

**AMENDED AND RESTATED
BY-LAWS**

OF

THE SPINDRIFT CLUB OF NAPLES, INC.

A FLORIDA NOT-FOR-PROFIT CORPORATION

NOTE: This document is a substantial rewording of the original text of the By-Laws of The Spindrift Club of Naples, Inc.

ARTICLE 1

GENERAL

1.1 The Name. The name of the Corporation shall be THE SPINDRIFT CLUB OF NAPLES, INC., hereinafter referred to as the “Association.”

1.2 Principal Office. The principal office of the Association shall be at 2600 Gulf Shore Blvd. North, Naples, FL 34103, or at such other place as may be subsequently designated by the Board.

1.3 Identity. These By-Laws are established pursuant to the Florida Cooperative Act, Chapter 719, Florida Statutes (“Act”), for the purpose of administering, operating and managing the residential property at 2600 Gulf Shore Blvd. North, Naples, FL 34103 (the “Cooperative”).

1.4 Definition. As used herein, the term “Corporation” shall be the equivalent of “Association,” and all other words as used herein shall have the definitions set forth below. Any terms not defined shall have those definitions established by the Act.

ARTICLE 2

DEFINITIONS

2.1 “Act” shall mean the Cooperative Act, Chapter 719, Florida Statutes, as the same provides on this date and as the same may be renumbered and amended from time to time.

2.2 “Articles” or “Articles of Incorporation” mean the Articles of Incorporation of the Association, as they may be amended from time to time.

2.3 “Assessment” means a share of the funds required for the payment of Common Expenses, which from time to time is levied against the Unit Owner.

2.4 “Association” or “Corporation” means The Spindrift Club of Naples, Inc., the corporation that owns the property of the Cooperative and that is responsible for the operation of the Cooperative.

2.5 “Board” means the Board of Directors or other representative body responsible for administration of the Association.

2.6 “By-Laws” means the By-Laws of the Association existing from time to time.

2.7 “Committee” means a group of Board members, Unit Owners or other persons, or Board members, Unit Owners and other persons appointed by the Board or a member of the Board to make recommendations to the Board regarding the Association budget or other matters or to take action on behalf of the Board.

2.8 “Common Areas” includes within its meaning the following:

- A. The Cooperative Property which is not included within the Units.
- B. Easements through Units for conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services to Units and the Common Areas.
- C. An easement of support in every portion of a Unit which contributes to the support of a building.
- D. The property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Areas.
- E. Any other part of the Cooperative Property designated in the Cooperative Documents as Common Areas.

2.9 “Common Expenses” means:

- A. Expenses of administration and management of the Cooperative Property.
- B. Expenses of maintenance, operation, protection, repair, or replacement of Common Areas.
- C. Expenses declared Common Expenses by the provisions of the Cooperative Documents or the Act.
- D. Any valid charge against the Cooperative as a whole.

E. Expenses for the maintenance, protection, repair, or replacement of those portions of Units, if any, to be maintained by the Association.

F. The costs of carrying out the powers and duties of the Association. Common Expenses also include reasonable transportation services, insurance for Directors and Officers, road maintenance and operation expenses, in-house communications, security services, and pest control services to the Units and Common Areas, which are reasonably related to the general benefit of the Unit Owners even if such expenses do not attach to the Common Areas or property of the Cooperative.

2.10 “Common Surplus” means the excess of all receipts of the Association including, but not limited to, Assessments, rents, profits and revenues on account of the Common Areas and over the amount of Common Expenses.

2.11 “Cooperative” means that form of ownership of real property wherein legal title is vested in a corporation or other entity and the beneficial use is evidenced by an ownership interest in the Association and a lease or other muniment of title or possession granted by the Association as the owner of the Cooperative Property.

2.12 “Cooperative Documents” means:

A. The documents that create the Cooperative, including, but not limited to, Articles of Incorporation of the Association and the By-Laws.

B. The Membership Certificate or other document evidencing a Unit Owner’s membership in the Association.

C. The Cooperative Owners Agreement or other document recognizing a Unit Owner’s title or right of possession to his or her Unit.

D. The House Rules, as same may be made and amended from time to time by the Board.

2.13 “Cooperative Parcel” means the Unit designated for exclusive occupancy by a Unit Owner in the Cooperative Owners Agreement, the Membership Certificates or other evidence of ownership in the Cooperative representing an undivided share in the assets of the Association, together with the lease or other muniment of title or possession.

2.14 “Cooperative Property” means the lands, leaseholds, and personal property owned by the Association, more particularly described as:

Lot 4, Block 15, THE MOORINGS, Unit No. 5, according to plat in Plat Book 6, pages 4 and 5, Public Records of Collier County, Florida;

2.15 “Special Assessment” means any Assessment levied against Unit Owners other than the Assessment required by a budget adopted annually.

2.16 “Unit” or “Apartment” means a part of the Cooperative Property which is subject to exclusive use and possession. A Unit may be improvements, land, or land and improvements together, as specified in the Cooperative Documents. There are thirty-three (33) Units within the Cooperative Property. Each Unit has as an appurtenance thereto the following:

- A. An undivided share of beneficial ownership of the assets, liabilities and common surplus of the Association. Each Unit shall own one thirty-third (1/33rd) share.
- B. Membership and voting rights in the Association, as provided in these By-Laws.
- C. The non-exclusive right to use the Common Areas.

2.17 “Unit Owner” or “Owner of a Unit” means the Owner of a Cooperative Parcel.

2.18 “Voting Interests” means the voting rights distributed to the Association members as provided for in these By-Laws. Any reference in the Cooperative Documents to a vote of the Membership shall be based upon the Voting Interests of each Unit as defined in Section 5.2 of these By-Laws, unless otherwise specifically provided.

ARTICLE 3

PURPOSE

The purpose of this Association is to provide its Unit Owners a friendly environment with services and consideration to assure the quiet enjoyment of housing and community facilities at 2600 Gulf Shore Boulevard North, Naples, Florida (hereinafter referred to as the “Building”), on a non-profit basis consistent with the provisions set forth in its Articles of Incorporation.

ARTICLE 4

OPERATION OF THE COOPERATIVE BY THE ASSOCIATION; POWERS AND DUTIES

4.1 Powers and Duties The Association shall be the entity responsible for the operation of the Cooperative. The powers and duties of the Association shall include those set forth in these Amended and Restated By-Laws and the Articles of Incorporation of the Association, as amended from time to time. In addition, the Association shall have (i) all the common law and statutory powers of a corporation under the laws of Florida that

are not in conflict with the provisions of the Cooperative Documents or the Act; (ii) the powers and duties set forth in the Act; as well as (iii) all powers and duties granted to or imposed upon it by the Cooperative Documents.

4.2 Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Cooperative Property, the Association shall not be liable to Unit Owners for injury or damage, other than for the cost of maintenance and repair, caused by any latent condition of the Cooperative Property. Further, the Association shall not be liable for any such injury or damage caused by defects in design or workmanship or any other reason connected with any additions, alterations or improvements done by or on behalf of any Unit Owners regardless of whether or not same shall have been approved by the Association pursuant hereto. Further, the Association shall not be liable to any Unit Owner or lessee or to any other person or entity for any property damage, personal injury, death or other liability on the grounds that the Association did not obtain or maintain insurance (or carried insurance with any particular deductible amount) for any particular matter where (i) such insurance is not required hereby or (ii) the Association could not obtain such insurance at reasonable costs or upon reasonable terms.

4.3 Restraint Upon Assignment of Shares in Assets. The share of a Unit Owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Unit.

4.4 Acts of the Association. Unless the approval or action of Unit Owners and/or a certain specific percentage of the Board of the Association is specifically required in the Cooperative Documents, applicable rules and regulations or applicable law, all approvals or actions required or permitted to be given or taken by the Association under the Cooperative Documents shall be given or taken by the Board, without the consent of Unit Owners, and the Board may so approve and act through the proper officers of the Association without a specific resolution. When an approval or action of the Association is permitted to be given or taken hereunder or thereunder, such action or approval may be conditioned in any manner the Association deems appropriate or the Association may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal.

ARTICLE 5

MEMBERSHIP AND VOTING PROVISIONS

5.1 Membership. Membership in this Association shall be limited to record owners of Units in the Cooperative. Transfer of Unit ownership, either voluntarily or by operation of law, shall automatically terminate membership, and the transferee shall automatically become a member of this Association. If Unit ownership is vested in more than one person, all of the persons owning a Unit shall be authorized to attend meetings. If Unit ownership is vested in a trust or, to the extent permitted by the Cooperative Documents, any other entity, the entity shall designate a representative or an individual

officer or employee to exercise its rights as a member, which designee must be an occupant of the Unit if the Unit is occupied.

5.2 Voting Rights

A. On all matters upon which the membership shall be entitled to vote, there shall be one (1) vote for each Unit. Said votes shall be exercised or cast in the manner provided in these By-Laws. The vote of a Unit shall not be divisible. Unless otherwise set forth in the Cooperative Documents or in the Act, matters shall be voted on by the membership of the Association and shall be determined by a vote of a majority of the Voting Interests of the membership, present and voting, in person or by proxy, at any meeting at which a quorum is established, or by written agreement.

B. Votes may be cast in person, by written agreement, by proxy, or by any other means permitted by law, except as provided in Section 7.2 hereof. All proxies shall be signed by the person entitled to vote, shall be filed with the Secretary of the Association prior to or at the meeting at which they are to be used, or prior to or at any lawful adjournment thereof, and shall be effective only for the specific meeting for which originally given and any lawful adjournment thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Unit Owner executing it, but the revocation must be in writing or in person at the meeting for which the proxy was given or any lawful adjournment thereof. Votes may be cast by electronic or on-line means authorized by Chapters 617 and 719, Florida Statutes, as both may be amended from time to time.

5.3 Quorum. Unless otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the total Voting Interests of the membership shall constitute a quorum. A quorum is not required for elections pursuant to Section 7.2 hereof.

5.4 Designation of Voting Member. If a Unit is owned by one or more persons, their right to vote shall be established by the record title to the Unit and any one of them may cast the vote for the Unit. If a Unit is owned by a trust or, to the extent permitted by the Cooperative Documents, another entity, it shall designate the representative, officer, employee or agent entitled to cast the Unit's vote by executing a certificate to be filed with the Secretary of the Association, signed by its authorized representative. The person designated in any such certificate shall be known as the Voting Member. If, for a Unit owned by a trust or other permitted entity, such certificate is not on file with the Secretary of the Association, the vote of the Unit shall not be counted in determining the presence of a quorum, or for any purpose requiring the approval of the person entitled to cast the vote for the Unit. Such certificate shall be valid until revoked or superseded by a subsequent certificate, or until a change occurs in the ownership of the Unit.

