

State of Florida



Department of State

I certify the attached is a true and correct copy of the Amended and Restated Articles of Incorporation, filed on April 1, 1993, for YACHT HARBOR MANOR, INC. which changed its name to YACHT HARBOR, INC., a Florida corporation, as shown by the records of this office.

The document number of this corporation is 713640.

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OR BOOK

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PAGE

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Sixth day of April, 1993



CR2EO22 (2-91)

Jim Smith

Jim Smith
Secretary of State

157.00
2000

THE UNDERSIGNED, being the duly elected and acting President of Yacht Harbor Manor, Inc., a Florida corporation not for profit, does hereby certify that at a meeting of the members held on March 25, 1993, where a quorum was present, after due notice, the resolutions set forth below were approved and adopted by the vote indicated for the purpose of amending and restating the Articles of Incorporation and Bylaws of Yacht Harbor Manor, Inc., as previously recorded in O.R. Book 533, Pages 982 et seq., Public Records of Collier County, Florida. The corporation operates the Yacht Harbor Manor, a residential cooperative located on the following described land:

Lot 3, Block 15, THE MOORINGS, UNIT NO. 5, a Subdivision in Collier County, Florida, according to plat thereof as recorded in Plat Book 6, Pages 4 and 5, of the Public Records of Collier County, Florida.

1. The following resolution was approved and adopted by at least two-thirds (2/3rds) vote of the members present and voting.

RESOLVED: That the Bylaws of this corporation be and are hereby amended, and the amendment and restatement is adopted in the form attached hereto, and made a part hereof.

2. The following resolution was approved and adopted by at least three-fourths vote of the membership.

RESOLVED: That the Articles of Incorporation of this corporation be and are hereby amended, and the amendment and restatement is adopted in the form attached hereto, and made a part hereof.

Date: MARCH 25 1993

YACHT HARBOR MANOR, INC.

WITNESSES:

Ian MacInnes
Print name: IAN MACINNES

By: John W. Joyce
JOHN W. JOYCE, President
2500 Gulf Shore Blvd. N.
Naples, FL 33940

Brian P. Murphy
Print name: BRIAN P. MURPHY

(CORPORATE SEAL)

STATE OF FLORIDA
COUNTY OF COLLIER

The execution of the foregoing instrument was acknowledged before me this 25th day of MARCH, 1993, by JOHN W. JOYCE as President of Yacht Harbor Manor, Inc., who is personally known to me or did produce N/A as identification. He did not take an oath.

Prepared by and Return to:
John M. Swalm III
Swalm & Wiseman
600 Fifth Ave. S., Suite 207
Naples, FL 33940

John M. Swalm III
Notary Public (SEAL)
Print name: JOHN M. SWALM III



JOHN M. SWALM, III
MY COMMISSION EXPIRES
August 31, 1994
BONDED THRU NOTARY PUBLIC UNDERWRITERS

AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

YACHT HARBOR MANOR, INC.

Pursuant to Section 617.1007(4), Florida Statutes, the Articles of Incorporation of Yacht Harbor Manor, Inc., a Florida corporation not for profit, which were originally filed under the same name on November 16, 1967, are hereby amended and restated in their entirety, and the name of the corporation is changed. All amendments included herein have been adopted pursuant to Section 617.0201(4), Florida Statutes, and there is no discrepancy between the corporation's Articles of Incorporation as heretofore amended, and the provisions of these Amended and Restated Articles, other than the inclusion of amendments adopted pursuant to Section 617.0201(4) and the omission of matters of historical interest. The correct name of the corporation shall hereafter be as shown in Article I, and the Amended and Restated Articles of Incorporation of Yacht Harbor Manor, Inc., shall henceforth be as follows:

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
93 APR - 1 AM 10:46

ARTICLE I

NAME: The name of the corporation, herein called the "Association", shall hereafter be Yacht Harbor, Inc., and its address is 2500 Gulf Shore Blvd. N., Naples, Florida 33940.

ARTICLE II

PURPOSE AND POWERS: The purpose for which the Association is organized is to provide an entity pursuant to the Florida Cooperative Act for the operation of Yacht Harbor, a residential cooperative, located in Collier County, Florida.

The Association is organized and shall exist on a non-stock basis as a corporation not for profit under the laws of the State of Florida, and no portion of any earnings of the Association shall be distributed or inure to the private benefit of any member, Director or officer. For the accomplishment of its purposes, the Association shall have all of the common law and statutory powers and duties of a corporation not for profit under the laws of the State of Florida, except as limited or modified by these Articles, the Bylaws, Cooperative Owners Agreements, or the Florida Cooperative Act; and it shall have all of the powers and duties reasonably necessary to operate the Cooperative pursuant to said Bylaws and Cooperative Owners Agreements as they may hereafter be amended, including but not limited to the following:

- (A) To make and collect assessments against members of the Association to defray the costs, expenses and losses of the Association, and to use the funds in the exercise of its powers and duties.
- (B) To protect, maintain, repair, replace and operate the cooperative property.

Articles of Incorporation
Page 1

- (C) To purchase insurance for the protection of the Association and its members.
- (D) To reconstruct improvements after casualty and to make further improvements of the cooperative property.
- (E) To make, amend and enforce reasonable rules and regulations governing the use of the common areas, and the operation of the Association.
- (F) To approve or disapprove the transfer, leasing and occupancy of units, as provided in the Bylaws of the Association.
- (G) To enforce the provisions of the Cooperative Act, the Cooperative Owners Agreements, these Articles, the Bylaws and any Rules and Regulations of the Association.
- (H) To contract for the management and maintenance of the cooperative and the cooperative property, and to delegate any powers and duties of the Association in connection therewith except such as are specifically required by the Bylaws to be exercised by the Board of Directors or the membership of the Association.
- (I) To employ accountants, attorneys, architects, and other professional personnel to perform the services required for proper operation of the Cooperative.
- (J) To enter into agreements, and acquire leaseholds and other possessory, ownership or use interests in the lands of the Cooperative.
- (K) To borrow money as necessary to perform its other functions hereunder, and give such security as may be required.
- (L) When and as authorized by the affirmative vote of three-fourths (3/4ths) of the members at a meeting of the members duly called for that purpose, or when authorized by the written consent of three-fourths (3/4ths) of the members, to terminate the cooperative and sell, lease or exchange all of the property and assets of the Association, including its good will and its corporate franchises, upon such terms and conditions as its Board of Directors shall deem expedient and in the best interest of the members.

All funds and the title to all property acquired by the Association shall be held for the benefit of the members in accordance with the provisions of the Cooperative Owners Agreements, these Articles of Incorporation and the Bylaws.

ARTICLE III

MEMBERSHIP:

- (A) The members of the Association shall be the owners of ~~the nineteen (19)~~ ^{TWENTY-FOUR (24)} Membership Certificates and Cooperative Owners Agreements issued by the Association. _{JWI 7/15/93}
- (B) The share of a member in the funds and assets of the Association cannot be assigned or transferred in any manner except as an appurtenance to his unit.
- (C) The owners of each Membership Certificate, collectively, shall be entitled to one vote in Association matters. The manner of exercising voting rights shall be as set forth in the Bylaws.

ARTICLE IV

TERM: The term of the Association shall be perpetual.

ARTICLE V

BYLAWS: The Bylaws of the Association may be altered, amended, or rescinded in the manner provided therein.

ARTICLE VI

DIRECTORS AND OFFICERS:

- (A) The affairs of the Association shall be administered by a Board of Directors consisting of the number of Directors determined by the Bylaws, but not less than three (3) Directors, and in the absence of such determination shall consist of three (3) Directors.
- (B) Directors of the Association shall be elected by the members in the manner determined by the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.
- (C) The business of the Association shall be conducted by the officers designated in the Bylaws. The officers shall be elected each year by the Board of Directors at its first meeting after the annual meeting of the members of the Association, and they shall serve at the pleasure of the Board.

ARTICLE VII

AMENDMENTS: Amendments to these Articles shall be proposed and adopted in the following manner:

- (A) Proposal. Amendments to these Articles may be proposed by a majority of the Board or by written petition, signed by at least one-fourth (1/4) of the voting interests.
- (B) Procedure. Upon any amendment to these Articles being proposed by said Board or unit owners, such proposed amendment shall be submitted to a vote of the owners not later than the next annual meeting for which proper notice can be given.
- (C) Vote Required. Except as otherwise provided for by Florida law, a proposed amendment is adopted if it is approved by three-fourths (3/4ths) of the voting interests, either at a meeting called for the purpose or by approval in writing without a meeting, provided that the text of any proposed amendment has been given to the members of the Association as required by law.
- (D) Effective Date. An amendment shall become effective upon filing with the Secretary of State and recording a certified copy in the Public Records of Collier County, Florida.

