

EXHIBIT "C"
BY-LAWS OF
CLUBSIDE POINTE AT BROKEN SOUND
COMMUNITY ASSOCIATION, INC.

A corporation not for profit organized
under the laws of the State of Florida

1. Identity. These are the By-Laws of CLUBSIDE POINTE AT BROKEN SOUND COMMUNITY ASSOCIATION, INC. (the "Association"), a not for profit corporation under the laws of the State of Florida, and organized for the purpose of administering that certain declaration recorded in Palm Beach County, Florida, entitled DECLARATION OF COMMUNITY COVENANTS FOR CLUBSIDE POINTE AT BROKEN SOUND (the "Declaration").
 - 1.1 Principal Office. The principal office of the Association shall be at 7900 Glades Road, Suite 200, Boca Raton, Florida 33439 or at such other place as may be subsequently designated by the Board of Directors. Notwithstanding the foregoing, all books and records of the Association shall be kept in Palm Beach County, Florida or otherwise within fifty (50) miles of The Properties.
 - 1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.
 - 1.3 Seal. The seal of the Association shall bear the name of the corporation, the word "Florida", the words "Corporation Not for Profit", and the year of incorporation.
2. Definitions. For convenience, these By-Laws shall be referred to as the "By-Laws" and the Articles of Incorporation of the Association as the "Articles". The other terms used in these By-Laws shall have the same definition and meaning as those set forth in the Declaration, unless herein provided to the contrary, or unless the context otherwise requires.
3. Members.
 - 3.1 Annual Meeting. The annual members' meeting shall be held on the date, at the place and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and, to the extent possible, no later than twelve (12) months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors and to transact any other business authorized to be transacted by the members, or as stated in the notice of the meeting sent to Owners in advance thereof. Unless changed by the Board of Directors, the first annual meeting shall be held in the month of November following the year in which the Declaration is filed.
 - 3.2 Special Meetings. Special members' meetings shall be held at such places as provided herein for annual

meetings, and may be called by the President or by a majority of the Board of Directors of the Association, and must be called by the President or Secretary upon receipt of a written request from a majority of the members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting. Special meetings may also be called by Owners in the manner provided for herein.

- 3.3 Notice of Meeting; Waiver of Notice. Notice of a meeting of members, stating the time and place and the purpose(s) for which the meeting is called, shall be given by the President or Secretary. A copy of the notice shall be posted at a conspicuous place on The Properties. The notice of the annual meeting shall be sent by mail to each Owner in the manner provided in the Declaration, unless the Owner waives in writing the right to receive notice of the annual meeting by mail. The delivery or mailing shall be to the address of the member as it appears on the roster of members. The posting and mailing of the notice shall be effected not less than fourteen (14) days, nor more than sixty (60) days, prior to the date of the meeting. Proof of posting and mailing of the notice shall be given by affidavit of the person providing the notice or by a United States Postal Service certificate of mailing.

Notice of specific meetings may be waived before or after the meeting and the attendance of any member (or person authorized to vote for such member) shall constitute such member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered in accordance with this Section, to each Owner at the address last furnished to the Association. No other proof of notice of a meeting shall be required.

- 3.4 Quorum. A quorum at members' meetings shall be attained by the presence, either in person or by proxy, of the minimum number of members or votes required by law.

3.5 Voting.

- (a) Number of Votes. The Owners shall be entitled to cast one vote for each Unit owned. The vote of any Unit shall not be divisible. The Declarant shall be entitled to the number of votes granted it in the Articles.
- (b) Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been attained shall be binding upon all Owners for all purposes, except where otherwise provided by law, the Declaration, the Articles or these By-Laws. As used in these By-Laws, the Articles or the Declaration, the terms "majority of the Owners" and "majority of the members" shall mean

a majority of the votes entitled to be cast by the members and not a majority of the members themselves; that is, more than 50% of the then total authorized votes present in person or by proxy and voting at any meeting of the Owners at which a quorum shall have been attained. Similarly, unless specifically stated to the contrary, if some greater percentage of members is required herein or in the Declaration or Articles, it shall mean such greater percentage of the votes of members and not of the members themselves.