ARTICLE 6

MEMBERSHIP MEETINGS

6.1 Place. All meetings of members shall be held at the principal office of the Association or at such other place and at such time as shall be designated by the Board and stated in the notice of meeting.

6.2 Notices. It shall be the duty of the Secretary to send by regular mail, hand delivery or electronic transmission a notice of each annual or special meeting to each Unit Owner and to post a copy of said notice in a conspicuous place on the property at least fourteen (14) continuous days but not more than sixty (60) days prior to such meeting. Notice of any meeting shall list the time, place and purpose thereof and shall incorporate an identification of agenda items. All notices shall be mailed, hand delivered or sent by electronic transmission to the address last furnished to the Association by the Unit Owner as it appears on the books of the Association to each Unit Owner. Proof of posting, delivery or mailing of the notice (if required) shall be given by the affidavit of the person serving the notice, or a United States Postal Service Certificate of mailing, shall be included in the official records of the Association affirming that the notice was mailed, hand delivered or sent by electronic transmission in accordance with Florida law. Notice of specific meetings may be waived in writing before or after the meeting.

6.3 Annual Meeting. The annual meeting for the purpose of electing directors and transacting any other authorized business shall be held during the month of February of each year at such date and time as shall be selected by the Board. At the annual meeting, the members shall elect a Board by plurality vote (cumulative voting prohibited), and shall transact such other business as may be properly brought before the meeting.

6.4 Special Meeting. Special meetings of the members for any purpose, unless otherwise prescribed by statute, may be called by the President, or shall be called by the President or Secretary at the request, in writing, of a majority of the Board or at the request, in writing, of members representing at least one-third (1/3) of the entire membership. Such requests shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice of meeting.

6.5 Action by Members Without a Meeting. Notwithstanding anything herein to the contrary, any action required or permitted to be taken at any annual or special meeting of members may be taken by written agreement without a meeting, signed by the members (or persons authorized to cast the vote of any such members as elsewhere herein set forth), so long as at least a quorum of the members participates and so long as the number of votes required to authorize or approve such action is obtained. Voting by written agreement shall be done in accordance with the provisions of the applicable Statute, as same may be amended from time to time.

6.6 Adjourned Meeting. If any meeting of members cannot be organized because a quorum is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present. If any agenda item at a meeting of the members cannot be approved because approval of more than a quorum of the members is required but such required percentage is not present or is not achieved, the meeting may be adjourned from time to time until the requisite vote is achieved.

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

A. Calling to order by President or Chairman;

B. Appointment of chairman of the meeting by the President or, in his absence, by a majority of the Board. The chairman may be the attorney for the Association or a representative of the Association's management company who will conduct the meeting without vote;

C. Appointment of inspectors of election;

D. Election of directors;

E. Calling of the roll and certifying of proxies;

F. Proof of notice of the meeting or waiver of notice;

G. Reading and disposal of any unapproved minutes;

H. Reports of officers;

I. Reports of committees;

J. Unfinished business;

K. New business (any Member may raise items for discussion not otherwise included on the agenda, provided, however, that no such item shall be taken up for discussion or resolution, but solely for the purpose of considering the inclusion of an item in a future agenda);

L. Adjournment.

ARTICLE 7

DIRECTORS

7.1 Membership. The affairs of the Association shall be managed by a Board of five (5) directors. All directors shall be members of the Association or the spouse or domestic partner of a member residing in the Unit with the member.

7.2 Election of Directors. Election of directors shall be conducted in the following manner:

A. Election of directors shall be held at the annual members' meeting.

B. The Board shall be elected by written ballot or voting machine. Proxies shall not be used in the election of the Board of Directors, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise. No Unit Owner shall permit any other person to vote his or her ballot, and any such ballots improperly cast shall be deemed invalid. Elections shall be decided by a plurality of those ballots cast. Cumulative voting is prohibited. There shall be no quorum requirement; provided, however, at least twenty percent (20%) of the eligible votes must cast a ballot in order to have a valid election.

C. Written notice of the scheduled election shall be mailed, hand delivered or electronically transmitted to each member at his last known address as it appears on the books of the Association. The first notice of the date of the election shall be mailed, hand delivered or electronically transmitted to each member not less than sixty (60) days before the scheduled election. The first notice must contain the name and correct mailing address of the Association.

D. Any Unit Owner or other eligible person desiring to be a candidate for the Board shall give written notice to the Association not less than forty (40) days before the scheduled election. Written notice shall be effective when received by the Association.

E. Upon the timely request of the candidate as set forth in this Subparagraph, the Association shall include, with the second notice of election described in Subsection 7.2(F) below, a copy of an information sheet which may describe the candidate's background, education and qualifications as well as any other factors deemed relevant by the candidate. The information sheet shall not exceed one side of a sheet which shall be no larger than eight and one-half (8-1/2) by eleven (11) inches. Any candidate desiring the Association to mail or personally deliver copies of an information sheet to the eligible voters must furnish the information sheet to the Association not less than 35 days before the election. The Association is not liable for the contents of the information sheets prepared by the candidates. The Association shall not edit, alter or otherwise modify the content of the information sheet. The original copy provided by the candidate shall become part of the official records of the Association.

F. Not less than fourteen (14) days before the scheduled election, the Association shall mail, deliver or electronically transmit to the eligible voters at the addresses listed in the official records of the Association a second notice of the election, together with a ballot and any information sheets timely submitted by the candidates. Each Unit shall receive one (1) ballot. The second notice and accompanying documents shall not contain any communication by the Board which endorses, disapproves or otherwise comments on any candidate. Accompanying the ballot shall be an outer envelope addressed to the person or entity authorized to receive the ballots and a smaller inner envelope in which the ballot shall be placed. The exterior of the outer envelope shall indicate the name of the voter and the Unit or Unit numbers being voted and shall contain a signature space for the voter. Once the ballot is completed, the voter shall place the completed ballot in the inner smaller envelope and seal that envelope. The inner envelope shall then be placed within the larger outer envelope and the outer envelope shall then be sealed. Each inner envelope shall contain only one ballot, but if a person owns more than one Unit and is, therefore, entitled to cast more than one ballot, the separate inner envelopes required may be enclosed within a single outer envelope. The voter shall sign the exterior of the outer envelope in the space provided for his or her signature. The outer envelope shall either be mailed or hand delivered to the Association. Upon receipt by the Association, no ballot may be rescinded or changed.

G. The written ballot shall indicate in alphabetical order by surname, each and every Unit Owner or other eligible person who desires to be a candidate for the Board and who gave written notice to the Association not less than forty (40) days before a scheduled election, unless such person has, prior to the mailing of the ballot, withdrawn his candidacy in writing. No ballot shall indicate which candidates are incumbents on the Board. No write-in candidates shall be permitted. No ballot shall contain a section providing for the signature of a voter. Envelopes containing ballots received by the Association shall be retained and collected by the Association in a locked ballot box with the key in the hands of an independent third party and shall not be opened except in the manner hereinafter provided and in accordance with the Act.

H. Any envelopes containing ballots not prevalidated as provided in Subsection 7.2(l) below shall be collected by the Association and shall be transported to the location of the election. An impartial committee of persons appointed by the Board shall validate and process the ballots. The Association shall have available additional blank ballots at the meeting for distribution to the eligible voters who have not cast their votes. Each ballot distributed at the meeting shall be placed in an inner and outer envelope as provided in Subsection 7.2(F) hereof. At the meeting, as the first order of business, ballots not yet cast shall be collected. Next, the signatures and Unit identifications on the outer envelopes shall be checked against the list of qualified voters, unless previously verified as set forth in Subsection 7.2(l) below. Any exterior envelope not signed by the eligible voter shall be marked "disregarded" and any ballots contained therein shall not be counted. The voters shall be checked off on the list as having voted. Then, in the presence of any Unit Owners in attendance, and regardless of whether a quorum is present, all inner envelopes shall be first removed from the outer envelopes and shall be placed in a receptacle. Upon the commencement of the opening of the outer

envelopes, the polls shall be closed, and no more ballots shall be accepted. Inner envelopes shall then be opened and the ballots shall be removed and counted in the presence of any Unit Owners. Any inner envelopes containing more than one ballot shall be marked "disregarded" and any ballots contained therein shall not be counted. All envelopes and ballots, whether disregarded or not, shall be retained as part of the official records of the Association for such time period as may be required by the Act. Board members whose terms expire and who are not reelected shall relinquish their Board positions, and those positions shall be assumed by the duly elected Board members.

I. The Association may verify outer envelope information in advance of the meeting by following the procedure set forth in Section 719.106(2)(d), Florida Statutes, and Section 61B-75.005(10), Florida Administrative Code.

J. The Board shall not create or appoint any committee for the purpose of nominating a candidate or candidates for election to the Board.

K. Notwithstanding anything contained herein to the contrary, an election is not necessary unless there are more eligible candidates than vacancies. In such case, not later than the date of the scheduled election, the Association shall call and hold a meeting of the membership to announce the names of the new Board members, or shall notify the Unit Owners that one or more Board member positions remain unfilled, as appropriate under the circumstances. In the alternative, the announcement may be made at the annual meeting.

L. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification, or otherwise, a majority of the remaining directors, though less than a quorum, shall elect a successor who shall hold office for the balance of the unexpired term of office. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board.

M. Notwithstanding any foregoing provisions to the contrary, the election may also be conducted using any electronic or on-line voting methods authorized by Chapters 617 or 719, Florida Statutes, as the same may be amended from time to time.

7.3 Organizational Meeting. The organizational meeting of a newly elected Board shall be held after their selection within ten (10) days of their election, at such place and time as shall be fixed by the directors at the meeting at which they were elected. Notice of such organizational meeting; which notice specifically incorporates an identification of agenda items, shall be posted conspicuously on the Cooperative property at least 48 continuous hours preceding the meeting.

7.4 Term. Vacancies on the Board caused by the expiration of a director's term shall be filled by electing new Board members. All Directors will be elected for a two (2) year term. It is the intention of these Bylaws that a staggered Directorate be maintained. To implement and maintain a staggered Directorate, the Board may hold seats in future elections open for one or two year terms, when necessary or appropriate.

In such cases, those receiving the higher number of votes shall be elected to the longer terms and when no election is held, the decision shall be made by agreement of the affected parties, or by lot. The term of each Director's service shall extend until their elected term is completed and thereafter until their successor is duly elected and qualified or until the Director is recalled in the manner provided in the Act, or resigns. Resignations of Directors are effective when received by the Association in writing, unless a later date is stated. Elections for directors shall be held annually.

7.5 Recall. Any member of the Board may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all Unit Owners. 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 Unit Owners, and the notice shall state the purpose of the meeting. The recall of a director shall be further governed by the applicable provisions of the Act and the Florida Administrative Code, as same may be amended from time to time.

