all records of the Association in his possession within seventy-two (72) hours after the meeting.

(b) If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing shall be served on the Association by certified mail. The Board of Directors shall call a meeting of the Board of Directors within seventy-two (72) hours after receipt of the agreement in writing and shall either certify the written agreement to recall members of the Board of Directors, in which case such members shall be recalled effective immediately and shall turn over to the Board of Directors, within seventy-two (72) hours, all records of the Association in their possession, or proceed as described in subparagraph (c) .

(c) If the Board of Directors determines not to certify the written agreement to recall members of the Board of Directors, or if the recall by a vote at a meeting is disputed, the Board of Directors shall, within seventy-two (72) hours, file with the Division a petition for mandatory nonbinding arbitration pursuant to the procedures

of Section 719.1255, F.S. The Unit owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition. If the arbitrator certifies the recall on any member of the Board of Directors, the recall shall be effective upon service of the written final order of arbitration upon the Association unless a complaint for trial de novo is filed in a court of competent jurisdiction in which the cooperative is located within thirty (30) days.

**Section 11. Vacancies:** A vacancy occurring on the Board by reason of an increase in the number of Directors or a decrease by reason of resignation or death, shall be filled by the remaining Directors, who shall appoint such Director or Directors as are necessary to fill any vacancies. A Director so elected will serve until the next election of Directors when a replacement Director shall be elected in the manner provided by these By-laws who shall serve the remainder of the unexpired term.

(a) A vacancy occurring on the Board as a result of a recall where less than a majority of the Board members are removed, may be filled by the affirmative vote of a majority, of the remaining Directors, notwithstanding any provision to the contrary contained in the Cooperative Act. If vacancies occur on the Board as a result of a recall and a majority or more of the Board members are removed, the vacancies shall be filled in accordance with procedural rules adopted by the Division, which rules need not be consistent with the Cooperative Act or these By-laws. If more than a majority of the Board is recalled and the Division has failed to promulgate procedural rules, the Unit owners may exercise their remedies under Section 719.1064, F.S.

**Section 12. Quorum and Voting:** A majority of the number of Directors fixed by these By-Laws shall constitute a quorum for the transaction of business. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors except as otherwise provided in the Cooperative Act or these By-laws.

**Section 13. Executive and Other Committees:** The Board or any member of the Board may appoint members of the Board, Unit owners or members of the Board and Unit owners to an executive committee and other committees, and each such committee shall serve at the pleasure of the Board with the authority contained in the Florida Statutes. The Board or any member of the Board, may appoint one or more Directors, Unit owners or Directors and Unit owners as alternative members of any such committee, who may act in the place and stead of any absent member or members at any meeting of such committee.

**Section 14. Regular Meetings:** Meetings of the Directors shall be held at a time and place at the discretion of the Board, provided at least one regular monthly meeting of the Board be held each month during the period October through May of each year. These

meetings are open to all Unit owners and notice shall be posted in a conspicuous place on the Cooperative property at least forty-eight (48) continuous hours before each meeting. Each Unit owner attending any meeting of the Board of Directors shall have the right to participate in the meeting with reference to designated agenda items only, pursuant to the guidelines of participation established by the Board of Directors. Any Unit owner attending said meetings shall have the right to electronically record and/or videotape the meeting subject to the rules established by the Division. Any item not included on the agenda may be taken up by the Board on an emergency basis by a vote of at least a majority plus one vote of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board.

Section 15. Special Meetings: Special meetings of the Directors may be called by the President or by any two (2) Directors. Members of the Board may participate in a meeting of such Board by a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. Such special meetings must be open to all Unit owners with the rights and privileges stated in Section 13 of this Article and notice shall be given as set forth herein.