- (c) Voting Member. If a Unit is owned by one person, his right to vote shall be established by the roster of members. If a Unit is owned by more than one person, those persons (including husbands and wives) shall decide among themselves as to who shall cast the vote of the Unit. In the event that those persons cannot so decide, no vote shall be cast. A person casting a vote for a Unit shall be presumed to have the authority to do so unless the President or the Board of Directors is otherwise notified. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by an appropriate officer of the corporation and filed with the Secretary of the Association. Such person need not be an Owner. Those certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote for a Unit may be revoked by any record owner of an undivided interest in the Unit. If a certificate designating the person entitled to cast the vote for a Unit for which such certificate is required is not on file or has been revoked, the vote attributable to such Unit shall not be considered in determining whether a quorum is present, nor for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such certificate is filed.

- 3.6 Proxies. Votes to be cast at meetings of the Association membership may be cast in person or by proxy. A proxy may be made by any person entitled to vote, but shall only be valid for the specific meeting for which originally given and any lawful adjourned meetings thereof. In no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the person executing it. A proxy must be in writing, signed by the person authorized to cast the vote for the Unit (as above described), name the person(s) voting by proxy and the person authorized to vote for such person(s) and filed with the Secretary before the appointed time of the meeting, or before the time to which the meeting is adjourned. Each proxy shall contain the date, time and place of the meeting for which it is given and, if a limited proxy, shall set forth the matters on which the proxy holder may vote and the manner in which the vote is to be cast. Holders of proxies need not be Owners and the number of proxies which may be held by one (1) person shall not be restricted.

- 3.7 Adjourned Meetings. If any proposed meeting cannot be organized because a quorum has not been attained, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Except as required above, proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked.
- 3.8 Order of Business. If a quorum has been attained, the order of business at annual members' meetings, and, if applicable, at other members' meetings, shall be:
- (a) Call to order by President;
 - (b) Appointment by the President of a chairman of the meeting (who need not be a member, officer or a director);
 - (c) Proof of notice of the meeting or waiver of notice;
 - (d) Reading of minutes;
 - (e) Reports of officers;
 - (f) Reports of committees;
 - (g) Appointment of inspectors of election;
 - (h) Determination of number of Directors to be elected;
 - (i) Election of Directors;
 - (j) Unfinished business;
 - (k) New business;
 - (l) Adjournment.

Such order may be waived in whole or in part by direction of the chairman.

- 3.9 Minutes of Meeting. The minutes of all meetings of Owners shall be kept in a book available for inspection by Owners or their authorized representatives and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.
- 3.10 Action Without A Meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any annual or special meeting of members, or any action which may be taken at any annual or special meeting of such members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members (or persons authorized to cast the vote of any such members as elsewhere herein set forth) having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of members at which a quorum of members (or authorized persons) entitled to vote thereon were present and

voted. Within ten (10) days after obtaining such authorization by written consent, notice must be given to members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

4. Directors.

4.1 Membership. The affairs of the Association shall be governed by a Board of not less than three (3) nor more than five (5) directors, the exact number to be determined in the first instance in the Articles, and, thereafter, except as provided herein, from time to time upon majority vote of the membership. Directors, other than designees of Declarant, must be Owners. Directors may not vote at Board meetings by proxy.

4.2 Election of Directors. The election of Directors shall be conducted in the following manner:

- (a) Election of Directors shall be held at the annual members' meeting, except as provided herein to the contrary.
- (b) Nominations for Directors and additional directorships created at the meeting shall be made from the floor, provided that the Board may appoint a committee for the purpose of nominating candidates for election to the Board in such manner as the Board may determine to be appropriate as long as any other nominations may still be made from the floor.
- (c) The election shall be by written ballot (unless dispensed with by majority consent of the Units represented at the meeting) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

4.3 Vacancies and Removal.

- (a) Except as to vacancies resulting from removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors, provided that all vacancies in directorships to which Directors were appointed by the Declarant pursuant to the provisions of paragraph 4.16 hereof shall be filled by the Declarant without the necessity of any meeting.
- (b) Any Director elected by the members other than the Declarant may be removed by concurrence of a majority of the votes of the members at a special meeting of members called for that purpose (which shall be called upon the demand of ten percent (10%) or more of the voting interests of the Association Members) or by written agreement signed by a majority of the owners of all Units. The vacancy in the Board of Directors so created shall be filled by the members at the same meeting, or by the Board of Directors, in the case of removal by a written agreement unless said agreement also designates a new Director to take the place of the one removed. The conveyance of all Units owned by a Director in The Properties (other than

appointees of the Declarant) shall constitute the resignation of such Director.