7.6 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone, facsimile or electronic mail, and shall be transmitted at least forty-eight (48) hours prior to the meeting. Regular meetings of the Board and only those committee meetings which committees have the authority to take final action on behalf of the Board or make recommendations to the Board regarding the Association budget, shall be open to all Unit Owners, and notice of such meetings shall be posted conspicuously at the Cooperative forty-eight (48) continuous hours preceding the meeting for the attention of the members of the Association except in the event of an emergency. However, written notice of any meeting at which non-emergency Special Assessments, or at which amendments to rules regarding Unit use will be proposed, discussed or approved, shall be mailed, hand delivered or electronically transmitted to the Unit Owners and posted conspicuously on the Cooperative Property not less than fourteen (14) days prior to the meeting. Evidence of compliance with this fourteen (14) day notice requirement shall be made by an affidavit executed by the person providing the notice and filed among the official records of the Association. The Board may adopt a rule to provide that, in lieu of posting notice of a regular Board meeting on the Cooperative Property, the notice and agenda may be conspicuously posted and repeatedly broadcast on a closed-circuit cable television system serving the Association in the manner required by the Act. Notice of any meeting where Assessments against Unit Owners are to be considered for any reason shall contain such disclosures as are required by the Act. The right of a member to attend regular Board meetings includes the right to speak at such meetings with reference to all designated agenda items. A member does not have the right to speak with reference to items not specifically designated on the agenda, but the Board, in its discretion, may permit a member to speak on such items. The Board may adopt reasonable rules governing the frequency, duration, and manner of Unit Owner statements. Any member may tape record or videotape meetings of the Board, committee or members; provided, however, that the equipment utilized does not produce distracting sound or light emissions and subject to any rules which may be adopted by the Board regarding placement,

assemblage of audio and video equipment, prior notice to record the meeting, and distraction resulting from moving about during recording of the meeting.

7.7 Special Meetings. Special meetings of the directors may be called by the President or, in his absence, by the Vice President, and must be called by the President or Secretary at the written request of three (3) of the directors. Notice of the meeting shall be given personally or by mail, telephone, facsimile or electronic mail, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than forty-eight (48) hours prior to the meeting. Special meetings of the Board shall be open to all Unit Owners, and notice of a special meeting shall be posted conspicuously at the Cooperative forty-eight (48) continuous hours in advance for the attention of the members of the Association. However, written notice of any special meeting at which non-emergency Special Assessments, or at which amendments to rules regarding Unit use will be proposed, discussed or approved, shall be mailed, hand delivered or electronically transmitted to the Unit Owners and posted conspicuously on the Cooperative Property not less than fourteen (14) days prior to the meeting. Evidence of compliance with this fourteen (14) day notice requirement shall be made by an affidavit executed by the person providing the notice and filed among the official records of the Association. Notice of any meeting where Assessments against Unit Owners are to be considered for any reason shall contain such disclosures as are required by the Act. The right of a member to attend special Board meetings includes the right to speak at such meetings with reference to all designated agenda items. The provisions set forth in Section 7.6 hereof with respect to speaking at meetings and recording of meetings shall also apply to special meetings.

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

7.9 Quorum and Voting. A quorum at directors meetings shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board. Directors may not vote by proxy or secret ballot at Board meetings, except, if allowed by statute, for election of officers. A vote or abstention for each director present shall be recorded in the minutes. Any director present at a meeting of the Board who does not vote against a resolution considered at such meeting or does not abstain due to an asserted conflict of interest is deemed to have assented to the action taken by the Board at such meeting. Directors may meet by telephone conference and those attending by telephone conference may be counted toward a quorum and may vote by telephone, provided the telephone conference is conducted on a speaker so that the conversation of those Board members attending by telephone may be heard by the Board and any other person attending the meeting.

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

7.11 Presiding Officer. The presiding officer of the directors' meetings shall be the President, his or her designee or, in the absence of the President, the Vice-President or his or her designee. In the absence of the President or Vice-President, the directors present shall designate one of their number to preside or designate the attorney of the Association or a representative of the Association's management company to act as chairman.

7.12 Order of Business. The order of business at directors' meetings shall, to the extent practical, be:

- A. Calling of roll;
- B. Proof of due notice of meeting;
- C. Reading and disposal of any unapproved minutes;
- D. Reports of officers and committees;
- E. Unfinished business;
- F. New business (any Member may raise items for discussion not otherwise included on the agenda, provided, however, that no such item shall be taken up for discussion or resolution, but solely for the purpose of considering the inclusion of an item in a future agenda).
- G. Adjournment.

7.13 Compensation. Directors shall not be entitled to compensation for their services. No director, officer or manager required to be licensed under Florida Statutes Section 486.432 shall solicit, offer to accept, or accept any thing or service of a value for which consideration has not been provided for his own benefit or that of his immediate family, from any person providing or proposing to provide goods or services to the Association. Any such individual who knowingly so solicits, offers to accept, or accepts any thing or service of value is subject to a civil penalty pursuant to Florida Statutes. Notwithstanding the foregoing, a Board member may be reimbursed for out of pocket expenditures for Association expenses, but only with the prior approval of the Board.

7.14 Resignation. Any Board member may resign at any time at a Board or members' meeting, which shall be effective immediately, or by written resignation delivered to the Association, which shall take effect upon its receipt by the President, Secretary or other Association officer, Board member or managing agent, unless a later

date is specified in the verbal or written resignation, in which event the resignation shall be effective from such date. The acceptance of a resignation shall not be required to make it effective.

7.15 Committees. Committee meetings specifically required by the Act to be noticed and open to the membership shall be noticed and conducted in the same manner as Board meetings. All other committee meetings shall be exempt from such requirements.

ARTICLE 8

BOARD POWERS AND DUTIES

8.1 Powers and Duties. The Board shall exercise all powers and duties of the Association under Chapters 617 and 719, Florida Statutes, and the Cooperative Documents, except where a vote of the members is specifically required. Such powers and duties of the Board shall include, without limitation (except as limited elsewhere herein and to the extent that same is in accordance with Chapter 719, Florida Statutes) the following:

A. Operation, care, upkeep and maintenance of the Common Areas and facilities.

B. The irrevocable right to have access to each Unit from time to time during reasonable hours when necessary for the inspection, maintenance, repair or replacement of any Common Areas or of any portion of a Unit to be maintained by the Association pursuant to the Cooperative Documents or at any time as necessary to prevent damage to the Common Areas or to a Unit or Units. Unit Owners shall be required to provide the Association with a key for access to the Unit for the foregoing purposes.

C. Determination and adoption of the annual budget of Common Expenses required for the operation of the Cooperative and the Association.

D. Levying and collection of regular Assessments for Common Expenses from Unit Owners required to pay same.

E. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Areas and Cooperative Property.

F. Adoption and amendment of the rules and regulations covering the details of the operation and use of Cooperative Property and facilities.

G. Maintaining of bank accounts on behalf of the Association and the designation of the signatories required therefor.

H. Purchasing, leasing or other acquiring of Units in the name of the Association, or its designee.

I. Purchase of Units at foreclosure or other judicial sales, in the name of the Association or its designee.

J. Selling, leasing, mortgaging, or otherwise dealing with Units acquired by, and subleasing Units leased by, the Association or its designee.

K. The power to acquire or convey title to real property (excluding Units in the Cooperative) and to mortgage real property, provided, however, that such acquisition, conveyance or mortgage shall require the approval of two-thirds (2/3) of the total Voting Interests of the membership, either at a meeting or by written agreement.

L. The power to acquire, sell or mortgage personal property and to hold, regulate, administer, lease, maintain, repair, and replace same.

M. The right to grant, modify or move easements which are part of or cross the Common Areas.

N. Organization of corporations to act as designees of the Association in acquiring title to Units or leasing Units by the Association.

O. Obtaining and reviewing insurance for the Cooperative Property.

P. Making repairs, additions and improvements to, or alterations of, the Cooperative Property, and repairs to and restoration of the Cooperative Property, in accordance with the provisions of the Cooperative Documents.

Q. Enforcement of the obligations of the Unit Owners, the allocation of profits and expenses, and the performance of anything and everything else necessary and proper for the sound management of the Cooperative.

R. Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of the Common Areas. If any sum borrowed by the Board on behalf of the Association pursuant to authority contained in this Subsection 8.1(R) is not repaid by the Association, a Unit Owner, who pays to the creditor such proportion thereof as his share in the Common Expenses bears to the interest of all the Unit Owners in the Common Expenses, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

S. To appoint and delegate a management corporation or agent to perform any and all acts for and on behalf of the Association relative to the maintenance, upkeep, improvement or management of the Cooperative Property, providing only that the Board shall not delegate any powers or duties of the Board reserved to the Board or to the

membership by law; and to employ other agents, including, but not limited to, accounts and attorneys.

T. The duty to maintain official records according to good accounting practices, and the requirements of the Act, as same may be amended from time to time.

U. The power to lease and/or charge a fee for the exclusive use of Common Areas to any Unit Owner being granted, by the Association, a right to such exclusive use.

8.2 Other Powers. All of the powers which a corporation not for profit in the State of Florida may exercise.

ARTICLE 9

OFFICERS

9.1 Executive Officers. The executive officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be members of the Board and shall be elected by and serve at the pleasure of the Board. The Board may also appoint an assistant Treasurer and assistant Secretary, who need not be Board members. No person may hold more than one (1) office at the same time.

9.2 Appointive Officers. The Board may appoint such other officers and agents as they may deem necessary, who shall hold office at the pleasure of the Board and have such authority and perform such duties as from time to time may be prescribed by said Board.

9.3 Election. The Board shall elect all officers.

9.4 Term. The officers of the Association shall hold office until they are no longer members of the Board or their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the whole Board.

9.5 The President. The President shall be the chief executive officer of the Association. Subject to the provisions of Sections 6.7, 7.11 and 7.15 hereinabove, the President shall preside at all meetings of members and of the Board, shall exercise the executive powers of the Association and have general supervision over its affairs and other officers, and shall perform all of the duties incident to the office and such other duties as may be delegated to the President from time to time by the Board.

9.6 The Vice President. The Vice President shall perform all of the duties of the President in the absence of the President, and such other duties as may be required by the Board.

9.7 The Secretary. The Secretary or assistant Secretary shall issue notices of all Board meetings and all meetings of members, shall attend and keep the minutes of same, and shall have charge of all of the books of the Association as well as its records and papers, except those kept by the Treasurer. All minutes shall be kept in a businesslike manner and shall be available for inspection by Unit Owners as set forth in the Act.

9.8 The Treasurer.

A. The Treasurer shall have custody of the Association's funds and securities, shall keep full and accurate accounts of the Association's receipts and disbursements, and shall deposit all monies and other valuable effects in the name of, and to the credit of, the Association in such depositories as may be designated by the Board. The books shall reflect an account for each Unit in the manner required by the Act.

B. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, making proper vouchers for such disbursements, and shall render an account of all his or her transactions as the Treasurer, and of the financial condition of the Association to the Board whenever it may require it.

C. The Treasurer shall collect all Assessments and shall report promptly to the Board the status of collections.

D. The Treasurer shall maintain accounting records according to good accounting practices and shall render to Unit Owners or their authorized representatives, at least annually, a written summary of the Association's fiscal activities.

9.9 Compensation. Officers shall not receive compensation for their services. Notwithstanding the foregoing, an officer may be reimbursed for out of pocket expenditures for Association expenses, but only with the prior approval of the Board.

9.10 Resignations. Any officer may resign at any time at a Board or members' meeting or by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date. The acceptance of a resignation shall not be required to make it effective.

ARTICLE 10

MEMBERSHIP CERTIFICATES OF THE ASSOCIATION

10.1 Membership. Each Owner as a member in this Association shall be entitled solely by reason of ownership of said Membership Certificate in the Association to occupy a Unit and one assigned parking space whether covered or uncovered, as assigned, on the Cooperative Property in accordance with the terms of the Cooperative Owners Agreement entered into between the Association and the member simultaneously with the

issuance of said Membership Certificate to the member and in accordance with these By-Laws. The assigned parking spaces, whether covered or uncovered, may be reassigned from one Unit to another with the written consent of Owner of the Unit to which the space is assigned and the Board of Directors, provided that no such transfer shall result in any Unit having less than one assigned parking space. The Membership Certificates of the Association may be issued only in connection with the execution and delivery of a Cooperative Owners Agreement by and between the Association and member, applicable to the designated Unit. Holding a Membership Certificate in this Association shall have the prerequisites of and be equivalent with membership in this Association, and shall constitute ownership of a Unit.

10.2 Membership Certificates. Membership Certificates of the Association shall be in the form approved by the Board and shall be signed by the President, or a Vice President, and the Secretary or an Assistant Secretary, or the Treasurer, or an Assistant Treasurer, and sealed with the seal of the Association and shall be numbered in the order in which issued Certificates shall be bound in a book and issued in consecutive order therefrom and in the margin or stub thereof shall be entered the name of the person holding the Membership Certificate therein represented, the number of Membership Certificates and the date of issue. No new Certificate shall be issued until the old Certificate has been surrendered or accounted for in a manner satisfactory to the Board. Each Certificate exchanged or returned to the Association shall be cancelled and the date of cancellation shall be indicated thereon by the Secretary or the Membership Certificate Transfer Agent and further indicated in the Certificate Book opposite the memorandum of its issue. In the discretion of the Board, Membership Certificates shall also reflect the lien rights of the Association as set forth in these By-Laws.

10.3 Transfer. Subject to the provisions of Article 15 of these By-Laws, transfers of Membership Certificates shall be made only on the books of the Association by the holder in person or by powers of attorney duly executed and witnessed and filed with the Secretary, and on the surrender of the Membership Certificate, except that any interest in a Membership Certificate for a particular Unit or Units sold by the Association to satisfy any lien which it holds thereon, may be transferred without the surrender of such Membership Certificate. No transfer of a Membership Certificate shall be valid as against the Association, its stockholders and creditors for any purpose until it shall have been entered in the Membership Certificate Book by an entry showing from whom and to whom transferred.

10.4 Units of Issuance. There shall be issued one (1) Membership Certificate for each Unit in the Cooperative Property owned by the Association, to the member having the rights of occupancy thereto, simultaneously and in conjunction with the execution and delivery of a Cooperative Owners Agreement applicable to such Cooperative Parcel. Unless and until all Cooperative Owners Agreements which shall have been executed by the Association and its members have been terminated, the Membership Certificate which accompanies each Cooperative Owners Agreement shall be represented by a single Certificate and shall not be sold or transferred except to the Association, or as an entirety to a person who has acquired such Cooperative Owners Agreement or a new one in place

thereof, after complying with and satisfying the requirements of such Cooperative Owners Agreement and these By-Laws in respect to the sale, transfer or assignment thereof.

10.5 Association's Lien. The Association shall at all times have a lien on Cooperative Parcel, which lien shall have such priority and be enforceable in the manner provided in the Act and as provided in these By-Laws, as both may be amended from time to time.

ARTICLE 11

FINANCES AND ASSESSMENTS

11.1 Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined and approved by appropriate resolutions of the Board. Funds shall be withdrawn only upon checks and demands for money signed by such officer(s) or agent(s) as may be designated by the Board. The Board shall require all checks to be signed by one (1) signatory, after approval by the Treasurer or other Director, unless prohibited in the depository.

11.2 Fiscal Year. The fiscal year of the Association shall begin on the first day of January of each year; provided, however, that the Board, whenever it deems it advisable, is expressly authorized to change to a different fiscal year in accordance with the applicable provisions of the Internal Revenue Code.

11.3 Determination of Assessments.

A. The Board shall fix and determine the sum or sums necessary and adequate to assess Unit Owners for their share of the Common Expenses set forth in the budget for the Association and the Cooperative. Funds for the payment of Common Expenses shall be assessed against Unit Owners as provided in these By-Laws. Assessments shall be payable not less frequently than quarterly and shall be due on the first day of each quarter or month unless otherwise ordered by the Board. Assessments shall be made against Unit Owners in an amount not less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. Special Assessments, if necessary, may be levied by the Board only after obtaining approval of a majority of the Voting Interests of the Association present (in person or by proxy) and voting at a duly noticed membership meeting at which a quorum is present; and shall be levied in the same manner provided in the Act and shall be payable in the manner determined by the Board.

B. Any meeting at which a proposed annual budget of the Association or an amendment thereto will be considered by the Board (or Unit Owners as provided in Subsection 11.3(C)) shall be open to all Unit Owners. At least fourteen (14) days prior to such a meeting, the Board shall mail, hand deliver or electronically transmit to each Unit Owner at the address last furnished to the Association by the Unit Owner, a notice of such meeting and a copy of the proposed annual budget. An officer or manager of the

Association or other person providing notice of such meeting, shall execute an affidavit evidencing compliance with such notice requirement and such affidavit shall be filed among the official records of the Association.

C. If the Board adopts in any fiscal year an annual budget which requires Assessments against Unit Owners which exceed 115 percent of Assessments for the preceding fiscal year, the Board shall conduct a special meeting of the Unit Owners to consider a substitute budget if the Board receives, within twenty-one (21) days after adoption of the annual budget, a written request for a special meeting from at least ten (10%) percent of all Units. The special meeting shall be conducted within sixty (60) days after adoption of the annual budget. At least fourteen (14) days prior to such special meeting, the Board shall hand deliver or mail to each Unit Owner at the address last furnished to the Association, a notice of the meeting. An officer or manager of the Association, or other person providing notice of such meeting shall execute an affidavit evidencing compliance with this notice requirement and such affidavit shall be filed among the official records of the Association. Unit Owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of the total Voting Interests of the membership. If there is not a quorum at the special meeting or a substitute budget is not adopted, the annual budget previously adopted by the Board shall take effect as scheduled.

Any determination of whether Assessments exceed one hundred fifteen (115%) percent of Assessments for the prior fiscal year shall exclude any authorized provision for reasonable reserves for repair or replacement of the Cooperative Property, anticipated expenses of the Association which the Board does not expect to be incurred on a regular or annual basis, or Assessments for betterments to the Cooperative Property.

D. The proposed annual budgets 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 the Act. In addition to annual operating expenses and to the extent applicable, the budgets 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 item for which the deferred maintenance expense or replacement cost exceeds the amount set forth in the Act. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful 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 extension of the useful life of a reserve item caused by deferred maintenance. The foregoing reserve account requirements shall not apply to an adopted budget in which the members of the Association have determined by a majority vote of those present, in person or by proxy, at a duly called meeting of the Association at which a quorum is established, to provide no reserves or less reserves than those described in this Subsection.

E. When the Board determines the amount of any Assessment, the Treasurer shall mail or present to each Unit Owner a statement of Assessment specifying the amount of same and to whom and where same should be payable and sent.

11.4 Application of Payments and Commingling of Funds. All funds collected by the Association shall be maintained separately in the Association's name. For investment purposes only, reserve funds may be commingled with operating funds of the Association. Commingled operating and reserve funds shall be accounted for separately and a commingled account shall not, at any time, be less than the amount identified as reserve funds. Any funds collected pursuant to a Special Assessment shall not be commingled with operating or reserve accounts and shall be placed in a separate account created solely for the purpose of that particular Special Assessment.

11.5 Fidelity Bonds. The Association shall obtain and maintain fidelity bonding of all persons who control or disburse funds of the Association in the principal sum not less than that required by the Act.

11.6 Financial Statements. The Board shall cause to be prepared financial statements either compiled, reviewed or audited, financial statement or a report of cash receipts and expenditures in lieu of financial statements, in accordance with the Act.

ARTICLE 12

COLLECTION OF ASSESSMENTS

12.1 Liability for Assessments. A Unit Owner, regardless of how title is acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, shall be liable for all Assessments and other charges coming due while that person is the Unit Owner. Except as provided in Section 12.2 below, the Unit Owner shall also be jointly and severally liable with the previous Owner for all unpaid Assessments and other charges that came due up to the time of the transfer of title. This liability is without prejudice to any right the Owner may have to recover from the previous Owner the amounts paid by the Owner. Failure to pay the full amount when due shall entitle the Association to record a claim of lien against the Cooperative Parcel and proceed in the same manner as provided herein and in the Act, as amended from time to time, for the collection of unpaid Assessments. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Areas or by the abandonment of the Unit for which the Assessments are made or otherwise. Each member's proportionate share of the Assessment shall be on an equal 1/33th basis. These percentage allocations may not be amended in any way to increase or decrease any member's proportionate share of the regular or Special Assessments without written consent of all members.

12.2 Default in Payment of Assessments for Common Expenses. Assessments and installments thereof not paid within twenty (20) days from the date when they are due shall bear interest at the highest lawful rate from the date due until paid. In addition to the above stated interest, the Association shall charge an administrative late

fee in an amount not to exceed the highest amount provided for in the Act, on Assessments and installments thereof not paid when due. All partial payments upon account shall be applied in the manner prescribed in the Act. The Association has a lien on each Cooperative Parcel to secure the payment of Assessments. The lien shall have such priority as is provided by the Act. All claims of lien must state the description of the Cooperative Parcel, the name of the record Owner, the name and address of the Association, the amount due and the due dates and must be executed and acknowledged by an officer or authorized agent of the Association. The claim of lien shall secure (whether or not stated therein) all unpaid Assessments, which are due at the time a claim of lien is recorded, as well as all regular and Special Assessments which may be levied or which may accrue subsequent to the recording of the claim of lien and prior to satisfaction of the lien or the issuance of a certificate of title, together with interest, late charges and all reasonable costs and attorney's fees incurred by the Association incident to the collection and foreclosure process. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien. The Association may bring an action in its name to foreclose its lien in the same manner a mortgage of real property is foreclosed and may also bring an action at law to recover a money judgment for the unpaid Assessments without waiving any claim of lien. The Association is entitled to recover its reasonable attorney's fees incurred in either a lien foreclosure action or an action to recover a money judgment for unpaid Assessments. As an additional right and remedy of the Association, upon default in the payment of Assessments as aforesaid, the Association may declare the Assessment installments for the remainder of the fiscal year in which a claim of lien has been filed to be accelerated, as provided in Section 12.5 below.