Section 16. Notice: Except in case of emergency, written notice of the time and place of any meetings of Directors or committees established by the Board at which a quorum of Directors is present shall be given to each Director either by personal delivery or by mail, telegram or cablegram and by notice posted in a conspicuous place on the Cooperative property at least forty-eight (48) continuous hours before the meeting. The business to be transacted at or the purpose of any meeting of the Directors shall be specified in the notice. Any meeting at which non-emergency special Assessments, or at which amendment to the rules regarding Unit use will be considered shall be mailed or delivered to the Unit owners and posted conspicuously on the Cooperative property not less than fourteen (14) continuous days prior to the meeting. The person providing the notice shall file an affidavit stating that the Association has complied with the notice requirements or place among the official records a certificate of mailing obtained from the United States Postal Service.

(a) Notice of any meeting at which regular Assessments against Unit owners are to be discussed for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such Assessments.

(b) The Board of Directors shall mail a meeting notice and copies of the proposed annual budget of expenses to the Unit owners at their last known address, not less than thirty (30) days before the meeting at which the budget will be considered. Otherwise a copy of the budget shall be posted in a conspicuous place on the Cooperative property and written notice of the time and place of the budget meeting shall be delivered to each Unit owner thirty (30) days before such meeting.

## **ARTICLE V - OFFICERS**

**Section 1. Officers:** The Officers of this Association shall consist of a President, Vice President, Secretary and Treasurer, each of whom shall be elected or appointed by the Board of Directors. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Board of Directors from time to time. Each Officer shall hold office until his successor shall have been duly elected and shall have qualified or until his resignation, or until he shall have been removed in the manner provided herein. The failure to elect a president, secretary or treasurer shall not affect the existence of this Association.

**Section 2. Duties of Officers:** The Officers of this Association shall have the following duties:

THE PRESIDENT shall be the chief executive officer of the Association, shall have general and active management of the business and affairs of the Association subject to the directions of the Board of Directors, and shall preside at all meetings of the Unit owners and Board of Directors. The President shall be an ex-officio member of all committees.

THE VICE PRESIDENT shall preside in the absence of the President and perform the duties of the President in the event of his absence or disability.

THE SECRETARY shall have custody of, and maintain, all of the Association records except the financial records, shall record the minutes of all meetings of the Unit owners and Board of Directors, send out all notices of meetings, and perform such other duties as may be prescribed by the Board of Directors or the President.

THE TREASURER shall have custody of the Association funds and financial records, shall keep full and accurate accounts of receipts and disbursements and render accounts thereof at the annual meetings of the membership certificate holders and whenever else required by the Board of Directors or the President, and shall perform such other duties as may be prescribed by the Board of Directors or the President.

**Section 3. Removal:** Any officer or agent elected or appointed by the Directors may be removed whenever in their judgment the best interest of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

**Section 4. Fiduciary Relationship:** The Officers of the Association have a fiduciary relationship to the Association and its Unit owners.

**Section 5. Capital Expenditures:** If the Board proposes a new project, it should be fully defined, contracts vetted and financing methods disclosed to the shareholders at a Board Meeting and posted along with the meeting notice that is required elsewhere in these By-laws.

If the Board has a Capital Expenditure that exceeds \$10,000.00 and it is not covered by a Reserve Account, it cannot be made until a majority of the shareholders approve the expenditure by ballot at the Annual Meeting, or a special mailed ballot if needed to implement before the Annual Meeting. Ballots must be kept by the Board for one (1) year.

## **ARTICLE VI - MEMBERSHIP CERTIFICATES**

**Section 1. Issuance:** Every Unit owner shall be entitled to have a membership certificate to which the Unit. owner is entitled.

**Section 2. Form:** Certificates representing membership in the Association shall be signed by the President and Secretary or by such other Officers authorized by the Directors under the laws of the State of Florida and may be sealed with the seal of the Association or a facsimile thereof. All certificates shall be numbered according to the Unit that they represent. All certificates representing membership shall state upon the face thereof: the name of the Association; that the Association is organized under the laws of the State; the name of the person or persons to whom issued; the par value of each membership certificate represented by such certificate or a statement that membership certificate is without par value.