(c) Anything to the contrary herein notwithstanding, until a majority of Directors are elected by the members other than the Declarant neither the first Directors of the Association, nor any Directors replacing them, nor any Directors named by the Declarant, shall be subject to removal by members other than the Declarant. The first Directors and any Directors replacing them by the Declarant's may be removed and replaced by the Declarant without the necessity of any meeting.

(d) If a vacancy on the Board of Directors results in the inability to obtain a quorum of directors in accordance with these By-Laws, any Owner may apply to the Circuit Court within whose jurisdiction The Properties lie for the appointment of a receiver to manage the affairs of the Association. At least thirty (30) days prior to applying to the Circuit Court, the Owner shall mail to the Association and post in a conspicuous place on The Properties a notice describing the intended action and giving the Association an opportunity to fill the vacancy(ies) in accordance with these By-Laws. If, during such time, the Association fails to fill the vacancy(ies), the Owner may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs and attorneys' fees. The receiver shall have all powers and duties of a duly constituted Board of Directors, and shall serve until the Association fills the vacancy(ies) on the Board sufficient to constitute a quorum in accordance with these By-Laws.

4.4 Term. Except as provided herein to the contrary, the term of each Director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and has taken office, or until he is removed in the manner elsewhere provided. After such time as the Owners, other than the Declarant, have elected a majority of the Board of Directors, the Board may elect, by resolution of a majority of the Directors, to provide for increased and/or staggered terms of service. Such resolution shall set forth the method by which the terms may be staggered and the procedures for electing directors to the terms thus established.

4.5 Organizational Meeting. The organizational meeting of newly-elected or appointed Directors shall be held within ten (10) days of their election or appointment at such place and time as shall be fixed by the Directors at the meeting at which they were elected or appointed, and no further notice to the Board of the organizational meeting shall be necessary.

4.6 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, and shall be transmitted at least three (3)

days prior to the meeting. Regular meetings of the Board of Directors shall be open to all Owners and notice of such meetings shall be posted conspicuously on The Properties at least forty-eight (48) hours in advance for the attention of the members of the Association, except in the event of an emergency, provided that Owners shall not be permitted to participate, and need not be recognized, at any such meeting.

- 4.7 Special Meetings. Special meetings of the Directors may be called by the President, and must be called by the President or Secretary at the written request of one-third (1/3) of the Directors or where required by the Act. Notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than three (3) days prior to the meeting. Special meetings of the Board of Directors shall be open to all Owners and notice of a special meeting shall be posted conspicuously on the Condominium Property at least forty-eight (48) hours in advance for the attention of the members of the Association, except in the event of an emergency, provided that Owners shall not be permitted to participate, and need not be recognized, at any such meeting.
- 4.8 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said Director of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.
- 4.9 Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except if approval by a greater number of Directors is specifically required by the Declaration, the Articles or these By-Laws.
- 4.10 Adjourned Meetings. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted as long as notice of such business to be conducted at the rescheduled meeting is given, if required (e.g., with respect to budget adoption).
- 4.11 Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the approval of that Director of the business conducted at the meeting, but such joinder shall not allow the applicable Director to be counted as being present for purposes of quorum.

- 4.12 Presiding Officer. The presiding officer at the Directors' meetings shall be the President (who may, however, designate any other person to preside).
- 4.13 Order of Business. If a quorum has been attained, the order of business at Directors' meetings shall be:
- (a) Proof of due notice of meeting;
 - (b) Reading and disposal of any unapproved minutes;
 - (c) Reports of officers and committees;
 - (d) Election of officers;
 - (e) Unfinished business;
 - (f) New business;
 - (g) Adjournment.