12.3 Assignment of Rents. The Association is hereby granted a lien against any rents derived from the Unit which shall have the same priority as the Association's lien for unpaid Assessments against the Unit. Except to the extent limited by the Act, the lien on any rentals derived from the Unit shall be enforceable by the delivery of written notice to the owner and the tenant demanding the payment of the rents, provided, however, that no such demand may be made unless and until the owner is delinquent in the payment of any Assessment or other charge due and payable to the Association by the Unit Owner under these By-Laws.

12.4 Certificate of Unpaid Assessments. Within fifteen (15) days after request by a Unit Owner or mortgagee of a Unit, the Association shall provide a certificate stating whether all Assessments and other moneys owed to the Association by the Unit Owner with respect to his Unit have been paid. Any person other than the Unit Owner who relies upon such certificate shall be protected thereby. The Association or its authorized agent may charge a reasonable fee for the preparation of the Certificate.

12.5 Acceleration of Assessment Installments Upon Default. If a Unit Owner shall be in default in the payment of an installment upon an Assessment, the Board may accelerate the remaining installments of the Assessment upon notice to the Unit Owner, and the then unpaid balance of the Assessment shall be due upon the date stated in the notice.

12.6 Set Off. Any funds due and payable by the Association to a Unit Owner under these By-Laws or under the Act shall be subject to a right of set-off for any amounts due and owing to the Association by the Unit Owner under these By-Laws or the Act.

ARTICLE 13

COOPERATIVE OWNERS AGREEMENTS

13.1 Form. The lease contract titled “The Spindrift Club of Naples, Inc. Cooperative Owners Agreement” used by the Association to document an Owner’s right of possession of their Unit. The first Board of Directors adopted a standard form of Cooperative Owners Agreement. Such Agreement shall not be amended in any manner except as to occupancy provisions which may be amended as further stated within these By-Laws. Such Cooperative Owners Agreements shall be for such terms and shall contain such restrictions, limitations and provisions in respect to the assignment thereof, the subletting of the premises demised thereby, and the sale and transfer of Membership Certificates accompanying the same and such other terms, provisions, conditions and covenants as the Board deems advisable, which shall be in addition to any such restrictions, limitations and provisions set forth in these By-Laws.

13.2 Issuance and Assignment. Cooperative Owners Agreements shall be assigned or transferred only in compliance with, and may not be assigned or transferred in violation of, the terms, conditions and provisions of these By-Laws and of such Cooperative Owners Agreements. A duplicate original of each Cooperative Owners Agreement shall always be kept on file in the office of the Association.

ARTICLE 14

USE RESTRICTIONS

In order to provide for congenial occupancy of the Cooperative Property and for the protection of the values of the Units, the use of the Cooperative Property shall be restricted to and shall be in accordance with the following provisions:

14.1 Occupancy.

A. Each Unit shall be used as a single family residence only, except as otherwise herein expressly provided. As used herein, “single family” or words of similar import shall be deemed to include up to two (2) persons who may or may not be related by blood, marriage or adoption living together as a single housekeeping Unit, or an individual, and their spouses, domestic partners, children, step children, siblings, step brothers and step sisters, parents or grandchildren.

B. Under no circumstances may any Unit be used for any business purpose which would cause a level of noise, odor, traffic, debris or other activity inconsistent with residential use.

C. A guest shall be considered any occupant who is not a Unit Owner or an approved lessee. There shall be no time limitation on guest occupancy provided the guest occupies the Unit with the Owner or the approved lessee or the guest is a member of the Unit Owner's or approved lessee's family, as that term is defined above. However, any guest who occupies a Unit in excess of thirty (30) days cumulatively in any calendar year shall be subject to screening as a lessee. Guest occupancy in the absence of the Unit Owner or lessee is prohibited unless the guest is a member of the Unit Owner's or lessee's family, as that term is defined above. Prior to any occupancy of the Unit by any guest in the absence of the Owner or lessee, the Owner or lessee must provide written notice to the Association of the name or names of the intended guests, the familial relationship, if any, the anticipated date of arrival, and the anticipated date of departure.

14.2 Use of Common Areas. The Common Areas shall be used only for furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.

14.3 Nuisances. No nuisances (as defined by the Association) shall be allowed on the Cooperative Property, nor shall any use or practice be allowed which is a source of annoyance to residents or occupants of Units or which interferes with the peaceful possession or proper use of the Cooperative Property by its residents or occupants. The Board is hereby authorized to adopt additional rules and regulations regarding noise, including, but not limited to, regulations regarding the types of activities that are permitted, the level of noise that is permitted, and the hours during the day during which certain types of activities are permitted.

14.4 No Improper Uses. No improper, offensive, hazardous or unlawful use shall be made of the Cooperative Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereover, relating to any portion of the Cooperative Property, shall be corrected by, and at the sole expense of, the party obligated to maintain or repair such portion of the Cooperative Property, as elsewhere herein set forth. Notwithstanding the foregoing and any provisions of the Articles of Incorporation or these By-Laws, the Association shall not be liable to any person(s) for its failure to enforce the provisions of this subsection.

14.5 Leasing. The lease of a Unit is defined as occupancy of the Unit by any person other than the Unit Owner, whether pursuant to a verbal or written agreement, where said occupancy by the non-owner involves consideration (the payment of money, the exchange of goods or services, or any other exchange of value). All leases must be in writing. Should a Unit Owner wish to lease his Unit, he shall furnish the Association with a copy of the proposed lease, the name of the proposed lessee, the names of all proposed Occupants, and such other information as the Association may reasonably require. Any person occupying the Unit after initial approval shall be subject to a separate application and approval process. The Association shall have fourteen (14) days from the receipt of

notice and all required information within which to approve or disapprove of the proposed lease or proposed lessees or occupants. The Association shall give the Unit Owner written notice of its decision within said period. No individual rooms may be rented. "Rent-sharing" is prohibited. Leases may be extended or renewed, subject to Board approval. This section shall apply to all Unit Owners, regardless of when the Unit was purchased or title acquired.

A. Board Right of Approval. The Board of Directors shall have the authority to approve all leases and renewals or extensions thereof, which authority may be delegated to a Committee or agent. No person may occupy a Unit as a lessee, Family member of a lessee, occupant, or otherwise without prior approval of the Board of Directors. The Board shall have the authority to promulgate or use a uniform lease application and require such other information from the proposed lessee and all proposed occupants as the Board deems appropriate under the circumstances. The Board may require an interview of any proposed lessee and all proposed occupants of a Unit as a condition for approval.

B. Lessee Conduct; Remedies. All leases shall be on a uniform form of lease or lease addendum, if so promulgated by the Association. Uniform leases, addenda and all other leases will provide, or be deemed to provide that the lessee have read and agreed to be bound by these Bylaws, Articles of Incorporation, and Rules and Regulations as the same may be amended from time to time. The uniform lease or addendum and other leases shall further provide or be deemed to provide that any violation of the Cooperative Documents shall constitute a material breach of the lease and subject the lessee to eviction as well as any other remedy afforded by the Cooperative Documents or Florida law. If a lessee, other Unit occupant, guest or invitee fails to abide by the Cooperative Documents, the Unit Owner(s) shall be responsible for the conduct of the lessees, occupants, guests and invitees and shall be subject to all remedies set forth in the Cooperative Documents and Florida law, without waiver of any remedy available to the Association as to the lessee. The Unit Owner shall have the duty to bring his lessee's conduct (and that of the other Unit occupants, guests and invitees) into compliance with the Cooperative Documents by whatever action is necessary, including without limitation the institution of eviction proceedings without notice to cure, where legally permissible. If the Unit Owner fails to bring the conduct of the lessee into compliance with the Cooperative Documents in a manner deemed acceptable by the Association, the Association shall have the authority to act as agent of the Unit Owner to undertake whatever action is necessary to abate the lessee's noncompliance with the Cooperative Documents (or the other noncompliance of other occupants, guests or invitees), including without limitation the right to institute an action for eviction against the lessee in the name of the Association in its own right, or as agent of the Unit Owner. The Association shall have the right to recover any costs or fees, including attorney's fees, incurred in connection with such actions, from the Unit Owner which shall be secured by a continuing lien in the same manner as Assessments for Common Expenses, to wit, secured by a lien for charges. Any uniform lease or lease addendum will provide, or be deemed to provide that the Association shall have the authority to direct that all rental income related to the Unit be paid to the Association until all past due and current obligations of the Association have been paid in full,

including but not limited to all past due Assessments, charges, other monetary obligations, late fees, interest, attorneys' fees and cost and expenses of collection.

C. Approval Process; Disapproval. Any Unit Owner intending to lease his Unit shall submit a copy of the proposed lease, an application, and any other requested information and required fees at least fourteen (14) days in advance of the commencement of the lease or renewal or extension term. Upon receipt of all information and fees required by Association and an interview (if requested by the Board), the Association shall have the duty to approve or disapprove all proposed leases within fourteen (14) days of receipt of such information for approval and the completion of the lessee/occupant interview (if required), by sending written notification to the Unit Owner within such time frame. All requests for approval not acted upon within fourteen (14) days shall be deemed approved. Applications for renewals or extensions of lease agreements shall be submitted at least fourteen (14) days in advance of the expiration of the lease agreement. If the Association disapproves a proposed lease or renewal or extension, the Unit Owner shall receive a short statement indicating the reason for the disapproval, and the lease shall not be made, renewed, or extended. The Association shall neither have a duty to provide an alternate lessee nor shall it assume any responsibility for the denial of a lease application if any denial is based upon any of the following factors:

(1) The person seeking approval (which shall hereinafter include all proposed Occupants) has been convicted of a crime involving violence to persons, a crime demonstrating dishonesty or moral turpitude or any felony;

(2) The application for approval on its face, facts discovered in connection with the Association's investigation, or the conduct of the applicant, indicate that the person seeking approval intends to conduct himself in a manner inconsistent with the Cooperative Documents. By way of example, but not limitation, a lessee taking possession of the premises prior to approval by the Association as provided for herein shall constitute a presumption that the applicant's conduct is inconsistent with the Cooperative Documents and may constitute grounds for denial;

(3) The person seeking approval has a history of disruptive behavior or disregard for the rights and property of others as evidenced by his conduct in other housing facilities or associations, or by his conduct in this Cooperative as a lessee, occupant, guest or invitee;

(4) The Unit Owner or person seeking approval has failed to provide the information, fees, or appearances required to process the application in a timely manner;

(5) All Assessments, fines and other charges and monetary obligations against the Unit and/or Unit Owner have not been paid in full.