**Section 3. Lost, Stolen or Destroyed Certificates:** T h e Association shall issue a new certificate in place of any certificate previously issued if the holder of record of the certificate (a) makes proof in affidavit form that it has been lost, destroyed or wrongfully taken; (b) requests the issue of a new certificate before the Association has notice that the certificate has been acquired by a purchaser for value in good faith and without notice of any adverse claim; (c) gives bond in such form as the Association may direct, to indemnify the Association, the transfer agent, and registrar against any claim that may be made on account of the alleged loss, destruction, or theft of a certificate; and (d) satisfies any other reasonable requirements imposed by the Association.

**Section 4. Transfer of Stock:** Upon surrender to the Association of a certificate duly endorsed or accompanied by proper evidence of succession, it shall be the duty of the Association to issue a new certificate to the person entitled thereto, and cancel the old certificate; every such transfer shall be entered on the transfer book of the Association which shall be kept at its principal office. All such transfers are subject to the condition that only owners of mobile homes and Cooperative Parcels in the Park are eligible to be membership certificate holders in this Association. This restriction on ownership must appear on the face of all certificates.

The Association shall be entitled to treat the holder of record of any membership certificate as the holder in fact thereof, and accordingly, will not be bound to recognize any equitable or other claim to or interest in such stock by any other person whether or



not it shall have express or other notice thereof, except as expressly provided by the laws of this State.

**Section 5. Transfer fees:** The assignment, sale, mortgage, lease, sublease, or other transfer of a Cooperative Parcel is subject to approval by the Association pursuant to these By-laws and the Master Occupancy Agreement. The Association may impose a fee concerning the approval of the assignment, sale, mortgage, lease, or sublease of Units that shall not exceed \$100.00 per applicant. However, if the lease or sublease is a renewal of a lease or sublease with the same lessee or sublessee, no charge shall be made. The Board of Directors shall have the authority to require a security deposit from sublessees (renters) in an amount not to exceed the equivalent of one (1) month's rent. The security deposit shall protect against damages to the common areas or cooperative property. Within fifteen (15) days after a tenant vacates the premises, the Association shall refund the full security deposit or give written notice to the tenant of any claim made against the security. Disputes under this paragraph shall be handled as disputes concerning security deposits under Section 83.49, F.S. The sublessee shall have all use rights in the Association property available for use generally by the Unit owner and the Unit owner relinquishes such use rights, except as a guest, for as long as the Unit is leased. This section shall not interfere with the rights of the Unit owner as a landlord under Chapter 83, F.S. The Association may adopt rules regarding dual usage of the Association property by a Unit owner and a sublessee of the Cooperative property. Absent any such rules to the contrary, the provisions of this section and the Cooperative Act shall apply.

## **ARTICLE VII - MEETINGS OF UNIT OWNERS**

**Section 1. Annual Meeting:** The annual meeting of the Unit owners shall be held on the first Saturday in March of each year. The annual meeting of Unit owners for any year shall be held no later than thirteen months after the last preceding annual meeting of Unit owners. Business transacted at the annual meeting shall include the election of Directors of the Association, if applicable. Unit owners shall have the right to participate at the annual meeting with reference to all designated agenda items subject to participation guidelines established by the Board of Directors which shall govern frequency, duration, and manner of participation. Any Unit owner may electronically record and/or videotape the annual meeting subject to the rules established by the Division.

**Section 2. Special Meetings:** Special meetings of the Unit owners shall be held when directed by the President, the Board of Directors, or when requested in writing by the holders of not less than ten (10) percent of all the Unit owners entitled to vote at the meeting. A meeting requested by Unit owners shall be called for a date not less than fourteen (14) nor more than sixty (60) days after the request is made, unless the Unit

owners requesting the meeting designate a later date. The call for the meeting shall be issued by the Secretary, unless the President, Board of Directors, or Unit owners requesting the meeting shall designate another person to do so. Unit owners shall have the same rights of participation as those stated in Section 1 of this Article.

Section 3. Place: Meetings of Unit owners shall be held within the County in which the Cooperative property is located.