Such order may be waived in whole or in part by direction of the presiding officer.

- 4.14 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Owners, or their authorized representatives, and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.
- 4.15 Executive Committee; Other Committees. The Board of Directors may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Directors. Such Executive Committee shall have and may exercise all of the powers of the Board of Directors in management of the business and affairs of the Condominium during the period between the meetings of the Board of Directors insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the Common Expenses required for the affairs of the Association, (b) to determine the Assessments payable by the Owners to meet the Common Expenses of the Condominium, (c) to adopt or amend any rules and regulations covering the details of the operation and use of The Properties, or (d) to exercise any of the powers set forth in paragraph (f) and (o) of Section 5 below.

The Board may by resolution also create other committees and appoint persons to such committees and invest in such committees such powers and responsibilities as the Board shall deem advisable.

- 4.16 Proviso. Notwithstanding anything to the contrary contained in this Section 4 or otherwise, the Declarant shall have the right to appoint all of the members of the Board of Directors until Owners other than Declarant own fifteen (15%) percent or more of the Units that will be operated ultimately by the Association. When Owners other than the Declarant own fifteen percent (15%) or more of the Units that will be operated ultimately by the Association, the Owners other than the Declarant shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. Owners other than the Declarant

are entitled to elect not less than a majority of the members of the Board of Directors (a) three years after fifty (50%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (b) three months after ninety (90%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (c) when all of the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Declarant or any Developer in the ordinary course of business; or (d) when some of the Units have been conveyed to purchasers, and none of the others are being constructed or offered for sale by the Declarant or any Developer in the ordinary course of business, whichever occurs first. The Declarant is entitled (but not obligated) to elect at least one (1) member of the Board of Directors as long as Declarant holds for sale in the ordinary course of business five percent (5%) of the Units that will be operated ultimately by the Association.

The Declarant may transfer control of the Association to Owners other than Declarant prior to such dates in its sole discretion by causing all of its appointed Directors to resign without replacing them, whereupon it shall be the affirmative obligation of Owners other than Declarant to elect Directors and assume control of the Association. Provided at least thirty (30) days' notice of Declarant's decision to cause its appointees to resign is given to Owners, neither Declarant, nor such appointees, shall be liable in any manner in connection with such resignations even if the Owners other than Declarant refuse or fail to assume control.

Within sixty (60) days after the Owners other than the Declarant are entitled to elect a member or members of the Board of Directors, or sooner if the Declarant has elected to accelerate such event as aforesaid, the Association shall call, and give not less than thirty (30) days' nor more than forty (40) days' notice of a meeting of the Owners to elect such member or members of the Board of Directors. The meeting may be called and the notice given by any Owner if the Association fails to do so.

At the time the Owners other than the Declarant elect a majority of the members of the Board of Directors of the Association, Declarant shall relinquish control of the Association and such Owners shall accept such control. At that time (except as to subparagraph (g), which may be up to sixty (60) days thereafter) the Declarant shall deliver to the Association, at the Declarant's expense, all property of the Owners and of the Association held or controlled by the Declarant, including, but not limited to, the following items, if applicable:

- (a) The original or a photocopy of the recorded Declaration, and all amendments and supplements thereto. If a photocopy is provided, the Declarant must certify by affidavit that it is a complete copy of the actual recorded Declaration.