ARTICLE VIII

INDEMNIFICATION: To the fullest extent permitted by Florida law, the Association shall indemnify and hold harmless every Director and every officer of the Association against all expenses and liabilities, including attorneys fees, actually and reasonably incurred by or imposed on him in connection with any legal proceeding (or settlement or appeal of such proceeding) to which he may be a party because of his being or having been a Director or officer of the Association. The foregoing right of indemnification shall not be available if a judgement or other final adjudication establishes that his actions or omissions to act were material to the cause adjudicated and involved:

- (A) Willful misconduct or a conscious disregard for the best interests of the Association, in a proceeding by or in the right of the Association to procure a judgement in its favor.
- (B) A violation of criminal law, unless the Director or officer had no reasonable cause to believe his action was unlawful or had reasonable cause to believe his action was lawful.

- (C) A transaction from which the Director or officer derived an improper personal benefit.

In the event of a settlement, the right to indemnification shall not apply unless the Board of Directors approves such settlement as being in the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which a Director or officer may be entitled.

OR BOOK
CERTIFICATE

The undersigned, being the duly elected and acting President of Yacht Harbor Manor, Inc., hereby certifies that the foregoing were duly proposed by at least majority of the entire membership of the Board of Directors at a special meeting called for the purpose and held on the 2nd day of February, 1993. The undersigned further certifies that the foregoing were approved by at least three-fourths (3/4ths) of the votes of the entire membership of the Association on the 25th day of March, 1993, after due notice, in accordance with the requirements of the Articles of Incorporation for their amendment and said vote is sufficient for their amendment. The foregoing both amend and restate the amended Articles of Incorporation in their entirety.

Executed this 25th day of March, 19 93.

YACHT HARBOR MANOR, INC.

WITNESSES:

Tan MacInnes
Print name: TAN MACINNES

John W. Joyce
JOHN W. JOYCE President

Brian P. Murphy
Print name: BRIAN P. MURPHY

Attest:

(SEAL)

Grace A. Entwistle
GRACE A. ENTWISTLE Secretary

STATE OF FLORIDA
COUNTY OF COLLIER

Subscribed to before me this 25th day of MARCH, 1993, by JOHN W. JOYCE, President, of Yacht Harbor Manor, Inc., a Florida corporation not for profit, on behalf of the corporation. He is personally known to me and did not take an oath.

John M. Swalm III
Notary Public
Print name: JOHN M. SWALM III

SEAL



JOHN M. SWALM, III
MY COMMISSION EXPIRES
August 31, 1994
BONDED THRU NOTARY PUBLIC UNDERWRITERS

Prepared by and return to:
Christopher N. Davies, Esquire
Swalm, Bourgeau & Davies, P.A.
2375 Tamiami Trail North
Suite 308
Naples, FL 34103

Retn:
SWALM BOURGEOU ET AL
2375 TAMIAHI TR N #308
NAPLES FL 34103 4439

CERTIFICATE OF AMENDMENT

THE UNDERSIGNED, being the duly and acting President of Yacht Harbor, Inc., a Florida corporation not for profit, hereby certifies that at the 2008 Annual Meeting of the members held on March 19, 2008, where a quorum was present, after due notice, the resolutions set forth below were approved by the vote indicated for the purposes of amending the Bylaws of Yacht Harbor, Inc., a Condominium, as originally recorded at O.R. Book 533, Pages 982 *et seq.*, Public Records of Collier County, Florida. The corporation operates the Yacht Harbor, a residential cooperative, located on the following described land:

Lot 3, Block 15, THE MOORINGS, UNIT NO. 5, a Subdivision in Collier County, Florida, according to plat thereof as recorded in Plat Book 6, Pages 4 and 5, of the Public Records of Collier County, Florida.

The following resolution was approved and adopted by at least two-thirds (2/3) of the voting interests present and voting in person or by proxy at the 2008 Annual Meeting.

RESOLVED: That Section 3 of the Bylaws of Yacht Harbor, Inc., be and are hereby amended and the amendment is adopted in the form attached hereto as Exhibit "A", and made a part hereof.

Date: October 21, 2008

YACHT HARBOR, INC.

(1) Dorothy Jo Sayers
Witness

By: Robert D. Dunley
Robert Dunley, President

Print Name: Dorothy Jo Sayers

(2) Christine Furr
Witness

Print Name: CHRISTINE FURR

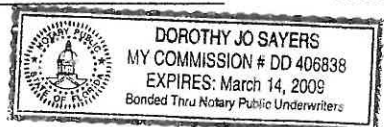
(CORPORATE SEAL)

STATE OF ~~RHODE ISLAND~~ FLORIDA
COUNTY OF COLLIER

The foregoing instrument was acknowledged before me this 21st day of October, 2008, by Robert Dunley, President of the aforementioned Corporation, on behalf of the Corporation. He is personally known to me or has produced Rhode Island Drivers License as identification.

Dorothy Jo Sayers
Notary Public
Dorothy Jo Sayers
Printed Name

My Commission expires: _____



AMENDMENT TO AMENDED AND RESTATED BYLAWS
OF
YACHT HARBOR, INC.

The Amended and Restated Bylaws of Yacht Harbor, Inc. shall be amended as shown below:

Note: New language is underlined.

Section 3 of the Amended and Restated Bylaws shall be amended as follows:

3. MEMBERS. Unit ownership is limited to no more than two (2) units per member. Membership in the Association is limited to the owners of the twenty-four (24) Membership Certificates and Cooperative Owners Agreements issued by the Association. A separate Membership Certificate and Cooperative Owners Agreement shall be issued for each unit, and shall constitute a separate membership and entitle the holder or holders thereof to cast one vote as specified herein.

AMENDED AND RESTATED BYLAWS

OF

YACHT HARBOR, INC.

1. **GENERAL.** These are the Amended and Restated Bylaws of Yacht Harbor, Inc., hereinafter the "Association", a Florida corporation not for profit organized under Chapter 617, Florida Statutes, for the purpose of operating a residential cooperative pursuant to the Florida Cooperative Act. All prior Bylaws are hereby revoked and superseded in their entirety.

1.1 **Principal Office.** The principal office of the Association is at 2500 Gulf Shore Blvd. N., Naples, Florida 33940.

1.2 **Seal.** The seal of the Association shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "corporation not for profit." The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the corporation where a seal may be required.

1.3 **The Cooperative Property.** The interest in land submitted to the cooperative form of ownership and use (hereinafter the "Land") was and is the leasehold interest of Yacht Harbor, Inc., formerly Yacht Harbor Manor, Inc., in and to the following described real property located in Collier County, Florida:

Lot 3, Block 15, THE MOORINGS, UNIT NO. 5, a Subdivision in Collier County, Florida, according to the Plat thereof recorded in Plat Book 6, Pages 4 and 5, of the Public Records of Collier County, Florida.

2. **DEFINITIONS:** The terms used in these Bylaws shall have the meanings stated below and in Chapter 719, Florida Statutes, (The "Cooperative Act"), unless the context otherwise requires.

2.1 **"Apartment"** has the same meaning as the term "unit" as defined in the Cooperative Act.

2.2 **"Assessment"** means a share of the funds required for the payment of common expenses which from time to time is assessed against the units.

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Page 1

2.3 "Association" means Yacht Harbor, Inc., a Florida corporation not for profit, the entity responsible for the operation of this Cooperative.

2.4 "Board of Directors" or "Board" means the representative body which is responsible for the administration of the Association's affairs, and is the same body referred to in the Cooperative Act as the "Board of Administration".

2.5 "Common Areas" means the portions of the cooperative property not included within the units.

2.6 "Cooperative Documents" means and includes the following, as amended from time to time:

- (A) The Articles of Incorporation of the Association.
- (B) These Bylaws.
- (C) The Cooperative Owners Agreements.
- (E) The rules and regulations of the Association.

2.7 "Cooperative Owners Agreement" means the document, in the nature of a lease, recognizing a unit owner's right of possession of his unit. The Board of Directors shall adopt a standard form of Cooperative Owners Agreement to be entered into between the corporation and its members. The form may be changed or amended as may be required by law, as may be necessary to eliminate conflict with these Bylaws, and as otherwise determined by the Board of Directors. For the sake of uniformity, any changes in the form made for these purposes shall be binding and serve to also amend Cooperative Owners Agreements already executed, but shall not be effective to retroactively impair any vested contract rights.

2.8 "Family Members" or "Family" shall refer to an individual unit owner's adult children and grandchildren, brothers, sisters, father, mother, grandparents, son-in-law, daughters-in-law, and children or grandchildren under eighteen (18) years when the parents or grandparents of the children are in residence.

2.9 "Guest" means any person who is not a resident member or a sublessee, or spouse of a resident member or sublessee, who occupies the unit on a temporary basis at the invitation of the resident member or sublessee, without the payment of consideration.

2.10 "Member" has the same meaning as the term "unit owner" as defined in the Cooperative Act, and as further described in Section 3 of these Bylaws.

2.11 "Occupy", when used in connection with a unit, means the act of staying overnight in a unit. "Occupant" is a person who occupies a unit.

2.12 "Rules and Regulations" means those rules and regulations promulgated by the Board of Directors, governing the use of the common areas and the operation of the Association.

2.13 "Sublease" means the grant by a unit owner to any person who is not a family member of the unit owner of a temporary right to occupy the unit owner's unit, regardless of whether the member receives valuable consideration.