Section 4. Notice: Not less than sixty (60) days before a scheduled meeting, the Association shall mail or deliver, whether by separate mailing or included in another Association mailing or delivery including regularly published newsletters, to each Unit owner entitled to vote, a first notice stating the place, day and hour of the election of Directors and the purposes for which the meeting is called. Not less than thirty (30) days before the election of Directors, the Association shall then mail a second notice of the election of Directors to all Unit owners entitled to vote therein, including, but not limited to, the ballot which shall list all candidates. Such notices shall be deemed to be delivered when deposited in the United States mail or personally hand delivered and addressed to the Unit owner at his or her address as it appears on the membership transfer books of the Association, with postage thereon prepaid, except that notices sent to Unit owners known to be part-time residents of the Park shall be sent to their other official address. Part-time residents shall keep their other official residence address on file with the Secretary and when they are not at their Park address, their notices shall be sent to their other official address. A Unit owner may waive in writing his or her right to receive mail delivery of any notices. Written waivers shall be kept on file by the Secretary of the Association. Notice of all Unit owner meetings and election of Directors must be posted in a conspicuous place on the Cooperative property at least fourteen (14) continuous days before all such meetings. The person providing the notice shall provide an affidavit of compliance with the notice requirements, and said affidavit shall be made a part of the official records of the Association, or may place among the official records a certificate of mailing provided by the United States Postal Service.

Section 5. Notice of Adjourned Meetings: When a meeting is adjourned to another place or time, it shall not be necessary to give any notice of the adjourned meeting if the place and time to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting except that no quorum requirements shall be required for the election of Directors as long as at least twenty percent (20%) of the eligible Unit owners cast proper ballots. If, however, after the adjournment the Board of Directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given as provided in this section to each Unit owner of record on the new record date entitled to vote at such meeting. In the event less than twenty percent (20%) of the Unit owners cast proper ballots, the date of

the adjourned meeting must be set to permit the Association to meet all notice requirements for the election of Directors. Any ballots cast for the election of Directors prior to the adjournment of the meeting shall be marked invalid and must be retained by the Association pursuant to Section 719.104, F.S.

Section 6. Closing of Transfer Books and Fixing Record Date: To determine the Unit owners entitled to notice of or to vote at any meeting of Unit owners or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of Unit owners for any other purpose, the Board of Directors shall provide that the transfer books shall be closed for a stated period but not to exceed, in any case, sixty (60) days. If the transfer books shall be closed to determine the Unit owners entitled to notice of or to vote at a meeting of Unit owners, such books shall be closed for at least fifteen (15) days immediately preceding such meeting.

When a determination of Unit owners entitled to vote at any meeting of Unit owners has been made as provided in this section, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date for the adjourned meeting.

Section 7. Voting Record: The Officers or agent having charge of the transfer books for membership certificates of the Association shall make, at least ten days before each meeting of the Unit owners, a complete list of the Unit owners entitled to vote at such meetings or any adjournment thereof, with the address of and the number of membership certificates held by each. The list shall be kept on file for ten (10) days prior to such meeting at the registered office of the Association and any Unit owner shall be entitled to inspect the list at any time during usual business hours. The list also shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Unit owner at any time during the meeting.

If the requirements of this section have not been substantially complied with, the meeting, on demand of any Unit owner in person or by proxy, shall be adjourned until the requirements are complied with. If no such demand is made, failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

Section 8. Unit owners Quorum and Voting: A majority of the Unit owners entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Unit owners.

If a quorum is present, the affirmative vote of the majority of the Unit owners represented at the meeting and entitled to vote shall be the act of the Unit owners unless otherwise provided by law.

After a quorum has been established at a Unit owners' meeting, the subsequent withdrawal of Unit owners, so as to reduce the number of Unit owners entitled to vote at

the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof.

Section 9. Voting of Membership Certificates: Each Unit owner entitled to vote in accordance with the terms-and provisions of the Articles of Incorporation and these By-laws, shall be entitled to one (1) vote for each membership certificate owned by such Unit owner.