- (b) A certified copy of the Articles of Incorporation of the Association.
- (c) A copy of the By-Laws of the Association.
- (d) The minute books, including all minutes, and other books and records of the Association.
- (e) Any rules and regulations which have been adopted.
- (f) Resignations of resigning officers and Board members who were appointed by the Declarant.
- (g) The financial records, including financial statements of the association, and source documents since the incorporation of the Association through the date of the turnover. The records shall be reviewed by an independent certified public accountant. The minimum report required shall be a review in accordance with generally accepted accounting standards as defined by rule by the Board of Accountancy. The accountant performing the review shall examine to the extent necessary supporting documents and records, including the cash disbursements and related paid invoices to determine if expenditures were for association purposes, and billings, cash receipts and related records to determine that the Declarant was charged and paid the proper amounts of assessments.
- (h) Association funds or the control thereof.
- (i) All tangible personal property that is the property of the Association or is or was represented by the Declarant to be part of the Common Areas or is ostensibly part of the Common Areas, and an inventory of such property.
- (j) A copy of the plans and specifications utilized in the construction or remodeling of any improvements to the Common Areas and the supplying of equipment, and for the construction and installation of all mechanical components servicing such improvements, with a certificate, in affidavit form, of an officer of the Declarant or an architect or engineer authorized to practice in Florida, that such plans and specifications represent, to the best of their knowledge and belief, the actual plans and specifications utilized in the construction and improvement of the Common Areas and the construction and installation of the mechanical components serving such improvements and the Common Areas.
- (k) Insurance policies.
- (l) Copies of any Certificates of Occupancy, Use or Completion which may have been issued for the Common Areas.
- (m) Any other permits issued by governmental bodies applicable to the Common Areas in force or issued within one (1) year prior to the date the Owners take control of the Association.

- (n) A list of the names and addresses, of which the Declarant had knowledge at any time in the development of the Common Areas, of all contractors, subcontractors and suppliers utilized in the construction or remodeling of the improvements and the landscaping of the Common Areas.
- (o) All written warranties of contractors, subcontractors, suppliers and manufacturers, if any, applying to the Common Areas that are still effective.
- (p) A roster of Owners and their addresses and telephone numbers, if known, as shown on the Declarant's records.
- (q) Leases of the Common Areas and other leases to which the Association is a party, if applicable.
- (r) Employment contracts or service contracts in which the Association is one of the contracting parties, or service contracts in which the Association or Owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person or persons performing the service.
- (s) All other contracts to which the Association is a party.

4.17 Country Club Association Representative. The President of the Association shall cast the votes of the Owners at all meetings of the Country Club Association; provided, however, that in absence of the President, the Vice President or any other party designated by majority vote of the Board of Directors may fulfill such duty.

5. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration and enforcement of the Declaration and may take all acts, through the proper officers of the Association, in executing such powers, except such acts which by law, the Declaration, the Articles or these By-Laws may not be delegated to the Board of Directors by the Owners. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

- (a) Operating and maintaining the Common Areas.
- (b) Determining the expenses required for the operation of the Common Areas and the Association.
- (c) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Areas.
- (d) Adopting and amending rules and regulations concerning the details of the operation and use of The Properties, subject to a right of the Owners to overrule the Board as provided in Section 13 hereof.
- (e) Maintaining bank accounts on behalf of the Association and designating the signatories required therefor.

- (f) Purchasing, leasing or otherwise acquiring Units or other property in the name of the Association in accordance with the Declaration.
- (g) Purchasing Units at foreclosure or other judicial sales, in the name of the Association, or its designee.
- (h) Selling, leasing, mortgaging or otherwise dealing with Units acquired, and subleasing Units leased, by the Association, or its designee.
- (i) Organizing corporations and appointing persons to act as designees of the Association in acquiring title to or leasing Units or other property.
- (j) Obtaining and reviewing insurance for the Association and the Common Areas.
- (k) Making repairs, additions and improvements to, or alterations of, the Common Areas and repairs to and restoration of the Common Areas, in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise.
- (l) Enforcing obligations of the Owners, allocating profits and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of The Properties.
- (m) Levying fines against appropriate Owners for violations of the rules and regulations established by the Association to govern the conduct of such Owners. No fine shall exceed the maximum amount established by law, if any, nor shall any fine be levied except after giving reasonable notice and opportunity for a hearing to the affected Owner and, if applicable, his tenant, licensee or invitee. No fine shall become a lien upon a Unit, if prohibited by law.
- (n) Purchasing or leasing Units for use by resident superintendents and other similar persons.
- (o) Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of the Common Areas or the acquisition of property, and granting mortgages on and/or security interests in Association owned property; provided, however, that the affirmative vote of the Owners of at least two-thirds (2/3rds) of all Units shall be required for the borrowing of any sum which would cause the total outstanding indebtedness of the Association to exceed \$10,000.00.
- (p) Contracting for the management and maintenance of the Common Areas and authorizing a management agent (who/which may be an affiliate of Declarant) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, col-

lection of Assessments, preparation of records, enforcement of rules and maintenance, repair, and replacement of the Common Areas with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Declaration, Articles of Incorporation and By-Laws, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.