2.14 "Voting Interest" means the total number of possible votes of the membership. There are twenty-four (24) units. Therefore the total number of voting interests is twenty-four (24).

3. MEMBERS. Membership in the Association is limited to the owners of the twenty-four (24) Membership Certificates and Cooperative Owners Agreements issued by the Association. A separate Membership Certificate and Cooperative Owners Agreement shall be issued for each unit, and shall constitute a separate membership and entitle the holder or holders thereof to cast one vote as specified herein.

3.1 Voting Interests. The members of the Association are entitled to one (1) vote for each unit owned by them. No fractional votes may be cast. The right to vote may not be denied because of delinquent assessments. If more than one unit is owned by a single member, the voting right of the member is limited to a single vote, except on matters pertaining to an amendment to the Articles of Incorporation, the sale or mortgage of the corporate property, or the dissolution of the corporation, with respect to which the member always shall be entitled to one (1) vote for each unit owned by him.

3.2 Change of Membership. Following written approval of the Association, as elsewhere required herein, a change of membership in the Association shall be established only incident to the termination or cancellation of a Cooperative Owners Agreement, and the issuance of a new Membership Certificate and Cooperative Owners Agreement to a new owner. At that time the membership of the prior owner shall be terminated automatically.

3.3 Termination of Membership. The termination of membership in the Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Cooperative during the period of his membership, nor does it impair any rights or remedies which the Association may have against any former owner or member arising out of or in any way connected with such ownership and membership and the obligations incident thereto.

4. MEMBERS' MEETINGS; VOTING.

4.1 Annual Meeting. There shall be an annual meeting of the members in each calendar year. The annual meeting shall be held in Collier County, Florida, each year during the month of March at a day, place and time designated by the Board of Directors, for the purpose of transacting any business duly authorized to be transacted by the members. During the annual meeting any votes cast in the annual election of Directors shall be counted and results announced.

4.2 Special Members' Meetings. Special members' meetings must be held whenever called by the President or by a majority of the Directors, and may also be called by members having at least ten percent (10%) of the voting interests. The business at any special meeting shall be limited to the items specified in the notice of meeting.

4.3 Notice of Meetings; Waiver of Notice. Notice of all members' meetings must state the time, date, and place of the meeting, and include an agenda for the meeting. The notice must be mailed to each member at the address which appears on the books of the Association, or may be furnished by personal delivery. The member is responsible for informing the Association of any change of address. The notice of all members' meetings must be mailed or delivered at least fourteen (14) days before the meeting. If ownership of a unit is transferred after notice has been mailed, no separate notice to the new owner is required. Attendance at any meeting by a member constitutes waiver of notice by that member unless the member objects to the lack of notice at the beginning of the meeting. A person entitled to receive such notice may waive notice of any meeting at any time, but only by written waiver.

4.4 Notice of Annual Meeting; Special Requirements. Notice of the annual meeting together with an agenda shall be posted in a conspicuous place on the cooperative property or association property for at least fourteen (14) continuous days prior to the annual meeting. The notice and agenda for the annual meeting shall also be sent by first class mail to each owner regardless of whether the second notice of election described in Section 5.3(B) below is required, and an affidavit of the officer or other person making such mailing shall be retained in the Association records as proof of mailing. Notice of the annual meeting may, alternatively, be delivered in person if a written waiver of mailing is obtained.

4.5 Quorum. A quorum at members' meeting shall be attained by the presence, either in person or by proxy, of persons entitled to cast at least majority of the votes of the entire membership.

4.6 Vote Required. The acts approved by a majority of the votes cast at a duly called meeting of the members at which a quorum has been attained shall be binding upon all unit owners for all purposes, except where a greater or different number of votes is expressly required by law or by any provision of the cooperative documents.

4.7 Proxy Voting. To the extent lawful, any person entitled to attend and vote at a members meeting may establish his presence and cast his vote by proxy. Limited proxies shall be used for votes taken to waive reserves or financial statement requirements, to amend the cooperative documents, and for all other substantive matters for which the Cooperative Act requires or permits a vote of the members. General proxies may be used to establish a quorum, for procedural votes, and for non-substantive amendments to proposals for which a limited proxy is being used. A proxy may be given by any person entitled to vote, but shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting, and no proxy is valid longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the unit, specify the date, time and place of the meeting for which it is given, and the original must be delivered to the Association at or before the appointed time of the meeting or reconvening thereof. Holders of proxies need not be members. No proxy shall be valid if it names more than one person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy.

4.8 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be reconvened at a specific later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance.

4.9 Order of Business. The order of business at members' meetings shall be substantially as follows:

- (A) Counting of ballots in the annual election (if necessary).
- (B) Call of the roll or determination of quorum.
- (C) Reading or disposal of minutes of last members meeting
- (D) Reports of Officers
- (E) Reports of Committees
- (F) Unfinished Business
- (G) New Business
- (H) Adjournment

4.10 Minutes. Minutes of all meetings of members and of the Board of Directors shall be kept in a businesslike manner and available for inspection by members or their authorized representatives and Board members at all reasonable times and for a period of seven (7) years after the meeting. Minutes must be reduced to written form within thirty (30) days after the meeting at which they were taken.

4.11 Parliamentary Rules. The presiding officer may appoint a Parliamentarian whose decision on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

4.12 Action by Members Without Meeting. Except for the holding of the annual meeting, any action required or permitted to be taken at a meeting of the members may be taken by mail without a meeting if written ballots or other instruments indicating approval of the action proposed to be taken are signed and returned by members having not less than the minimum number of votes that would be necessary to take such action at a meeting, or majority of the total votes of the entire membership, whichever is greater, unless a lesser vote is sufficient by law. If the requisite number of written expressions of approval are received by the Secretary within thirty (30) days after mailing notice of the proposed action to the members, a resolution passed by the Board of Directors on the action so authorized shall be of full force and effect as if the action had been approved by the vote of the members at a members meeting held on the date of the Board meeting. Within ten (10) days after adopting the resolution, the Board shall send written notice of the action taken to all members who have not consented in writing. Nothing in this paragraph shall be construed in derogation of members' rights to call a special meeting of the membership, as provided in Section 3.2 above. If the vote is taken by the method described in this Section, the list of unit owners on record with the Secretary at the time of mailing the voting material shall be the list of qualified voters.

5. BOARD OF DIRECTORS. The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Bylaws or Articles of Incorporation shall be exercised by the Board, subject to approval or consent of the unit owners only when such is specifically required.

5.1 Number and Terms of Service. The number of Directors which shall constitute the whole Board of Directors shall be five (5). Each Director shall be elected for a one (1) year term which ends at the annual election at which his successor is to be elected. Directors shall be elected by the members as described in Section 5.3 below, or in the case of a vacancy, as provided in 5.4 below.

5.2 Qualifications. Each Director must be a member or the spouse of a member.

5.3 Annual Elections. Unless Subsection 5.3.5 below applies, on the day of each annual election the members shall elect by written ballot as many Directors as there are regular terms of Directors expiring, unless the balloting is dispensed with as provided by law.

(A) **First Notice: Candidates.** Not less than sixty (60) days before the election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate may qualify as such by giving written notice to the Association not less than forty (40) days prior to the annual election. Candidates may also be nominated by any other method permitted by law.

- (B) Second Notice: Candidate Information Sheets. If there is more than one candidate for any seat, at least thirty (30) days before the election, the Association shall mail or deliver a second notice of election to all unit owners entitled to vote in the contested election, together with a ballot which shall list all qualified candidates in alphabetical order, by surname. This notice may also include the notice of annual meeting required by Section 4.4 above. Upon timely request of a candidate, the Association shall include an information sheet (no larger than 8-1/2 inches by 11 inches, furnished by the candidate) with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association.
- (C) Balloting. Where balloting is required, Directors shall be elected by a plurality of the votes cast, provided that at least twenty percent (20%) of the eligible voters cast ballots. Proxies may not be used in the election. In the election of Directors, there shall be appurtenant to each unit as many votes for Directors as there are Directors to be elected, but no unit may cast more than one vote for any candidate, it being the intent hereof that voting for Directors shall be non-cumulative. Tie votes shall be broken by agreement among the candidates who are tied, or if there is no agreement, by lot.

5.3.5 Optional Method of Election. To the extent allowed by the Cooperative Act, and with the prior approval of at least two-thirds (2/3rds) of the voting interests, elections may be conducted in the following manner: The nominating committee, if any, shall submit its recommended nominees for the office of Director on the floor at the annual meeting, at which time any other eligible person may also be nominated as a candidate. Directors shall be elected by a plurality of the votes cast at the annual meeting, and votes may be cast by limited or general proxy. In the election of Directors, there shall be appurtenant to each unit as many votes for Directors as there are Directors to be elected. The candidates receiving the highest number of votes shall be declared elected, except that a run-off shall be held to break a tie vote. In the election of Directors, there shall be appurtenant to each unit as many votes for Directors as there are Directors to be elected, but no unit may cast more than one vote for any candidate, it being the intent hereof that voting for Directors shall be non-cumulative.