Section 10. Proxies: Every Unit owner entitled to vote at a meeting of Unit owners or to express consent or dissent without a meeting, or a Unit owner's duly authorized attorney-in-fact, may authorize another person or persons to act for him by proxy, but no one shall be authorized to hold more than five (5) proxies. Every proxy must be signed by the Unit owner or his or her attorney-in-fact. Every proxy shall be effective only for the specific meeting for which it has been given and any lawfully adjourned meetings thereof, except that in no event will a proxy be valid for more than ninety (90) days from the date it was executed. Additionally, every proxy shall be revocable at the pleasure of the Unit owner executing it. Limited proxies shall be used for votes taken to waive or reduce reserves in accordance with Section 719.106(1)(j)(2), F.S. and for votes taken to amend the Articles of Incorporation or By-laws and for voting for non-substantive changes to items for which a limited proxy is required and given and for any other matter for which a vote of the Unit owners is required. No proxy of any kind or description may be used for the election of members of the Board of Directors. General proxies may be used for other matters for which limited proxies are not required and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given. Notwithstanding the provisions of this section, Unit owners may vote in person at Unit owner meetings.

The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the Unit owner who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by the Association Officer responsible for maintaining the list of Unit owners.

Section 11. Action by Unit owners Without a Meeting: Any action required by law, these By-laws or the Articles of Incorporation of this Association to be taken at any annual or special meeting of Unit owners of the Association, or any action that may be taken at any annual or special meeting of such Unit owners, may be taken without a meeting, without prior notice and without a vote, if consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action except for the election of Directors and for any other matters specified in these By-laws or the Cooperative Act.

## **ARTICLE VIII- BOOKS AND RECORDS**

This Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Unit owners, Directors and committees of Directors upon the terms and conditions provided by law, and shall be available for inspection by Unit owners, or their authorized representatives, and board members at reasonable time. The Association shall retain these minutes and records for a period of not less than seven (7) years.

All persons who control or disburse funds of the Association shall be bonded in the principal sum of not less than the amount prescribed in Section 719.106(1) (k) F.S. for each such person. Persons who control or disburse funds are those persons authorized to sign checks on the accounts of the Association and the President, Secretary and Treasurer of the Association. The Association shall bear the cost of bonding, unless otherwise provided by contract between the Association and an independent management company.

## **ARTICLE IX - FISCAL YEAR**

The fiscal year of the Association shall begin on the first day of January in each year.

## **ARTICLE X - CORPORATE SEAL**

The Directors shall provide a corporate seal that shall be circular in form and shall have inscribed thereon the name of the Association, state of incorporation, year of incorporation and the words "corporate seal."

## **ARTICLE XI - RULES AND REGULATIONS**

Rules and Regulations, as established by the Board of Directors and approved by the Unit owners, are hereby declared to be a part of these By-laws and shall bind all Unit owners and tenants until such time as they are amended. New Rules and Regulations may be approved by the vote of a majority of those present and entitled to vote at any meeting at which there is a quorum.

## **ARTICLE XII - AMENDMENT**

These By-laws may be repealed or amended, and new By-laws adopted by a majority vote of the Unit owners at an annual meeting or a special meeting called for that purpose. Text of the proposed change shall be posted in a conspicuous place in the Cooperative property at least four (4) weeks before the called meeting. No By-law shall be revised or amended by reference to the title or the number alone.

Proposals to amend existing By-laws shall contain the full text of the By-laws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that the above procedure would hinder understanding of the proposal, it is not necessary to use the above procedure. Instead, the following notation must appear immediately preceding the proposed:

"Substantial rewording of By-law. See By-law (insert appropriate article and section number) for present text."

### ARTICLE XIII – BUDGET AND FINANCIAL REPORT

The budget shall show the amounts budgeted by accounts and expense classifications, including but not limited to reserve accounts for capital expenditures, deferred maintenance, roof replacement, building painting, pavement resurfacing, administration of the Cooperative, management fees, maintenance, taxes, insurance, security provisions, other expenses, operating capital, and fees payable to the Division.