- (q) At its discretion, authorizing Owners or other persons to use portions of the Common Areas for private parties and gatherings (and imposing reasonable charges for such private use, but only if pursuant to a lease of the applicable facility).
- (u) Contracting with and creating or joining in the creation of special taxing districts, joint councils and the like.
- (r) Exercising (i) all powers specifically set forth in the Declaration, the Articles, these By-Laws and in the Act, (ii) all powers incidental thereto, and (iii) all other powers of a Florida corporation not for profit.

6. Officers.

- 6.1 Executive Officers. The executive officers of the Association shall be a President, a Vice-President, a Treasurer and a Secretary (none of whom need be Directors), all of whom shall be elected by the Board of Directors and who may be peremptorily removed at any meeting by concurrence of a majority of all of the Directors. A person may hold more than one office, except that the President may not also be the Secretary. No person shall sign an instrument or perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall deem necessary or appropriate to manage the affairs of the Association. Officers, other than those elected by a Board of which a majority of its members are appointed by the Declarant must be Owners.
- 6.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of an association.
- 6.3 Vice-President. The Vice-President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise such other powers and perform such other duties as are incident to the office of the vice president of an association and as may be required by the Directors or the President.
- 6.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Asso-

ciation and shall affix it to instruments requiring the seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association and as may be required by the Directors or the President.

- 6.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. He shall submit a treasurer's report to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of treasurer and as may be required by the Directors or the President. All monies and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board of Directors.
7. Compensation. Neither Directors nor officers shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a Director or officer as an employee of the Association, nor preclude contracting with a Director or officer for the management of the Association or the Common Areas or for any other service to be supplied by such Director or officer. Directors and officers shall be compensated for all actual and proper out of pocket expenses relating to the proper discharge of their respective duties.
8. Resignations. Any Director or officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Units owned by any Director or officer (other than appointees of the Declarant or officers who were not Owners) shall constitute a written resignation of such Director or officer.
9. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:
- 9.1 Budget.
- (a) Adoption by Board; Items. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium (which shall detail all accounts and items of expense, including any required by applicable law), determine the amount of Assessments payable by the Owners to meet the expenses of the Association and allocate and assess such expenses among the Owners in accordance with the provisions of the Declaration. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance (to the extent required by law). These accounts, if

required, shall include, but not be limited to, roof replacement, building painting and pavement resurfacing. The amount of reserves shall be computed by means of a formula which is based upon the estimated life and the estimated replacement cost of each reserve item. Reserves shall not be required if the members of the Association have, by a majority vote at a duly called meeting of members, determined for a specific fiscal year to provide no reserves or reserves less adequate than required hereby. If a meeting of Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect.

The adoption of a budget for the Association shall comply with the requirements hereinafter set forth:

- (i) Notice of Meeting. A copy of the proposed budget shall be mailed to each Owner not less than thirty (30) days prior to the meeting of the Board of Directors at which the budget will be considered, together with a notice of that meeting indicating the time and place of such meeting. The meeting shall be open to the Owners, provided that the Owners shall not have the right to participate, and need not be recognized, at such meeting.
- (ii) Special Membership Meeting. If a budget is adopted by the Board of Directors which requires Assessments against such Owners in any year exceeding one hundred fifteen percent (115%) of such Assessments for the preceding year, as hereinafter defined, upon written application of ten percent (10%) of the Owners, a special meeting of the Owners shall be held within thirty (30) days of delivery of such application to the Board of Directors. Each Owner shall be given at least ten (10) days' notice of said meeting. At the special meeting, Owners shall consider and adopt a budget. The adoption of said budget shall require a vote of Owners of not less than 50% of all the Units (including Units owned by the Declarant and any Developer). If a meeting of the Owners has been called as aforesaid and a quorum is not obtained or a substitute budget has not been adopted by the Owners, the budget adopted by the Board of Directors shall go into effect as scheduled.
- (iii) Determination of Budget Amount. In determining whether a budget requires Assessments against Owners in any year exceeding one hundred fifteen percent (115%) of Assessments for the preceding year, there shall be excluded in the computations any authorized provisions for reasonable reserves made by the Board of Directors in respect of repair or replacement of the

Common Areas or in respect of anticipated expenses of the Association which are not anticipated to be incurred on a regular or annual basis, and there shall be excluded further from such computation Assessments for improvements to the Common Areas.