5.4 Vacancies on the Board. If the office of any Director becomes vacant between annual elections for any reason, a successor or successors to fill the remaining unexpired term or terms shall be appointed or elected as follows:

- (A) If a vacancy is caused by the death, disqualification or resignation of a Director, a majority of the remaining Directors, though less than a quorum, shall appoint a successor, who shall hold office for the remaining unexpired term, unless otherwise provided by law.

- (B) If a vacancy occurs as a result of a recall and less than a majority of the Directors are removed, the vacancy may be filled by appointment by a majority of the remaining Directors, though less than a quorum. If vacancies occur as a result of a recall in which a majority or more of the Directors are removed, the vacancies shall be filled as provided by law.

5.5 Removal of Directors. Any or all Directors may be removed with or without cause by a majority of the voting interests, either by a written petition or at any meeting called for that purpose. If a meeting is held or a petition is filed for the removal of more than one Director, the question shall be determined separately as to each Director. If a special meeting is called by ten percent (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days from the date that notice of the meeting is given.

5.6 Organizational Meeting. The organizational meeting of a new Board of Directors shall be held immediately upon the adjournment of the annual meeting at the same location, unless a quorum cannot be obtained, in which case the organizational meeting shall be held as soon as practicable thereafter.

5.7 Other Meetings. Meetings of the Board may be held at such time and place in Collier County, Florida, as shall be determined from time to time by the President or a majority of the Directors. Notice of each meeting shall be given to each Director, personally or by mail, telephone or telegram at least two (2) days prior to the day named for such meeting.

5.8 Notice to Owners. All meetings of the Board of Directors shall be open to attendance and participation by the members. A notice and agenda for each Board meeting shall be posted conspicuously on the cooperative property for at least forty-eight (48) continuous hours in advance of each Board meeting, except in an emergency. Notice of any Board meeting at which a non-emergency special assessment or a rule restricting the use of units is to be considered for any reason shall be mailed to each owner at least fourteen (14) days before the meeting, and an affidavit of mailing shall be retained as proof of mailing. Notice of any Board meeting at which a budget will be adopted or amended shall be given as stated in Section 6.2 below. The right of owners to attend Board meetings includes the right to speak on designated agenda items, subject to reasonable rules of the Association governing the manner, duration and frequency of doing so.

5.9 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.

5.10 Quorum of Directors. A quorum at a Board meeting shall exist when at least a majority of all Directors are present in person at a duly called meeting. Directors may

participate in any meeting of the Board, by a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting.

5.11 Vote Required. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum exists shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the cooperative documents or by applicable statutes. Directors may not vote or participate by proxy or by secret ballot at Board meetings, except that officers may be elected by secret ballot. A Director who is present at a meeting of the Board shall be deemed to have voted in favor of any action taken, unless he voted against such action or abstained from voting because of an asserted conflict of interest. The vote or abstention of each Director present on each issue voted upon shall be recorded in the minutes.

5.12 Adjourned Meetings. The majority of the Directors present at any meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a specific time and date. At any reconvened meeting, provided a quorum is present, any business may be transacted that might have been transacted at the meeting originally as called.

5.13 The Presiding Officer. The President of the Association, or in his absence, the Vice-President, shall be the presiding officer at all meetings of the members and of the Board of Directors. If neither is present, the presiding officer shall be selected by majority vote of the members or Directors present.

5.14 Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.

5.15 Committees. The Board of Directors may appoint from time to time such standing or temporary committees as the Board may deem necessary and convenient for the efficient and effective operation of the Cooperative. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. If a committee has delegated to it the authority to bind the Association or act for and in the place of the Board, including the power to authorize the expenditure of funds, the committee shall hold its meetings and give notice of such meetings with the same formalities as required for Board meetings.

6. OFFICERS.

6.1 Officers and Elections. The executive officers of the Association shall be a President, and a Vice-President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by a majority of the Board of Directors. Any officer may be

removed with or without cause by vote of a majority of all Directors at any meeting. Any person except the President may hold two or more offices. The Board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one Vice-President.

6.2 President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and Directors, shall be ex-officio a member of all standing committees, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect. He shall execute bonds, mortgages and other contracts requiring seal of the Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Association.

6.3 Vice-Presidents. The Vice-Presidents in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall assign.

6.4 Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and shall cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for the purpose, and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the cooperative documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

6.5 Treasurer. The Treasurer shall be responsible for Association funds and securities, the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association, and the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He shall oversee the disbursement of the funds of the Association, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at the meetings of the Board, or whenever they may require it, an accounting of all transactions and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated.

7. FISCAL MATTERS.

7.1 Depository. The Association shall maintain its funds in federally insured accounts in such financial institutions authorized to do business in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board.

7.2 Budget. The Board of Directors shall adopt a budget of common expenses for each fiscal year. A copy of the proposed budget and a notice stating the time, date and place of the meeting of the Board at which the budget will be adopted shall be mailed to or served on the owner of each unit not less than fourteen (14) days prior to that meeting. The proposed budget shall be detailed and shall show the amounts budgeted by income and expense classifications.

7.3 Statutory Reserves for Capital Expenditures and Deferred Maintenance. In addition to annual operating expenses, the proposed budget must include reserve accounts for capital expenditures and deferred maintenance as required by law. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing. The amount to be reserved shall be computed by a formula based upon estimated life and replacement cost of each item. These reserves shall be funded unless the members subsequently determine by majority vote of those present in person or by proxy at a duly called meeting to fund no reserves or less than adequate reserves for a fiscal year. The vote to waive or reduce reserves, if any is taken, may be taken only after the proposed budget has been mailed to the unit owners as required in 7.2 above. Reserves funded under this paragraph, and all interest earned on such reserves, shall be used only for the purposes for which they were reserved, unless their use for other purposes is approved in advance by a majority of the voting interests present and voting at a members' meeting called for the purpose.

7.4 Other Reserves. In addition to the statutory reserves provided in Section 7.3 above, or in place of them if the members so vote, the Board may establish one or more additional reserve accounts for contingencies, operating expenses, repairs, minor improvements or deferred maintenance. The purpose of these reserves is to provide financial stability and to avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget each year. These funds may be spent for any purpose approved by the Board.

7.5 Fidelity Bonds. The President, Secretary and Treasurer, and all persons who are authorized to sign checks, shall be bonded in such amounts as are required by law or otherwise determined by the Board of Directors. The premiums on such bonds shall be a Class "A" common expense.

7.6 Financial Statements. Not later than ninety (90) days after the close of each fiscal year, the Board shall prepare, and shall distribute to the owners of each unit, financial reports or statements meeting or exceeding the minimum standards of Section 719.104(4) of the

Cooperative Act, showing in reasonable detail the financial condition of the Association as of the close of its fiscal year, detailed by accounts.

7.7 Audits. A formal, certified audit of the accounts of the Association, if required by law, by vote of a majority of the voting interests, or by a majority of the Board of Directors, shall be made by a certified public accountant, and a copy of the audit report shall be available to all members.

7.8 Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each calendar year. The Board of Directors may change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed in the Internal Revenue Code of the United States of America.

8. ASSESSMENTS AND LIENS: The Association has the power to levy and collect assessments from members for their share of the common expenses, including both regular assessments for each unit's share of the common expenses as set forth in the annual budget and special assessments for the unusual, nonrecurring or unbudgeted common expenses. The Association may also levy special charges against any individual unit for any amounts, other than for common expenses, which are properly chargeable against such unit under these Bylaws. Assessments shall be levied and payment enforced as follows:

8.1 Regular Assessments. The total of the Class "A" and Class "B" assessments on each unit shall constitute the annual operating assessments for each member's apartment, and shall be levied and assessed as a single sum against each apartment unit in accordance with the provisions of these Bylaws, payable in quarterly installments, in advance, on the first day of January, April, July and October of each year. Written notice of each installment shall be sent to all members at least fifteen (15) days prior to the due date. Failure to send or receive such notice shall not excuse the obligation to pay. If an annual budget for a new fiscal year has not been adopted at the time the first installment for that year is due, it shall be presumed that the amount of such installment is the same as the last installment, and shall be continued at such rate until a budget is adopted and pro rata assessments are calculated, at which time any overage or shortage calculated shall be added or subtracted from each unit's next due assessment.

8.2 Special Assessments. Special assessments may be imposed by the Board of Directors when needed to meet unusual, unexpected, emergency or non-recurring expenses, or for such other purposes as are authorized by the Bylaws. Notice of any Board meeting at which a special assessment will be considered shall be given as provided in Section 5.8 above. Special assessments are due on the day specified in the resolution of the Board approving such assessment. The notice of any special assessment must contain a statement of the purpose(s) of the assessments, and the funds collected must be spent for the stated purpose(s) or returned to the members as provided by law.

- 8.3 **Common Expenses.** Common expenses shall be divided into two (2) classes:
- (A) **Class "A" Expenses** are all expenses incurred by the Association other than Class "B" expenses, and include expenses for management, service and maintenance, liability insurance, water, sewer and electricity.
 - (B) **Class "B" Expenses** consist of items of operating expense for land rent, exterior building maintenance, including reserves therefor, and property insurance premiums.