The proposed annual budget of Common expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to, those expenses listed in Section 719.504(20), F.S. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof replacement, building painting, and pavement resurfacing regardless of the amount of deferred maintenance expense or replacement cost, and for any other items for which the expense or replacement cost exceeds \$10,000.00. The amount to be reserved shall be computed by means of a formula that is based upon estimated life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve Assessments annually to take into account any extensions of the useful life of a reserve item caused by deferred maintenance. The foregoing shall not apply to any budget in which the Unit owners of the Association have, by vote of the majority of Unit owners present at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than required by the foregoing section. If a meeting of the Unit owners has been called to determine to provide no reserves or reserves less than adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect. Reserve funds and any interest accruing thereon shall remain in the reserve account for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the voting interests present at a duly called meeting of the Association.

The budget shall be adopted at a meeting of the Directors of the Association. The proposed annual budget of common expenses and a meeting notice shall be mailed, hand delivered, or electronically transmitted to each unit owner at least 14 days prior to the meeting at which the proposed budget will be considered.

If the budget adopted by the Board requires Assessment against the Unit owners in any fiscal or calendar year exceeding 115 percent (115%) of such Assessments for the preceding year, a special meeting of the Unit owners shall be held upon written application of ten percent (10%) of the Unit owners. Not less than ten (10) days' written notice shall be given to each Unit owner, but the meeting shall be held within thirty (30) days of delivery of such application to the Board. The Notice of the Special Meeting of the Unit owners must state that the purpose of the meeting is to consider the proposed Assessment and for a possible recall and removal of some or all members of the Board of Directors. At the special meeting, Unit owners may consider and enact a revision of the budget or recall any or all members of the Board and elect their successors.

The Board of Directors may, in any event, propose a budget to the Unit owners at a meeting thereof or by writing, and if the budget or proposed budget is approved by the Unit owners at the meeting or by a majority of all membership certificate holders in writing, the budget shall be adopted. If a meeting of the Unit owners has been called and a quorum is not attained or a substitute budget is not adopted by the Unit owners, the budget adopted by the Board of Directors shall go into effect as scheduled.

In determining whether Assessments exceed 115 percent of similar Assessments for prior years, any authorized provisions for reasonable reserves for repair or replacement of Cooperative property, anticipated expenses by the Association that are not anticipated to be incurred on a regular or annual basis, or Assessments for betterments to the Cooperative property shall be excluded from computation.

Within ninety (90) days following the end of the fiscal year the Board shall mail or furnish by personal delivery to each Unit owner and the Division a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amount of receipts by accounts and receipt classifications and shall show the amount of expenses by accounts and expense classifications including, but not limited to: costs of security, professional and management fees and expenses, taxes, costs for recreational facilities, expenses for refuse collection and utility services, expenses for lawn care, costs for building maintenance and repair, insurance costs, administrative and salary expenses, general reserves, maintenance reserves, and depreciation reserves.

## **ARTICLE XIV - COSTS AND ASSESSMENTS**

**Section 1. Costs:** All costs of operating, debt retirement, interests, other expenses, and a reserve fund shall be shared according to the Schedule of Maintenance Fees and Common Expenses established by the Board of Directors. The Schedule of Maintenance Fees and Common Expenses shall not be changed except by the written consent of those Unit owners affected.

**Section 2. Assessments:** All Assessments shall be made monthly in amounts sufficient to provide funds in advance for payment of all anticipated current operating expense and

for all unpaid operating expense previously incurred and collected monthly and shall specify what portion is to cover debt retirement and what portion is to cover maintenance and other costs.

Section 3. Contingency Fund: Sufficient funds shall be retained from the monthly payments to set up and maintain a contingency fund, to be used for other than daily expenses.

Section 4. Late Fees: The Board may establish and enforce the payment of late fees for Assessments not paid within five (5) calendar days from their due date.