(iv) Proviso. As long as the Declarant is in control of the Board of Directors of the Association, the Board shall not impose Assessments for a year greater than one hundred fifteen percent (115%) of the prior year's Assessments, as herein defined, without the approval of a majority of Owners other than the Declarant.

(b) Adoption by Membership. In the event that the Board of Directors shall be unable to adopt a budget for a fiscal year in accordance with the requirements of Subsection 9.1(a) above, the Board of Directors may call a special meeting of Owners for the purpose of considering and adopting such budget, which meeting shall be called and held in the manner provided for such special meetings in said subsection, or propose a budget in writing to the members, and if such budget is adopted by the members, upon ratification by a majority of the Board of Directors, it shall become the budget for such year.

9.2 Assessments. Assessments against Owners for their share of the items of the budget shall be made for the applicable fiscal year annually in the year preceding the year for which the Assessments are made. Such Assessments shall be due in equal installments, payable in advance on the first day of each month (or each quarter at the election of the Board) of the year for which the Assessments are made. If annual Assessments are not made as required, Assessments shall be presumed to have been made in the amount of the last prior Assessments, and monthly (or quarterly) installments on such Assessments shall be due upon each installment payment date until changed by amended Assessments. In the event the annual Assessments prove to be insufficient, the budget and Assessments may be amended at any time by the Board of Directors, subject to the provisions of Section 9.1 hereof, if applicable. Unpaid Assessments for the remaining portion of the fiscal year for which amended Assessments are made shall be payable in as many equal installments as there are full months (or quarters) of the fiscal year left as of the date of such amended Assessments, each such monthly (or quarterly) installment to be paid on the first day of the month (or quarter), commencing the first day of the next ensuing month (or quarter). If only a partial month (or quarter) remains, the amended Assessments shall be paid with the next regular installment in the following year, unless otherwise directed by the Board in its resolution.

9.4 Special Assessments and Capital Improvement Assessments. Special Assessments and Capital Improvement Assessments (as defined in the Declaration) shall be levied as provided in the Declaration and shall be paid in such manner as the Board of Directors of the Association may require in the notice of such Assessments.

- 9.5 Depository. The depository of the Association shall be such bank or banks in the State as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from those accounts shall be made only by checks signed by such person or persons as are authorized by the Directors. All sums collected by the Association from Assessments or contributions to working capital or otherwise may be commingled in a single fund or divided into more than one fund, as determined by a majority of the Board of Directors.
- 9.6 Acceleration of Installments Upon Default. If an Owner shall be in default in the payment of an installment of his Assessments, the Board of Directors or its agent may accelerate the next twelve (12) months' of the Assessments upon thirty (30) days' prior written notice to the Owner and the filing of a claim of lien, and the then unpaid balance of the Assessments for the balance of the year shall be due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Owner, or not less than ten (10) days after the mailing of such notice to him by certified mail, whichever shall first occur.
- 9.7 Fidelity Bonds. Fidelity bonds of at least the amount prescribed in the Declaration be required by the Board of Directors for all persons handling or responsible for Association funds in such amounts as shall be determined by a majority of the Board. The premiums on such bonds shall be paid by the Association as a Common Expense.
- 9.8 Accounting Records and Reports. The Association shall maintain accounting records according to accounting practices normally used by similar associations. The records shall be open to inspection by Owners or their authorized representatives at reasonable times and written summaries of them shall be supplied at least annually. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, and (b) an account for each Unit designating the name and current mailing address of the Owner, the amount of Assessments, the dates and amounts in which the Assessments come due, the amount paid upon the account and the dates so paid, and the balance due. Written summaries of the records described in clause (a) above, in the form and manner specified below, shall be supplied to each Owner annually.