8.4 **Share of Common Expenses.** The owner of each unit shall be liable for a one twenty-fourth (1/24th) share of the Class "A" common expenses. Each member's share of Class "B" common expenses shall be determined by dividing the total interior square footage of all units within the party walls, exclusive of balconies, thereby arriving at the annual Class B assessment per square foot of interior space. Each member's Class B assessment shall be determined by multiplying the Class B assessment per square foot by the total interior square footage of the member's unit. Special assessments shall be apportioned based upon the type of expenses the assessment is intended to pay.

8.5 **Ownership.** Assessments collected by or on behalf of the Association become the property of the Association; no unit owner has the right to claim, assign or transfer any interest therein except as an appurtenance to his unit. No member can withdraw or receive distribution of his share of the common surplus, except as otherwise provided herein or by law.

8.6 **Who is Liable for Assessments.** The owner of each unit is liable for all assessments or installments thereon coming due while he is the unit owner. Multiple owners are jointly and severally liable. Whenever title to a cooperative parcel is transferred for any reason, the transferee is jointly and severally liable with the transferor for all assessments which came due prior to the transfer and remain unpaid, without prejudice to any right the transferor may have to recover from the transferee any amounts paid by the transferor.

8.7 **No Waiver or Excuse from Payment.** The liability for assessments may not be avoided or abated by waiver of the use or enjoyment of any common areas, by abandonment of the unit on which the assessments are made, or by interruption in the availability of the unit or the common areas for any reason whatsoever. No member may be excused from payment of his share of the common expenses unless all members are likewise proportionately excused from payment.

8.8 **Application of Payments; Failure to Pay; Interest.** Assessments and installments thereon paid on or before ten (10) days after the date due shall not bear interest, but all sums not so paid shall bear interest at the highest rate allowed by law, calculated from the date due until paid. The Association may also impose a late payment fee (in addition to interest) to the extent permitted by law. Assessments and installments thereon shall become due, and the unit

owner shall become liable for said assessments or installments, on the date established in the Bylaws or otherwise set by the Board of Directors for payment. All payments on account shall be applied first to interest, then to late payment fees, court costs and attorney's fees, and finally to delinquent assessments. No payment by check is deemed received until the check has cleared.

8.9 Acceleration. If any special assessment or installment of a regular assessment as to a unit is unpaid thirty (30) days after the due date, and a Claim of Lien is recorded, the Association shall have the right to accelerate the due date of the entire unpaid balance of the unit's assessments for that fiscal year. The due date for all accelerated amounts shall be the date the Claim of Lien was recorded in the public records. The Association's Claim of Lien shall secure payment of the entire accelerated obligation, together with interest on the entire balance, attorneys' fees and costs as provided by law; and said Claim of Lien shall not be satisfied or released until all sums secured by it have been paid. The right to accelerate shall be exercised by sending to the delinquent owner a notice of the exercise, which notice shall be sent by certified or registered mail to the owner's last known address, and shall be deemed given upon mailing of the notice, postpaid. The notice may be given as part of the notice of intent to foreclose, as required by Section 719.108 of the Cooperative Act, or may be sent separately.

8.10 Liens. The Association has a lien on each cooperative parcel securing payment of past due assessments, including interest and attorney's fees and costs incurred by the Association incident to the collection of the assessment or enforcement of the lien, whether before, during or after a lien foreclosure suit. The lien is perfected upon recording a Claim of Lien in the Public Records of Collier County, Florida, stating the description of the cooperative, the name of the record owner, the assessments past due and the due dates. The lien is in effect until barred by law. The Claim of Lien secures all unpaid assessments coming due prior to a final judgment of foreclosure. Upon full payment, the person making the payment is entitled to a satisfaction of the lien.

8.11 Priority of Lien. The Association's lien for unpaid assessments against a cooperative parcel shall be subordinate and inferior to the lien of a recorded first mortgage on the parcel, but only to the extent required by the Cooperative Act, as amended from time to time. The Association's lien shall be superior to, and take priority over, any other mortgage or lien regardless of when the mortgage or lien was recorded, except as otherwise expressly provided by the Cooperative Act, as amended from time to time. Any sublease of a unit shall be subordinate and inferior to the Association's lien, regardless of when the sublease was executed.

8.12 Foreclosure of Lien. The Association may bring an action in its name to foreclose its lien for unpaid assessments in the manner provided in the Cooperative Act, and may also bring an action to recover a money judgment for the unpaid assessments without waiving any lien rights.

8.13 Certificate As To Assessments. Within fifteen (15) days after request by a unit owner or mortgagee, the Association shall provide a certificate (sometimes referred to as an "estoppel letter") stating whether all assessments and other monies owed to the Association by the unit owner with respect to the cooperative parcel have been paid. Any person other than the owner who relies upon such certificate shall be protected thereby.

9. USE RESTRICTIONS: The use of the cooperative property shall be in accordance with the following provisions:

9.1 Apartments. Each apartment shall be occupied by only one family at any time, as a residence and for no other purpose. No business or commercial activity shall be conducted in or from any unit, including the giving of instructions or schooling of any kind. The use of a unit as a public lodging establishment shall be deemed a business or commercial use. This restriction shall not be construed to prohibit any member from maintaining a personal or professional library, from keeping his personal, business or professional records in his apartment, or from handling his personal, business or professional telephone calls or written correspondence in and from his apartment. Such uses are expressly declared customarily incident to residential use.

9.2 Occupancy in Absence of Owner. If the unit owner and his family who permanently reside with him are absent from the apartment and are not occupying it, the owner may permit his apartment to be occupied by no more than five (5) guests in one-bedroom apartments, and seven (7) guests in two-bedroom apartments, and then only in accordance with the following:

- (A) Any one person who is the adult child or grandchild, brother, sister, father, mother, grandparent, son and daughter of the owner or the owner's spouse, if any, may occupy the apartment in the absence of the owner. That person's spouse and children if any may accompany him. No person who has attained the age of eighteen but has not attained the age of twenty-four is permitted to occupy any unit without prior approval of the Board of Directors.
- (B) Occupancy by house guests not included within 9.2(A) shall constitute a sublease, and shall be subject to all the restrictions contained in Section 10 of these Bylaws and the rules and regulations of the Association. Such visits shall be limited to two (2) visits during a calendar year with each visit not to exceed fifteen (15) days.

9.3 Exceptions. Upon prior written application by the member, the Board of Directors may make such limited exceptions to the foregoing restrictions as may be deemed appropriate in the discretion of the Board, for the sole purpose of avoiding undue hardship or inequity. The making of one exception shall not be construed as a precedent for later exceptions.

9.4 Occupancy When Member is in Residence. The number of overnight guests, whether related or unrelated to the member, who may occupy the apartment together with the member is limited to five (5) in one-bedroom apartments and seven (7) in two-bedroom apartments.

9.5 Occupancy of Subleased Units. No overnight guests are permitted in subleased units when the sublessee is not in residence. Overnight guests in the presence of the sublessee are limited to two persons, who may stay no longer than five (5) days.

9.6 Age Restrictions. There is no prohibition of occupancy by persons under eighteen (18) years of age. All occupants under eighteen (18) years of age shall be closely supervised at all times by an adult to insure that they do not become a source of unreasonable annoyance to other residents. No person who has attained the age of eighteen (18), but has not attained the age of twenty-four (24) is permitted to occupy any unit without prior approval of the Board of Directors, unless the unit owner or an approved sublessee is in residence at the same time.

9.7 Pets. No pets of any kind are permitted on the cooperative property.

9.8 Nuisances. No owner shall use his unit, or permit it to be used, in any manner which constitutes or causes an unreasonable amount of annoyance or nuisance to the occupant of another unit, or which would not be consistent with the maintenance of the highest standards for a first class residential cooperative, nor permit the premises to be used in a disorderly or unlawful way. The use of each unit shall be consistent with existing laws and the cooperative documents, and occupants shall at all times conduct themselves in a peaceful and orderly manner.

9.9 Signs. No person may post or display "For Sale" or "For Rent" or other similar signs anywhere within the Cooperative or on the cooperative property. "Open House" signs are permitted on the day of the open house only.

9.10 Use of Common Areas. Common hallways, stairways and other common areas shall not be obstructed, littered, defaced or misused in any manner. Balconies, patios, porches, walkways and stairways shall be used only for the purposes intended, and they shall not be used for hanging or drying clothing, for outdoor cooking, for cleaning of rugs or other household items, or for storage of bicycles or other personal property, except that chairs may be kept on balconies, patios and porches.

10. TRANSFERS OF TITLE AND SUBLEASES. The primary object of the Association is to operate and maintain its property on a mutual and cooperative basis for the housing needs of its members. In order to maintain a community of congenial, financially responsible residents with the objectives of protecting the value of the apartments, inhibiting transiency, and facilitating the development of a stable, quiet community and peace of mind for all residents,

the transfer of ownership of a unit and the occupancy rights connected with it, and the subleasing of apartments shall be subject to the following provisions:

10.1 Procedures.

(A) Notice to Association.