Section 5. Enforcement: The Board of Directors may enforce the payment of Assessments, fees properly imposed by the Board, and interest that has accrued on such unpaid Assessments and fees by any method provided by law, including but not limited to the filing of a claim of lien, foreclosure of the Unit owner's interest in the Association, and a civil suit for damages. The choice of any remedy by the Directors does not constitute an election or the waiver of any remedy. Any lien established by the Association shall also secure reasonable attorney's fees incurred by the Association incident to the collection of the rents and Assessments for enforcement of such lien. In any foreclosure, the Unit owner shall pay a reasonable rent for the Cooperative Parcel.

If any Assessment is not paid within thirty (30) days after the delinquency date, which shall be set by the Board of Directors, the Assessment shall bear interest from the date due at the highest rate allowed by law. The Association may assess an administrative fee, in addition to all other fees, costs and interest, in an amount not to exceed the greater of \$25.00 or five percent (5%) of each installment of the assessment that is late. The Association may at any time thereafter bring an action to foreclose the lien against the Unit owner in a like manner as a foreclosure of a mortgage on real property, or a suit on the personal obligation against the Unit owner, and there shall be added to the amount of such Assessment the cost of preparing and filing the complaint in such action including reasonable attorney's fee, and in the event that a judgment is obtained, such judgment shall include interest on the Assessment as provided and a reasonable attorney's fee to be fixed by the court, together with costs of the action.

Section 6. Subordination to lien of mortgages: The lien of the Assessments for which provision is herein made, as well as in any other article of these By-laws, shall be subordinated to the lien of any first mortgage to a federal or state chartered bank, mortgage company, life insurance company, federal or state savings and loan association or real estate investment trust which is perfected by law before the enforcement of a claim of lien for any such unpaid Assessments by the Association. Such subordination shall apply only to the Assessments that have become due and payable before a sale or transfer of such Unit by deed in lieu of foreclosure of such Unit or pursuant to a decree of foreclosure, and in any other proceeding in lieu of foreclosure of such mortgage,



provided however, any such Unit shall be liable, following such sale, for a prorata share of any unpaid Assessments against such Unit accruing prior to such sale, in common with all other Unit owners. No sale or transfer shall relieve any Unit owner from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment. The written opinion of the Association that the lien is subordinated to a mortgage shall be dispositive of any question of subordination.

## **ARTICLE XV - ARBITRATION**

Internal disputes among Unit owners, Associations and their agent and assigns may be subject to voluntary Nonbinding arbitration accordance with Section 719.1255, F.S., as it may be amended from time to time.

## **ARTICLE XVI - USE OF PRONOUNS**

Wherever used in this document, the singular shall include the plural, and the masculine gender shall include the feminine, and vice-versa, regardless of the terminology stated herein.

## **ARTICLE XVII - CAPTIONS AND SECTIONS NUMBERS**

The captions, section numbers and index appearing in these By-laws are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or these By-laws, nor in any way affect their terms.

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### **Notes:**

Draft compiled using the original By-laws as adopted by the Unit owners on Nov. 24, 1992 and amended, revised, or corrected as follows:

a) March 15, 1997 – Article V – Officers, Section 5. Capital Expenditures\*

b) March 20, 2004 – Article IV – Directors, Section 3. Qualifications\*

The sentence, “All members of the Board shall be shareholders in the Association.” deleted because the Association no longer has rental lots. The preceding sentence, “All members of the Board shall be Unit Owners.” fulfills the purpose.

c) Revised March 2002

d) January 2007 - Article IV – Directors, Section 9. Nominations\*

e) March 4, 2017 – Article V – Officers, Section 5. Capital Expenditures\*

f) March 2, 2019 – Article XIII – Budget. Retitled to Budget and Financial\* Report

g) March 5, 2020 – Article XIII – Budget and Financial Report\*

h) May 5, 2020 – Article I – Offices. Corrected address of the Association

- i) May 5, 2020 - Grammatical corrections as recommended by Word.
- j) May 5, 2020 - ARTICLE III - MEMBERSHIP AND VOTING RIGHTS.  
The sentence, “Unsold Cooperative parcels may be leased or sold by the Association upon such terms and conditions as may be established from time to time by the Board” deleted as no longer applicable.

\* As amended by action of the membership.

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