D. Liability. The liability of the Unit Owner under the Cooperative

Documents shall continue notwithstanding the fact that he may have leased his interest in the Unit as provided herein.

E. Association Fee. The Unit Owner or lessee seeking approval of a lease of a Unit shall pay a transfer fee for each applicant in an amount determined by the Board, which unless otherwise specified, shall be the maximum amount permitted by law. No charge shall be made in connection.

F. Additional Restrictions. Leases shall prohibit the occupancy of a Unit by more than four (4) persons. All leases shall be for a minimum of two (2) months, and no more than two (2) leases per year (October 1st to September 30th) shall be permitted. In the absence of the lessee the Unit shall not be occupied by anyone else. Leasing shall not be permitted during the first three hundred and sixty-five (365) days of membership (after transfer) except when the membership is transferred to a lawful spouse or a person related to the member by blood within the first degree.

14.6 Pets. No pets shall be permitted within the Cooperative Property, which includes the Units.

14.7 Smoking. Smoking is not permitted in the Clubhouse or Main building. Smoking is not permitted in any Unit. Smoking, as that term is utilized in this Declaration, shall mean inhaling, exhaling, burning, carrying or possessing any lighted substance, including cigarettes, cigars or pipes. The use of "electronic" or "vapor" cigarettes, cigars, pipes, or similar apparatus, is likewise defined as smoking and likewise prohibited in the aforementioned areas.

ARTICLE 15

CONVEYANCES, SALES AND TRANSFERS

In order to insure the community of congenial residents and thus protect the value of the Units, the sale, rental, and transfer of Units by any Owner shall be subject to the following provisions:

15.1 Transfers Subject To Approval. The following transfers shall be subject to prior written approval of the Board and any transfer undertaken without prior written approval of the Board shall be void:

A. All sales of units, whether by deed, foreclosure sale, deed in lieu of foreclosure, or other judicial process.

B. All transfers by gift.

C. All transfers by devise or inheritance.

D. Any other transfer of title to or possession of a unit.

E. All transfers subject to approval shall require, as a condition of approval, the payment to the Association of a transfer fee not to exceed the maximum amount permitted by the Act, as same may be amended from time to time.

15.2 Notice to Association. Prior to approving any transfer subject to approval hereunder, the Association shall be entitled to written notice of the transferor's intent to make the transfer with a copy of the documentation evidencing the intended transfer, including, but not limited to, a copy of the contract for sale in the case of a sale, a copy of the transferor's Last Will and Testament in the event of a transfer by devise, and a copy of any other documentation pertaining to a proposed transfer subject to approval hereunder which the Association may reasonably require, completed applications on forms prescribed by the Association, a personal interview with the proposed transferee(s) and any other intended occupants of the unit, and such other and further information about the intended transferees or occupants as the Association may reasonably require.

15.3 Association's Election. Within thirty (30) days of receipt of the last of the information required pursuant to Section 15.2 above, the Association must either approve or disapprove the transfer. Failure on the part of the Association to respond within said thirty (30) day period shall constitute automatic approval for the proposed transfer.

A. Approval. In the event the Association approves any transfers subject to approval hereunder, the Association shall deliver to the transferor or the transferor's designee an executed certificate of approval, approving the transfer, executed by an authorized representative of the Association.

B. Disapproval of Transfer of Title. In the event the Board disapproves a proposed sale for good cause, the transfer shall not be made. If good cause exists for the Association to disapprove a proposed sale, conveyance or transfer by gift, devise or inheritance, the Association shall not be obligated to purchase or provide a substitute purchaser for the Unit. Good cause shall be defined to include the following:

(1) The applicant fails to qualify for membership in the Association, including, but not limited to, those applicants who fail to qualify for membership because of the restrictions on occupancy or ownership set forth in these By-Laws; or

(2) The person seeking approval (which shall include all proposed occupants) has been convicted at any time of a felony involving violence to persons or a felony where the victim was a minor or has been convicted of any other felony within the ten (10) years preceding the date of application; or

(3) The applicant takes possession of the Unit prior to approval by the Association as provided for herein; or

(4) The person seeking approval has a history of disruptive behavior or disregard for the rights and property of others as evidenced by his conduct in this Cooperative as a lessee, guest, owner or occupant of a Unit; or

(5) The applicant fails to comply with the requirements of Section 15.2 above.

(6) No transfer of title will be approved if, at the time of the application or at any time prior to the time approval is to be granted, the Unit is delinquent in the payment of any financial obligation to the Association under these By-Laws or under any of the Cooperative Documents or the applicable Statute, or if the Unit is in violation of any provision of these By-Laws which remains uncured at the time the Association is required to make its election hereunder.

ARTICLE 16

SALE OR ACQUISITION OF ASSETS

16.1 Sale of Assets.

A. The Association shall not sell or otherwise transfer its interest in and to the Cooperative Property which its Members occupy and its interests in the lands appurtenant thereto without the written consent and approval of not less than eighty percent (80%) of the total Voting Interests of the membership, providing, however, that any such sale or transfer shall be subject to the interests of the Members under their outstanding Cooperative Owner Agreements unless the membership shall have otherwise given its consent to such sale or transfer in accordance with the provisions of said Cooperative Owner Agreements.

B. If any sale or transfer shall be approved by the members as aforesaid, said approval shall also determine and specify whether or not any part or all of the proceeds of said sale or transfer shall be distributed to the membership. Any such distribution shall be in accordance with Section 16.2 of this Article 16.

16.2 Distributions.

A. All distributions to Members of the proceeds of any sale of the assets of the Association, or any other lawful distributions to members by the Association shall be in proportion to the Members' ownership interest in and liability for the Common Expenses, as set forth in these By-Laws.

B. The sale of any of the Association's assets other than its interests as owner of the building and its interests in the appurtenant lands may be made under such terms and conditions as the Board may approve.

C. Subject to Article 20 of these By-Laws, the Association may acquire any additional assets as the Board may approve.

D. This Section 16.2 of this Article 16 shall not be amended in any way which will reduce any Member's share of any distribution of the assets of the Association without the consent of such Member, it being understood, however, that nothing herein shall be construed to require the Association to distribute more than the proceeds of sale, net after costs and expenses of any sale or disposition of assets.

ARTICLE 17

INSURANCE

Insurance shall be carried upon the Cooperative Property and upon each Unit, subject to the following provisions:

17.1 Authority to Purchase; Named Insured. All insurance policies upon the Cooperative Property shall be purchased by the Association, except as specified below. The named insured shall be the Association individually, and as agent for the Unit Owners and their mortgagees, without naming them. Such policies shall provide that payments by the insurer for losses shall be made to the Association for the benefit of the Unit Owners and their mortgagees.

17.2 Coverage.

A. Casualty. Except as otherwise provided herein, the Association shall obtain and maintain fire, wind, general casualty, flood and extended coverage insurance with a responsible insurance company upon all of the Insurable Improvements of the entire Cooperative, including the Common Areas, the Units, and the personal property of the Association, for the full replacement or insurable value thereof, including coverage for changes in building codes, and less a commercially reasonable deductible as determined by the Board, provided the Board may exclude foundation and excavation costs in its discretion. Notwithstanding the foregoing requirement, the Association, through its Board, will have fulfilled its duty to obtain insurance coverage if it obtains and maintains such insurance coverage as may be reasonably available from time to time given market and economic conditions, provided such coverage shall always meet the minimum level of adequate coverage required by the Act or, if the Act is silent, as provided by Chapter 718, Florida Statutes, as the same may be amended from time to time. The original policy of insurance shall be held by the Association, and mortgagees shall be furnished, upon request, mortgage endorsements covering their respective interests.

B. Liability. The Association shall obtain and maintain public liability insurance covering all of the Common Areas and Cooperative Property and insuring the Association and the Unit Owners as their interest may appear in such amount as the Board may deem appropriate. The Board of Directors shall have authority to compromise and settle all claims against the Association or upon insurance policies held by the

Association. The Unit Owners shall have no personal liability upon such claims, except as may be otherwise provided by law, and nothing herein contained shall in any way be construed as imposing upon the Association a duty to assess Unit Owners for the purpose of raising sufficient funds to discharge any liability in excess of insurance coverage.

C. Workmen's Compensation. The Association shall procure a workmen's compensation policy to meet the requirements of law or deemed appropriate by the Board.

D. Other Insurance. The Association may procure such other insurance as the Board of the Association shall determine from time to time to be desirable.

E. Insurance By Unit Owners. Unit Owners are required to purchase and maintain adequate insurance coverage as may be required by the Act. If the Act imposes no insurance coverage requirements and obligations upon Unit Owners, then the decision as to whether to secure insurance coverage by the individual Unit Owners shall be fully within the Unit Owner's discretion and the Association shall impose no mandatory requirement. Notwithstanding, Unit Owners are encouraged to secure insurance coverage to help pay for casualty-related expenses, including (but not necessarily limited to), expenses incurred to rebuild the interior of the Unit and any other items the Owner is obligated to reconstruct after casualty in the event of a casualty loss.

17.3 Deductible and Other Insurance Features. The Board shall establish the amount of the deductible under the insurance policies procured by the Association, and other features, as they deem desirable and financially expedient, in the exercise of their business judgment. All deductibles on Association insurance policies shall be paid as a Common Expense, except as otherwise provided in these By-Laws.

17.4 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association and charged to the Unit Owners as Common Expenses.

17.5 Shares of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees, as their interest may appear, and shall provide that all proceeds covering property losses shall be paid to the Association. Proceeds of insurance shall be shared as follows:

A. Common Areas. Proceeds on account of damage to Common Areas shall be an undivided share for each Unit Owner, each share being the same as the allocation of Assessments in Section 12.1 hereinabove.

B. Units. Proceeds on account of damage to Units shall be held in the following undivided shares:

(1) When the Building is to be Restored. For the Owners of damaged Units in proportion to the cost of repairing the damage suffered by such Unit

Owner, which cost shall be determined by the Association; each Unit Owner shall be bound by a certificate issued by the Association as to his or her proportionate share of the cost of repairs.

(2) When the Building is Not to be Restored. An undivided share for each Unit Owner, such share being the same as the distribution of proceeds provided for in Subsection 16.2(A) hereinabove.

C. Mortgages. In the event a mortgage endorsement has been issued as to a Unit, the share of the Unit Owner shall be held for the mortgagee and the Unit Owner as their interests may appear in such endorsement; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the Unit Owner and mortgagee pursuant to the provisions of these By-Laws.