- (1) Sale, Gift or Sublease. A member intending to transfer his occupancy rights by sale, gift or sublease shall give to the Board of Directors or its designee written notice of such intention at least thirty (30) days before the intended closing date or beginning date of occupancy, together with the name and address of the proposed transferee or sublessee, an executed copy of the sublease or sales contract, if any, and such other information as the Board may reasonably require. The Board may require a personal interview with any transferee or sublessee and his spouse, if any, as a pre-condition to approval.
 - (2) Devise, Inheritance or Other Transfers. The transferee must notify the Board of Directors of his acquisition of equity rights and submit a certified copy of the instrument evidencing his ownership and such other information as the Board may reasonably require. The transferee shall have no occupancy or use rights until and unless approved by the Board, except as otherwise provided in Article VI of the Cooperative Owners Agreement but may sell or sublease the unit following the procedures in this Section.
 - (3) Demand. With the notice required in Subsection (A)(1) above, the owner or transferee seeking approval may make a written demand that if the transfer is disapproved without good cause, the Association shall furnish an approved alternate purchaser who shall purchase the unit at the same price and upon substantially the same terms as in the disapproved sales contract, or if no contract is involved, for the fair market value of the unit determined as provided below.
 - (4) Failure to Give Notice. If no notice is given, the Board of Directors, at its election, may approve or disapprove at the time it learns of the transfer. If any owner fails to obtain the Association's approval prior to selling an interest in a unit, such failure shall create a rebuttable presumption that the seller and the purchaser intend to violate these Bylaws, and shall constitute good cause for Association disapproval.
- (B) Board Action. Within thirty (30) days after receipt of the required notice and all information or interviews requested, or not later than sixty (60) days after the notice required by paragraph (A) above is received, whichever occurs first, the Board shall approve or disapprove the transfer or sublease. If a transfer is

approved, the approval shall be evidenced by the issuance of a new Membership Certificate in the name of the transferee executed by the President or Vice-President of the Association. If the Board neither approves nor disapproves within the time limits as set forth above, such failure to act shall be deemed the equivalent of approval.

(C) Disapproval of Transfers of Ownership.

- (1) With Good Cause. Approval of the Association shall be withheld or denied for good cause only if a majority of the whole Board so votes, after receiving a written opinion of counsel that good cause exists. Only the following may be deemed to constitute good cause for disapproval:
- (a) The person seeking approval has been convicted of a felony involving violence to persons or property, a felony involving possession or sale of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;
 - (b) The person seeking approval has a record of financial irresponsibility, including without limitation prior bankruptcies, foreclosures or bad debts;
 - (c) The person seeking approval gives the Board reasonable cause to believe that person intends to conduct himself in a manner inconsistent with the occupancy restrictions applicable to the Cooperative;
 - (d) The person seeking approval has a history of disruptive behavior or disregard for the rights or property of others;
 - (e) The person seeking approval has evidenced an attitude of disregard for association rules by his conduct in this Cooperative as a tenant, member or occupant of a unit;
 - (g) The person seeking approval has failed to provide the information, fees or interviews required to process the application in a timely manner, or provided false information during the application process.
 - (h) The transaction was concluded by the parties without having sought and obtained the prior approval required herein.

- (i) The intended transferee is a corporation, partnership, trust, or other entity which is not a natural person.
 - (j) The intended transferee is two or more persons who are not husband and wife.
- (2) Without Good Cause. The Association's approval shall not be denied unless a majority of the whole Board so votes. If the Board disapproves without good cause, and if the owner or transferee has made the demand set forth in Section 10.3(A)(3), then within thirty (30) days after the Board meeting at which the disapproval took place, the Board shall deliver in writing to the owner (hereafter "the seller") the name of an approved purchaser who will purchase the unit at the same price, and upon substantially the same terms, as in the disapproved sales contract. If no sales contract was involved, or if the Association challenges the contract price as not being a good faith purchase price, then the purchase price shall be paid in cash, and the price to be paid shall be determined by agreement, or in the absence of agreement, shall be the fair market value determined by the arithmetic average of appraisals by two state-certified property appraisers, one selected by the seller and the other by the Association. The cost of the appraisals, and all other closing costs in cases where no sales contract is involved, shall be shared equally by the buyer and seller, except that the purchaser shall pay for his own title insurance, and all costs of mortgage financing. Real property taxes and cooperative assessments shall be prorated to the day of closing and the parties shall bear their own attorneys fees, if any. The closing shall take place not longer than sixty (60) days after the date of Board disapproval or thirty (30) days after determination of fair market value by appraisal, whichever occurs last. Failure or refusal to close by either party shall constitute a breach of contract and shall entitle the other party to seek specific performance or damages.
- (3) If the Board fails to deliver the name of the approved purchaser within thirty (30) days as required above, then the original proposed purchaser shall be deemed to be approved, despite the Board's former disapproval, and upon demand a Certificate of Approval shall be issued.
- (D) Disapproval. A proposed sublease shall be disapproved only if a majority of the whole Board so votes, and in such case the lease shall not be made. Appropriate grounds for disapproval shall include, but not be limited to, the following:
- (1) the unit owner is delinquent in the payment of assessments at the time the application is considered;

- (2) the unit owner has a history of subleasing his unit without obtaining approval, or leasing to troublesome sublessees and/or refusing to control or accept responsibility for the occupancy of his unit;
 - (3) the real estate company or rental agent handling the transaction on behalf of the unit owner has a history of screening sublessee applicants inadequately, recommending undesirable sublessees, or entering into subleases without prior Association approval;
 - (4) the application on its face indicates that the person seeking approval intends to conduct himself in a manner inconsistent with the cooperative documents;
 - (5) the prospective sublessee has been convicted of a felony involving violence to persons or property, a felony involving sale or possession of a controlled substance, or a felony demonstrating dishonesty or moral turpitude;
 - (6) the prospective sublessee has a history of conduct which evidences disregard for the rights and property of others;
 - (7) the prospective sublessee evidences a strong probability of financial irresponsibility;
 - (8) the sublessee, during previous occupancy, has evidenced an attitude of disregard for Association rules; or
 - (9) the prospective sublessee gives false or incomplete information to the Board as part of the application procedure, or the required transfer fees and/or security deposit is not paid.
 - (10) the owner fails to give proper notice of his intention to sublease his unit to the Board of Directors.
- (E) Failure to Give Notice or Obtain Approval. If proper notice is not given, the Board at its election may approve or disapprove the sublease. Any sublease entered into without approval may, at the option of the Board, be treated as a nullity, and the Board shall have the power to evict the sublessee without securing consent to such eviction from the unit owner.
- (F) Applications; Assessments. Applications for authority to sublease shall be made to the Board of Directors on such forms and include such terms as the Board may

provide from time to time. The legal responsibility for paying assessments may not be delegated to the sublessee.

- (G) Committee Approval. To facilitate approval of subleases proposed during times when many of the members are not in residence, the Board of Directors may by resolution delegate its approval powers to an ad hoc committee, which shall consist of at least three (3) members.

10.4 Unapproved Transfers. Any sale, sublease or other transfer which is not approved, or which is disapproved pursuant to the terms of this Declaration shall be void unless subsequently approved in writing by the Board.

10.5 Fees and Deposits Related to Approval to Occupy or Sublease. Whenever herein the Board's approval is required to allow a sublease or transfer of ownership of an apartment, the Association may charge the owner a preset fee for processing the application, such fee not to exceed the maximum amount allowed by law. The Association may also require any deposits authorized by the Cooperative Act as amended from time to time.

10.6 Term of Sublease; Frequency of Subleasing. No unit may be subleased more often than two (2) times in any calendar year, with the minimum term being thirty (30) days. The first day of occupancy under the sublease shall determine in which year the lease occurs. No lease may be for a period of more than one (1) year, and no option for the sublessee to extend or renew the sublease for any additional period shall be permitted. However, the Board may, in its discretion, approve the same sublease from year to year. No assignment of sublease rights by the sublessee is allowed.

10.7 Regulation by Association. All of the provisions of the cooperative documents and the rules and regulations of the Association shall be applicable and enforceable against any person occupying a unit as a sublessee or guest to the same extent as against the member. A covenant on the part of each occupant to abide by the rules and regulations of the Association and the provisions of the cooperative documents, designating the Association as the owner's agent with the authority to terminate any sublease agreement and evict the tenants in the event of breach of such covenant, shall be deemed to be included in every sublease agreement, whether oral or written, and whether specifically expressed in such agreement or not.

11. MAINTENANCE; LIMITATIONS UPON ALTERATIONS AND IMPROVEMENTS:
Responsibility for the protection, maintenance, repair and replacement of the cooperative property, and restrictions on its alteration and improvement shall be as follows:

11.1 Association Maintenance. The Club will maintain and manage the Cooperative as a first class apartment house, keeping the lawns, landscaping, parking areas, gardens, walkways, pool area, seawalls and all other common facilities in an attractive and sanitary

condition for the use and benefit of the Lessees. The cost is a common expense. The Association's responsibilities include, without limitation:

- (A) Electrical wiring up to the circuit breaker panel in each unit.
- (B) Rough plumbing.
- (C) All installations, fixtures and equipment located within one unit but serving another unit, or located outside the unit, for the furnishing of utilities to more than one unit or the common areas.
- (D) All entrance doors to the units.
- (E) All exterior building walls and concrete slabs.