17.6 Distribution of Proceeds. Proceeds of insurance policies received by the Association shall be distributed in the following manner:

A. Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired, the remaining proceeds shall be paid to defray the cost of such repairs as elsewhere provided. Any proceeds which remain after defraying such costs shall be distributed to the Unit Owners and their mortgagees, if there is a mortgagee endorsement submitted to the Association, remittances to Unit Owners and their mortgagees being payable in the manner provided in such mortgagee endorsement or jointly if the endorsement does not provide otherwise.

B. Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which proceeds are paid shall not be repaired, the insurance proceeds shall be distributed to the Unit Owners and their mortgagees, if there is a mortgagee endorsement submitted to the Association, remittances to Unit Owners and their mortgagees being payable in the manner provided in such endorsement or jointly of the endorsement does not provide otherwise.

17.7 The Association as Agent. The Association is hereby irrevocably appointed agent for each Unit Owner and for each owner mortgagee and for each owner of any other interest in the Cooperative Property for the purpose of adjusting or compromising and settling all claims arising out of insurance policies purchased by the Association, and is empowered to execute and deliver releases upon the payment of claims.

ARTICLE 18

RECONSTRUCTION AFTER CASUALTY

This provision shall apply to the reconstruction and repair of any portion of the Cooperative Property damaged by casualty.

18.1 Determination to Reconstruct.

Any portion of the Cooperative Property damaged by casualty shall be reconstructed and repaired, as appropriate, as promptly as reasonably possible after the casualty, whether the responsibility for reconstruction or repair lies with the Association or with the Unit Owner.

18.2 Responsibility For Reconstruction and Cost Of Reconstruction.

A. If any portion of the Cooperative Property for which the Association is required to provide casualty insurance is damaged by casualty, the reconstruction and repair of that portion of the Cooperative Property shall be undertaken by the Association. Any Unit Owner who undertakes such reconstruction or repair without prior written approval from the Board waives any claim or right the Owner may have to receive insurance proceeds from the Association's casualty insurance policy for any such damage. Even if the Association consents to the Unit Owner performing such reconstruction or repair, the Owner's recovery from the Association shall be limited to the amounts approved and paid by the Association's insurance carrier.

B. If any portion of the Cooperative Property which the Unit Owner is required to insure is damaged by casualty, such damaged property shall be reconstructed and repaired by the Unit Owner. If the Unit Owner fails to perform such repair within a reasonable time, as determined by the Board, the Association may perform such repair and the cost thereof shall be assessed against the Owner of the damaged Unit and shall be enforceable in the same manner as an Assessment under Section 12 hereof.

C. All reconstruction and repair undertaken as a result of casualty shall be in substantial accordance with the pre-existing construction prior to the casualty damage and any material alteration, whether by the Association or the Unit Owner, must first be approved in the manner elsewhere provided in these By-Laws or the applicable Statute.

D. Any reconstruction or repair expense which is not covered by insurance purchased by the Association but for which proceeds from the Association's casualty insurance policy are insufficient shall be assessed to all Owners as a Common Expense.

18.3 Estimates of costs. After a determination is made to rebuild or repair damage to property for which the Association or Unit Owner has the responsibility of reconstruction and repair, the Association or Unit Owner shall obtain promptly reliable and detailed estimates of the cost to rebuild or repair. However, if the Association determines to perform the work on behalf of the Unit Owners, the Association shall obtain the estimates for that portion of the work to be performed by the Association.

ARTICLE 19

MAINTENANCE, REPAIR AND REPLACEMENT OF UNITS AND COMMON AREAS

19.1 Units. All maintenance, repairs and replacements of, in or to any Unit shall be performed by the Owner of such Unit at the Unit Owner's sole cost and expense, except as otherwise expressly provided to the contrary herein. The Unit shall include all portions of the Cooperative Property within the unfinished, undecorated interior surfaces of the floor, ceiling and perimeter walls of a Unit, excluding load bearing walls or columns, utility lines within load bearing walls or columns, and utility lines within the Unit which serve parts of the Cooperative Property other than the Unit. The foregoing responsibility of the Unit Owner includes, but is not limited to, all electrical and plumbing fixtures, shower pans, lines, pipes, outlets, wiring and connections within or serving only that Unit, appliances, carpets and all other floor, wall and ceiling coverings, all interior surfaces, the heating and air-conditioning equipment (wherever situated), and everything else within the boundaries of the Unit except to the extent the Association is specifically responsible therefore under Section 19.2 below. The Unit Owner shall also maintain, repair and replace, at his, her or its sole cost and expense, any hurricane shutter(s) or other hurricane protection that the Unit Owner may install, which shall require prior written approval from the Association, and such portion of the Common Areas, if any, to which the hurricane shutter(s) or other hurricane protection is/are attached, which cost and expense shall also include the cost and expense of removal and/or reinstallation by the Association of the hurricane shutter(s) or other hurricane protection if necessary or required in order for the Association to discharge its obligations hereunder.

19.2 Common Areas. Except to the extent (i) expressly provided to the contrary herein, or (ii) proceeds of insurance are made available therefore, the Association shall be responsible, at Common Expense, for all maintenance, repairs and replacements in or to the Common Areas and all portions of the Cooperative (except interior wall surfaces of Units) contributing to the support of the building, which portions shall include, but not be limited to, the outside walls of the building, chasing and load bearing railings, walls or columns, boundary walls of Units; all fixtures on the exterior of the Building and all floor and ceiling slabs, including, but not limited to, the slabs of all terraces and balconies; all conduits, chases, chase areas, ducts, plumbing, air-conditioning (not including any compressor, air handler or other components identified in Subsection 19.3(B) below which serve only one particular Unit), wiring and other facilities for the furnishing of utility services which are contained in the aforementioned portions of the Cooperative; all electrical lines, conduits or fixtures from the shared or common distribution facility or conduit up to, but not

including, the circuit breaker box within or serving the Unit, and all plumbing lines, conduits or fixtures from the shared or common distribution facility or conduit up to, but not including, the main shut off valve within or serving the Unit, excluding drain lines, for which the Unit Owner shall be responsible, up to the point that the drain line connects to a common line (a line that serves other Units or other parts of the Cooperative Property); all other utilities contained within a Unit which service part or parts of the Cooperative other than the Unit within which contained; all property owned by the Association and other property contemplated by and to the extent the same is consistent with the terms hereof; and all incidental damage caused to a Unit by such work up to a maximum of \$1,000.00 per Unit (unless caused by negligent or intentional misconduct for which the Association is responsible, in which case no limitation shall apply). The Association's aforementioned responsibilities shall not apply to the extent such maintenance, repair or replacement arises from or is necessitated by the negligence, misuse or neglect of one or more Unit Owners, their families, tenants, guests or invitees, in which case such cost and expense shall be paid solely by such Unit Owners, and shall be enforceable in the same manner as any Assessment under Article 12 of the By-Laws, including, but not limited to, by recordation and foreclosure of a claim of lien against the Unit.

19.3 Specific Unit Owner Responsibilities.

A. The maintenance, repair and replacement of the equipment, fixtures or utilities lines or other items of property which serve a particular Unit shall be the responsibility of the applicable Unit Owner, individually, and not the Association, without regard to whether such items are located within the boundaries of the Units, except as provided in Section 19.2 hereinabove.

B. The maintenance, repair and replacement of, at his or her own expense, any portions of the air-conditioning and heating systems serving only a particular Unit, including, but not limited to, filters, the compressor, condenser, motor, fan, air handler, and all related parts, without regard to whether such items are located within the boundaries of the Units, except as provided in Section 19.2 hereinabove. Notwithstanding these obligation of the Unit Owner, the Association, through the Board of Directors, has the option to retain an air-conditioning and heating service provider to conduct a periodic inspection of any air-conditioning and heating systems located outside of the Units and paid for said inspection as a Common Expense. This discretionary service by the Association does not changes the obligations of the Unit Owner to maintain, repair and replace the air-conditioning and heating systems, as further stated herein.

C. All maintenance, repairs and replacements in or to exterior screens, sliding glass doors, doors and windows serving a Unit, and all frames, locks and operating mechanisms appurtenant thereto. Without limiting the generality of the foregoing, no Unit Owner may decorate, alter or modify exterior screens, sliding glass doors, doors or windows or the framework, locks or operating mechanisms thereof in any manner whatsoever, except with the prior written approval of the Board of Directors, as provided in Article 21 hereof.

D. The Unit Owners shall maintain, repair, and replace at their expense all fans, stoves, hot water heaters, refrigerators, or other appliances or equipment, including any fixtures and/or their connections required to provide utility service to his Unit.

E. The maintenance, repair and replacement, as necessary, of the circuit breaker box within or serving the Unit and all electrical lines, conduits or fixtures running from the circuit breaker box into and serving the Unit up to and including the fixtures or outlets within the Unit.

F. The maintenance, repair and replacement, as necessary, of the main shut-off valve(s) within or serving the Unit and all plumbing lines, conduits or fixtures running from the main shut-off valve into and serving the Unit up to and including the fixtures or outlets within the Unit.

G. Unit Owners shall promptly report to the Association any defects or need for repairs, the responsibility for the remedy of which is that of the Association.

H. All maintenance, repair or replacement for which the Units Owners are responsible shall be performed by contractors with appropriate licensure and insurance. The Board of Directors may set standards for appropriate levels of insurance and may require proof of licensure, insurance and the procurement of any required permits before permitting a contractor on the Cooperative Property. The Board may deny access to the property to any contractor performing work that requires approval from the Board of Directors hereunder until such approval has been granted in the manner required herein.

ARTICLE 20

ADDITIONS, ALTERATIONS OR IMPROVEMENTS TO COMMON AREAS BY THE ASSOCIATION

No portion of the Common Areas may be subject to any additions, alterations or improvements (as distinguished from maintenance, repairs and replacements) which involve a Common Expense in excess of one (1%) percent of the annual budget then in effect for Common Expenses, including operating expenses and reserves, for any individual addition, alteration or improvement, or in excess of five (5%) percent of the annual budget then in effect, including operating expenses and reserves, for all additions, alterations or improvements undertaken within a fiscal year, unless such additions, alteration or improvements have been approved by not less than two-thirds (2/3) of the votes of the participating membership of the Association present, in person or by proxy, at a meeting called for that purpose at which a quorum is established or voting by written agreement where at least a quorum of the membership participates. Any additions, alterations or improvements to the Common Areas, or any part thereof, costing less than the one (1%) percent or five (5%) percent thresholds described above, may be approved by the Board of Directors without approval of the Unit Owners. The cost and expense of any such additions, alterations or improvements to such Common Areas undertaken by

the Association shall constitute a part of the Common Expenses and shall be assessed to the Unit Owners accordingly.

ARTICLE 21

ADDITIONS, ALTERATIONS OR IMPROVEMENTS TO UNITS AND COMMON AREAS BY UNIT OWNERS

21.1 Prohibited Alterations. No Unit Owner shall make any addition, alteration or improvement in or to the Common Areas. Notwithstanding the foregoing, a Unit Owner who acquires two (2) adjoining Apartments may undertake alterations to modify the Apartments and the Common Area walls separating the Apartments so as to make the Apartments a single continuous living space, provided, however, that such alterations shall require prior written approval of the Board under Section 21.2 below.

21.2 Consent of the Board of Directors. No Unit Owner shall make any addition, alteration or improvement in or to the interior of the Unit which is structural in nature, or which impacts the Common Areas in any way, including, but not limited to, any work which involves piercing the Unit boundary or which requires the issuance of a permit from a governmental or regulatory authority or agency without the prior written consent of the Board of Directors. Any and all requests for electrical, mechanical or structural additions, alterations or improvements must be in writing and must be submitted to the Association with plans prepared and sealed by the appropriate professional (i.e., architect, engineer, etc.). The Board shall have the obligation to answer any written request by a Unit Owner for approval of such an addition, alteration or improvement: (1) From November 1 through April 30 each year, the Board shall have thirty (30) days after receipt of such request and all sealed plans or thirty (30) days after receipt of any additional information requested by the Board within thirty (30) days of receipt of the initial request; and (2) from May 1 through October 31 each year, the Board shall have sixty (60) days after receipt of such request and all sealed plans or sixty (60) days after receipt of any additional information requested by the Board within sixty (60) days of receipt of the initial request. Failure to respond within the stipulated time shall constitute the Board's consent. The proposed additions, alterations and improvements by the Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction, which may not be waived by the Association under any circumstances, and with any conditions imposed by the Association with respect to design, structural integrity, aesthetic appeal, construction details, lien protection or otherwise. Once approved by the Board of Directors, such approval may not be revoked. A Unit Owner making or causing to be made any such additions, alterations or improvements agrees, and shall be deemed to have agreed, for such Owner, and all future owners of the Unit, and their heirs, personal representatives, successors and assigns, as appropriate, to hold the Association, its Board members, officers and employees, and all other Unit Owners harmless from and to indemnify them for any liability or damage to the Cooperative Property and expenses arising therefrom, and shall be solely responsible for the maintenance, repair, replacement and insurance for such additions, alterations or improvements from and after the date of installation or construction thereof as may be

required by the Association, and shall also be responsible for all costs associated with removal and reinstallation of same when necessary, in the discretion of the Board of Directors, in connection with the Association's performance of its maintenance obligations under Article 19 of these By-Laws. The Board may impose the requirements set forth in Subsection 19.3(H) above and may require the execution of a covenant to run with the Unit to memorialize the application, approval, conditions of approval and future obligations of the Unit Owner and may condition its approval of any addition, alteration or improvement hereunder upon the preparation, execution and recording of such a covenant at the Unit Owner's expense.

21.3 Unit Floor Coverings. All Units above the first floor which have another Unit located directly underneath them (i.e. certain second floor Units are located directly above Common Area storage areas, etc. and do not have a Unit located directly underneath them) shall always have the floors covered with wall-to-wall carpeting, except in kitchens, bathrooms, balconies, foyers, and utility rooms, except as provided below. The Board of Directors shall have full authority to determine whether a second floor Unit is located directly above another Unit and thus subject to the authority contained within this Section 21.3. Hard floor surfaces (tile, marble, wood, etc.) may only be installed in areas other than kitchens, bathrooms, balconies, foyers, and utility or laundry rooms, upon prior written approval of the Board of Directors, which shall condition its approval on the Unit Owner's proof of the installation of appropriate sound-deadening material. Specifications for sound proofing of hard flooring (wherever located) must be approved in writing by the Board or its representative prior to installation, and then the installed sound proofing must be inspected and approved prior to installation of the hard flooring. The Board has the authority to adopt specifications for minimum sound proofing material that will be approved.

(A) Bedrooms. Notwithstanding the foregoing, the Board of Directors does not have the authority to approve the installation of hard floor surfaces in the bedrooms of any Unit which is subject to the requirements contained in Section 21.3. Wall to wall carpeting is required to be installed in all bedrooms of any Unit which is subject to the requirements contained in Section 21.3. Units subject to the requirements contained in this Section 21.3, where the respective Unit Owner(s) have installed hard floor surfaces in any of the bedrooms of their respective Unit prior to the effective date of this amendment, shall be "grandfathered" in from the requirements contained within this Subsection 21.3(A). That is, any Unit with hard floor surfaces located in the bedrooms of the Unit, where said hard floor surfaces were installed prior to the effective date of this amendment (i.e. the day this Amended and Restated By-Laws is recorded in the Collier County Official Records), shall not be required to comply with the requirements contained within this Subsection 21.3(A).

ARTICLE 22

OFFICIAL RECORDS

The Association shall maintain official records as defined in the Act, as same may be amended from time to time, which shall be subject to inspection as provided in the Act, as same may be amended from time to time.

ARTICLE 23

PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Articles or these By-Laws.

ARTICLE 24

AMENDMENTS

Except as otherwise provided elsewhere, these By-Laws may be amended in the following manner:

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

24.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board or by not less than one-fourth (1/4) of the Voting Interests of the Association. A proposed amendment must be approved by not less than a majority of the Voting Interests of the entire membership of the Association, at a meeting at which a quorum is established or by written agreement.

No By-law shall be revised or amended by reference to its title or number only. 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 this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of By-Laws. See By-Law . . . for present text." Nonmaterial errors or omissions in the By-Law process shall not invalidate any otherwise properly promulgated amendment.

24.3 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the By-Laws, which certificate shall be executed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a

deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Collier County.

ARTICLE 25

COMPLIANCE AND DEFAULT

25.1 Negligence. A Unit Owner shall be liable for the expense of any maintenance, repair or replacement, whether to the Common Areas, a Unit, or to the personal property of the Association or other Unit Owners or residents or guests, including, but not limited to, repair after casualty under Section 18 hereinabove, made necessary by his or her violation of any portion of these By-Laws or by his or her negligence or intentional misconduct or by that of any member of his family or his or her guests, agents, employees or contractors, but only to the extent such expense is not met by the proceeds of insurance actually collected by the Association. Any expense advanced by the Association to perform such maintenance, repair or replacement, together with interest, costs and attorneys' fees, shall be secured by a lien against the Unit enforceable in the same manner as an Assessment under Article 12 hereof.

25.2 Compliance. In the event a Unit Owner or occupant fails to comply with such Unit Owner's obligations under Sections 14 and 18 of these By-Laws or fails to observe and comply with any other provision of these By-Laws, the Cooperative Owners Agreement, the Articles of Incorporation of the Association, applicable rules and regulations, or any other agreement, document or instrument affecting the Cooperative Property in the manner required, which shall also include the timely payment of all ad valorem and non-ad valorem taxes and other charges levied by any governmental authority against the Unit, the Association shall have the right to proceed in a court of equity to require performance and/or compliance, to sue in a court of law for damages, and levy a special charge against the Unit Owner and the Unit for the sums necessary to do whatever work is required to put the Unit Owner or Unit in compliance. Such charge, together with interest, costs and attorneys' fees, shall be secured by a lien against the Cooperative Parcel, enforceable in the same manner as Assessments levied under Article 12 hereof.

25.3 Fines. In addition to all other remedies provided hereunder, in the event a Unit Owner or anyone for whom a Unit Owner is responsible fails to comply with a provision of these By-Laws, the Cooperative Owners Agreement, the Articles of Incorporation of the Association, applicable rules and regulations, or any other agreement, document or instrument affecting the Cooperative Property in the manner required, the Association shall have the right to impose a fine against the Unit Owner and the Unit. The amount of any fine shall be determined by the Board, but in any event shall not exceed the maximum amount permitted by the Act.

25.4 Suspension of Use Rights. In addition to all other remedies provided hereunder, the Association shall have the right to suspend the rights of the Unit Owner, his or her tenants, guests, licensees or invitees, to use any portion of the Common Areas or

Association Property or other facilities during any period of time during which the Unit Owner is delinquent in the payment of Assessments or any other financial obligation to the Association or in the event a Unit Owner or anyone for whom a Unit Owner is responsible fails to comply with a provision of these By-Laws, the Cooperative Owners Agreement, the Articles of Incorporation of the Association, applicable rules and regulations, or any other agreement, document or instrument affecting the Cooperative Property in the manner required.

25.5 Suspension of Voting Rights. In addition to the remedies provided in Section 12 hereof and by applicable law, the Association may suspend the voting rights of any Owner who is delinquent more than ninety (90) days in the payment of any monetary obligation to the Association. Any Owner whose voting rights are suspended does not count towards a quorum and the quorum is reduced to exclude such Owner.

25.6 Set Off. Any funds due and payable by the Association to an Owner under these By-Laws, the Cooperative Owners Agreement or the Articles of Incorporation, or under the Act shall be subject to a right of set-off for any amounts due and owing to the Association by the Owner under these By-Laws, the Cooperative Owners Agreement, the Articles of Incorporation or the Act.

25.7 Costs and Attorney's Fees. In any proceeding arising because of an alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the court.

25.8 No Waiver of Rights. The failure of the Association or a Unit Owner to enforce any right, provisions, covenant or condition which may be granted by the Cooperative documents shall not constitute a waiver of the right of the Association or Unit Owner to enforce such right, provision, covenant or condition in the future.

25.9 Election of Remedies. All rights, remedies and privileges granted to the Association or a Unit Owner pursuant to any terms, provisions, covenants or conditions of the Cooperative documents shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies or privileges as may be granted by the Cooperative documents.

ARTICLE 26

LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Association shall not relieve or release any former Unit Owner or member from any liability or obligation incurred under or in any way connected with the Cooperative during the period of ownership and membership, or impair any rights or remedies which the Association may have against such former Unit Owner and member, arising out of, or which is in any way connected with, such ownership and membership.

ARTICLE 27

LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair parts of the property, the Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements, or other Unit Owners or persons.

ARTICLE 28

SEAL

The seal of the Association shall have inscribed thereon the name of the Association, the year of its organization, and the words "non-profit." Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise.

ARTICLE 29

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provisions hereof.

ARTICLE 30

BOAT DOCKS

All docks physically on the bay are the property of the Association and the Board shall determine a fair amount of rental therefore and charge any member or third party a fee for the use or rental thereof. The Association shall furnish lights, power and determine the priority of any person or person's right to use the dock. All members of the Association shall, after first filling a request, be allowed a lease-hold interest therein prior to any third party, and each application form, use or lease-hold thereon shall be determined by the date of the application. Said date shall be the day of written request to the Association.

ARTICLE 31

MANAGER'S UNIT

The manager's Unit shall be maintained by the Association and the Board of Directors.