The Association's responsibility does not include interior wall switches or receptacles, plumbing fixtures, or other electrical, plumbing or mechanical installations located within a unit and serving only that unit. All incidental damage caused to a unit or limited common areas by work performed or ordered to be performed by the Association shall be promptly repaired by and at the expense of the Association, which shall restore the property as nearly as practical to its condition before the damage, and the cost shall be a common expense, except the Association shall not be responsible for the damage to any alteration or addition made by a unit owner without prior Association approval as required elsewhere herein, nor shall the Association be responsible for repair or restoration costs if the need for the work was caused by the negligence of the owner. In case any repairs shall become necessary to the plumbing apparatus or other parts of installations intended for the general service of the community, the Club, except as hereinafter provided, will execute such repairs with due diligence, not being liable for interruptions not reasonably avoided, in the supply of services or for other temporary interruptions in the proper operation of said community.

11.2 Unit Owner Maintenance. Each unit owner shall, at his own expense, keep the interior of the demised premises in a good state of repair, including all plumbing and electrical fixtures. All carpets and appliances, i.e., range, oven, air conditioning system and disposal, become the property and responsibility of the unit owner. The interior painting and decorating of the unit are the responsibility of the unit owner. The owner's responsibilities also include, without limitation maintenance, repair and replacement of:

- (A) Screens, windows and window glass.
- (B) All doors within the unit.

- (C) The electrical, mechanical and plumbing fixtures, switches, valves, drains and outlets (including connections) located partially or entirely within the unit or serving only the unit.
- (D) The circuit breaker panel and all electrical wiring going into the unit from the panel.
- (E) Water heaters, smoke alarms and vent fans.
- (F) Door and window hardware and locks.
- (G) Shower pans.
- (H) The main water supply shut-off valve for the unit.
- (I) Other facilities or fixtures which are located or contained entirely within the unit and serve only the unit.
- (J) All interior, partition walls which do not form part of the boundary of the unit.

11.3 Other Unit Owner Responsibilities. The unit owner shall also have the following responsibilities:

- (A) Interior Decorating. Each unit owner is responsible for all decorating within his own unit, including painting, wallpapering, panelling, floor covering, draperies, window shades, curtains, lamps and other light fixtures, and other furnishings and interior decorating.
- (B) Flooring. All units above the ground floor shall always have the floors covered with wall-to-wall carpeting installed over high quality padding, except carpeting is not required in kitchens or bathrooms. An owner who desires to install in place of carpeting any hard-surface floor covering (e.g. marble, slate, ceramic tile, parquet) shall also install a sound absorbent underlayment of such kind and quality as to substantially reduce the transmission of noise to adjoining units, and must obtain written approval of the Board of Directors prior to any such installation. If the installation is made without prior approval the Board may, in addition to exercising all the other remedies provided in these Bylaws, require the unit owner to cover all such hard-surface flooring with carpeting, or require the removal of such hard-surface flooring at the expense of the offending unit owner. No carpeting of any kind may be installed on or affixed to concrete surfaces exposed to the elements, without approval.

- (C) Window Coverings. The covering and appearance of windows and doors, whether by draperies, shades, reflective film or other items, whether installed within or outside of the unit, visible from the exterior of the unit, shall be subject to the rules and regulations of the Association.
- (D) Modifications and Alterations. If a unit owner makes any modifications, installations or additions to his unit or the common areas, the unit owner and his successors in title shall be financially responsible for the insurance, maintenance, repair and replacement of the modifications, installations or additions, as well as the cost of repairing any damage to the common areas resulting from such modifications, installations or additions.
- (E) Use of Licensed and Insured Contractors. Whenever a unit owner contracts for maintenance, repair, replacement, alteration, addition or improvement of any portion of the unit or common areas, whether with or without Association approval, such owner shall be deemed to have warranted to the Association and its members that his contractor(s) are properly licensed and fully insured, and that the owner will be financially responsible for any resulting damage to persons or property not paid by the contractor's insurance.

11.4 Alteration of Units or Common Areas by Unit Owners. No owner shall make or permit the making of any material alterations or substantial additions to his unit or the common areas, or in any manner change the exterior appearance of any portion of the Cooperative, without first obtaining the written approval of the Board of Directors, which approval may be denied if the Board of Directors determines that the proposed modifications or alterations would adversely affect, or in any manner be detrimental to, the Cooperative in part or in whole. Any glass, screen, curtain, blind, shutter, awning, or other modifications, additions or installations which may be installed where visible from outside the unit, are subject to regulation by the Board of Directors. No owner may alter the landscaping of the common areas in any way without prior Board approval.

11.5 Alterations and Additions to Common areas and Association Property. The protection, maintenance, repair, insurance and replacement of the common areas and association property is the responsibility of the Association and the cost is a common expense. Beyond this function, the Association shall make no material alteration of, nor substantial additions to, the cooperative property costing more than \$10,000 in the aggregate in any calendar year without prior approval of at least a majority of the voting interests. Alterations or additions costing less than this amount may be made with Board approval. If work reasonably necessary to protect, maintain, repair, replace or insure the common areas or association property also constitutes a material alteration or substantial addition, no prior unit owner approval is required. Any special assessments for such alterations or modifications shall be prorated equally among the units.

11.6 Enforcement of Maintenance. If after reasonable notice the owner of a unit fails to maintain the unit or its appurtenant limited common areas as required above, the Association may institute legal proceedings to enforce compliance, or may take any and all other lawful actions to remedy such violation, including but not limited to, entering the unit, with or without notice to or consent of the tenant or unit owner, to repair, replace, or maintain any item which in the reasonable judgment of the Board of Directors may constitute a health or safety hazard to other property or residents. Any expenses incurred by the Association in performing work within the unit as authorized by these Bylaws shall be charged to the unit owner, together with reasonable attorney's fees and other expenses or collection, if any.

11.7 Negligence; Damage Caused by Condition in Unit. The owner of each unit shall be liable for the expenses of any maintenance, repair or replacement of common areas, other units, or personal property made necessary by his act or negligence, or by that of any member of his family or his guests, employees, agents, or tenants. Each unit owner has a duty to maintain his unit, any limited common area appurtenant to the unit (except those limited common areas required to be maintained by the Association, as provided in Section 8.1), and personal property therein, in such a manner as to prevent foreseeable and reasonably preventable damage to other units, the common areas or the property of other owners and residents. If any condition, defect or malfunction, resulting from the owner's failure to perform this duty causes damage to other units, the common areas, association property or property within other units, the owner of the offending unit shall be liable to the person or entity responsible for repairing the damaged property for all costs of repair or replacement not paid by insurance. If one or more of the units involved is not occupied at the time the damage is discovered, the Association may enter the unit without prior notice to the owner and take reasonable action to mitigate damage or prevent its spread. The Association may, but is not obligated to, repair the damage with the prior consent of the owner.

11.8 Association's Access to Units. The Association has an irrevocable right of access to the units for the purposes of protecting, maintaining, repairing and replacing the common areas or portions of a unit to be maintained by the Association under this Bylaws, and as necessary to prevent damage to one or more units. The Association's right of access includes, without limitation, entry for purposes of pest control and preventive maintenance of safety equipment such as smoke alarms as well as the right, but not the duty, to enter under circumstances where the health or safety of residents may be endangered. The exercise of the Association's rights of access to the unit shall be accomplished with due respect for the rights of occupants to privacy and freedom from unreasonable annoyance, as well as with appropriate precautions to protect the personal property within the unit. The Association may retain a pass-key to all units. If it does, no unit owner shall alter any lock, nor install a new lock, which prevents access when the unit is unoccupied, unless the unit owner provides the Association with a key. If the Association is not provided with a key to the unit, the owner shall pay all costs incurred by the Association in gaining entrance to his unit, and also shall be responsible for any damage done to his unit in gaining entrance thereto, and shall also be liable for any damage resulting from delay in gaining entrance to his unit caused by the unavailability of a key.

11.9 Pest Control. The Association may supply pest control services for the inside of each unit, with the cost thereof being part of the common expenses. An owner has the option to decline such service unless the Association determines that such service is necessary for the protection of the balance of the Cooperative, in which event the owner thereof must either permit the Association's pest control company to enter his unit or must employ a licensed pest control company to enter his unit on a regular basis to perform pest control services and furnish written evidence thereof to the Association. Because the cost of pest control service provided by the Association is part of the common expenses, the election of an owner not to use such service shall not reduce the owner's assessments.

12. RULES AND REGULATIONS. The Board of Directors may, from time to time, adopt and amend administrative rules and regulations governing the use, maintenance, management and control of the common areas and the operation of the Association. Copies of such rules and regulations shall be furnished to each unit owner. Any rule or regulation created and imposed by the Board must be reasonably related to the promotion of health, happiness and peace of mind of the unit owners and uniformly applied and enforced.

13. COMPLIANCE AND DEFAULT; REMEDIES. The following provisions shall apply:

13.1 Duty to Comply; Right to Sue. Each member, his tenants, house guests and invitees and the Association shall be governed by and shall comply with the provisions of the Cooperative Act, these Bylaws and the rules and regulations. Actions for damages or for injunctive relief, or both, for failure to comply may be brought by the Association or by a unit owner against:

- (A) The Association;
- (B) A member;
- (C) Anyone who occupies or is a guest in an apartment; or
- (D) Any member of the Board of Directors who willfully and knowingly fails to comply with these provisions.

13.2 Forfeiture of Occupancy Rights.

- (A) In the event of default by a member, in the payment of any sums, charges or assessments required to be paid under his Cooperative Owners Agreement and these Bylaws, the Association may, by direction of its Board of Directors terminate the Cooperative Owner's Agreement and the member's occupancy rights thereunder on sixty (60) days' written notice. Unless default is cured within the sixty (60) day

notice period aforesaid, the Association may declare the Cooperative Owner's Agreement, including occupancy rights thereunder terminated, and offer for sale a substitute Cooperative Owner's Agreement for the same apartment and at an amount determined by the Board of Directors to be its fair market value. On disposal of the substitute Cooperative Owner's Agreement, the Association shall pay to the member the amount of the disposal price less any unpaid assessments or charges accrued to the date of disposition, the expenses of sale (which shall include a reasonable brokerage commission) and the cost of placing the apartment covered by the contract in suitable condition for a new occupant.

- (B) If any member of this Association, or any of their assignees, lessees, sublessees, heirs, or other person occupying possession of the members apartment with his direct or implied consent or as his successor by operation of law, violates any of the provisions of the Articles of Incorporation, or of these Bylaws or the house rules and regulations as now or hereafter promulgated by the board of Directors, the Association may by direction of its Board of Directors terminate the occupancy rights upon five (5) days written notice to the member. Unless the default is cured within the five (5) day notice period aforesaid, the Association may declare the existing occupancy rights terminated under the Cooperative Owner's Agreement.

13.3 Waiver of Rights. The failure of the Association or of an Association member to enforce any right, provision, covenant or condition which may be granted by the cooperative documents shall not constitute a waiver of the right of the Association or member to enforce such right, provision, covenant or condition in the future. A provision of the Cooperative Act may not be waived by a member if the waiver would adversely affect the rights of the member or defeat the purpose of the provision, except that unit owners or Directors may waive notice of specific meeting as provided in the Bylaws.

13.4 Attorney' Fees. In any legal proceeding arising out of an alleged failure of a guest, tenant, unit owner or the Association to comply with the requirements of the Cooperative Act or the cooperative documents, as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such attorneys fees as may be awarded by the court, subject to the limitations in Section 13.8 below.

13.5 Fines. The Board of Directors may levy fines against units whose owners commit violations of the Cooperative Act, the provisions of the cooperative documents or the rules and regulations, or condone such violations by their family members, guests or lessees. The fines shall be in an amount deemed necessary by the Board to deter future violations, but in no event shall any fine exceed the maximum amounts allowed by law and no fine may be levied against an unoccupied unit. The procedure for imposing fines shall be as follows:

- (A) The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days, and the notice shall include:
- (1) A statement of the date, time and place of the hearing;
 - (2) A specific designation of the provisions of these Bylaws or rules which are alleged to have been violated; and,
 - (3) A short and plain statement of the specific facts giving rise to the alleged violation(s); and
 - (4) The amount of any proposed fine.
- (B) At the hearing the party against whom the fine may be levied shall have a reasonable opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved, and to review, challenge, and respond to any evidence or testimony by the Association. The hearing shall be conducted before a panel of three (3) unit owners appointed by the Board, none of whom shall then be serving as Directors. If the committee, by majority vote, does not agree with the fine, it may not be levied.

13.6 Correction of Health and Safety Hazards. Any conditions or violations which are deemed by the Board of Directors to present a hazard to the public or safety may be corrected immediately as an emergency matter by the Association and the cost thereof shall be charged to the member responsible for the condition or violation.

13.7 Mandatory Non-Binding Arbitration. In the event of any "dispute" as defined in Section 719.1255(1) of the Cooperative Act, between a unit owner and the Association arising from the operation of the Cooperative, the parties must submit the dispute to mandatory non-binding arbitration under the rules of the Division of Florida Land Sales, Condominiums and Mobile Homes prior to filing any lawsuit over the disputed matters. Nothing herein shall be construed to require arbitration of disputes related to the levy or collection of fees or assessments.

13.8 Surrender of Premises. In the event of termination of Cooperative Owners Agreement or loss of occupancy rights thereunder, the member in possession, or any other person or persons in possession by or through the right of the member, shall promptly quit and surrender the apartment to the Association in good repair, ordinary wear and tear excepted. The member, for himself and any successor in interest, by operation of law or otherwise, shall be deemed to have waived any and all notice and demand for possession as required by the laws of the State of Florida.

13.9 Availability of Remedies. Each member, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of violations regardless of the harshness of the remedy utilized by the Association and regardless of the availability of other legal remedies. It is the intent of all members to give the Association methods and procedures which will enable it to operate on a businesslike basis, to collect those monies due it and to preserve the majority's right to enjoy the cooperative property free from unreasonable restraint and annoyance.

13.10 No Election of Remedies. All rights, remedies and privileges granted to the Association or unit owners under 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 not be deemed to constitute an election of remedies, nor shall it preclude the party from exercising such other additional rights, remedies, or privileges as may be granted by the cooperative documents, or at law or in equity.

14. TERMINATION: The Cooperative may be terminated in the following manner:

14.1 Agreement. The Cooperative may be terminated at any time by approval, in writing, of at least three-fourths (3/4ths) of the voting interests.

14.2 General Provisions. Upon the sale of part or all of the cooperative property, whether occasioned by voluntary or involuntary termination or dissolution or winding up of the affairs of the corporation, all members having valid Cooperative Owner's Agreements then outstanding shall be entitled to share in the net proceeds of sale and in any other property or assets authorized to be distributed. Each of such members shall be entitled to receive as his share of the distributable assets, the same proportion thereof as the original capital value assigned to his apartment bears to the total original assigned capital value of all apartments. The termination of the Cooperative shall be evidenced by a certificate of the Association, executed with the formalities of a deed, and certifying as to the facts effecting the termination. Termination shall become effective when that certificate is recorded in the Public Records of Collier County, Florida.

14.3 New Cooperative or Condominium. The termination of the Cooperative does not bar the creation of another Cooperative, or a Condominium, affecting all or any portion of the same property.

14.4 Partition; Sale. Following termination, the former cooperative property and association property may be partitioned and sold upon the application of any unit owner. If following a termination, at least seventy-five percent (75%) of the voting interests agree to accept an offer for the sale of the property, all members shall be bound to execute the documents reasonably required to effect the sale. In that event, any action for partition of the property shall

be held in abeyance pending the sale, and upon the consummation of the sale shall be discontinued by all parties thereto.

14.5 Last Board. The termination of the Cooperative may not, by itself, terminate the Association. The members of the last Board of Directors and the officers of the Association shall continue to have the powers granted in these Bylaws for the purpose of winding up the affairs of the Association, and shall serve as Trustees for the members in the division of all distributable assets.

14.6 Provisions Survive Termination. The provisions of this Section 14 are covenants running with the property submitted to cooperative ownership, and shall survive the termination of the Cooperative until all matters covered by those provisions have been completed.

15. AMENDMENT OF BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner:

15.1 Proposal. Amendments to these Bylaws may be proposed by a majority of the Board or upon written petition signed by at least one-fourth (1/4th) of the voting interests.

15.2 Procedure. Upon any amendment or amendments to these Bylaws being proposed by said Board or members, such proposed amendment or amendments shall be submitted to a vote of the members not later than the next annual meeting for which proper notice can still be given.

15.3 Vote Required. Except as otherwise provided by law, or by specific provision of the cooperative documents, a proposed amendment to these Bylaws shall be adopted if it is approved at least two-thirds (2/3rds) of the voting interests present in person or by proxy at any annual or special meeting called for the purpose, provided that notice of the proposed amendment has been given to the members in accordance with law.

15.4 Recording; Effective Date. A copy of each amendment shall be attached to a certificate that the amendment was duly adopted, which certificate shall be executed by officers 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, Florida. The certificate must set forth the legal description of the cooperative property.

16. MISCELLANEOUS.

16.1 Gender. Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

16.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

16.3 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Cooperative Act, the Cooperative Act shall control. If there is a conflict between these Bylaws and the Articles of Incorporation, the provisions of the Articles of Incorporation shall prevail over the provisions of these Bylaws. If the Cooperative Owners Agreements, or the Association rules and regulations are in conflict with these Bylaws, these Bylaws shall control.

16.4 Interpretation. The Board of Directors is responsible for interpreting the provisions of these Bylaws. Such interpretation shall be binding upon all parties unless wholly unreasonable. A written opinion rendered by legal counsel that an interpretation adopted by the Board is not unreasonable shall conclusively establish the validity of such interpretation.