Within sixty (60) days following the end of the fiscal year, the Board shall mail, or furnish by personal delivery, to each Owner a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amount of receipts by accounts and receipt classifications and shall show the amount of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following:

- a. Cost for "security";
- b. Professional and management fees and expenses;
- c. Taxes;

- d. Cost for recreation facilities;
- e. Expenses for refuse collection and utility services;
- f. Expenses for lawn care;
- g. Cost for building maintenance and repair;
- h. Insurance costs;
- i. Administrative and salary expenses; and
- j. General reserves, maintenance reserves and depreciation reserves.

- 9.9 Application of Payment. All payments made by a Owner shall be applied as provided in these By-Laws and in the Declaration, as determined by the Board.
- 9.10 Notice of Meetings. Notice of any meeting where Assessments against Owners are to be considered for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such Assessments.
10. Roster of Owners. Each Owner shall file with the Association a copy of the deed or other document showing his ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Owners of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other Owners shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of such meeting.
11. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, the Articles or these By-Laws, provided that the Chairman of the meeting may waive such Rules of Order if he reasonably determines that such waiver is in the interest of a fair and expeditious meeting.
12. Amendments. Except as in the Declaration provided otherwise, these By-Laws may be amended in the following manner:
- 12.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is to be considered.
- 12.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3) of the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting. The approval must be:
- (a) by not less than a majority of the votes of all members of the Association represented at a meeting at which a quorum has been attained and by not less than 66-2/3% of the entire Board of Directors; or

- (b) after control of the Association has been turned over to Owners other than Declarant, by not less than 80% of the votes of the members of the Association represented at a meeting at which a quorum has been attained; or
- (c) by not less than 100% of the entire Board of Directors.

- 12.3 Proviso. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Declarant or mortgagees of Units without the consent of the Declarant and mortgagees in each instance. No amendment shall be made that is in conflict with the Articles or Declaration. No amendment to this Section shall be valid.
- 12.4 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment to these By-Laws, which certificate shall be executed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed, or by Declarant alone if the amendment has been adopted consistent with the provisions of the Declaration allowing such action by the Declarant. The amendment shall be effective when the certificate and a copy of the amendment is recorded in the Public Records of the County with an identification on the first page of the amendment of the Official Records Book and Page of said Public Records where the Declaration is recorded.
13. Rules and Regulations. Attached hereto as Schedule A and made a part hereof are initial rules and regulations concerning the use of portions of the Common Areas and of Units. The Board of Directors may, from time to time, modify, amend or add to such rules and regulations, except that subsequent to the date control of the Board is turned over by the Declarant to Owners other than the Declarant, Owners of a majority of the Units may overrule the Board with respect to any such modifications, amendments or additions. Copies of such modified, amended or additional rules and regulations shall be furnished by the Board of Directors to each affected Owner not less than thirty (30) days prior to the effective date thereof. At no time may any rule or regulation be adopted which would prejudice the rights reserved to the Declarant or any Developer.
14. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.
15. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define or limit the scope of these By-Laws or the intent of any provision hereof.
16. Official Records. From the inception of the Association, the Association shall maintain a copy of each of the following, where applicable, which shall constitute the official records of the Association:
- (a) The plans, permits, warranties, and other items provided by the Declarant pursuant to these By-Laws;

- (b) A photocopy of the recorded Declaration and all amendments thereto;
- (c) A photocopy of the recorded By-Laws of the Association and all amendments thereto;
- (d) A certified copy of the Articles of Incorporation of the Association or other documents creating the Association and all amendments thereto;
- (e) A copy of the current Rules and Regulations of the Association;
- (f) A book or books containing the minutes of all meetings of the Association, of the Board of Directors, and of Owners, which minutes shall be retained for a period of not less than 7 years.
- (g) A current roster of all Owners, their mailing addresses, Unit identifications, voting certifications, and if known, telephone numbers;
- (h) All current insurance policies of the Association and the Common Areas;
- (i) A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the Owners have an obligation or responsibility;
- (j) Bills of sale or transfer for all property owned by the Association;
- (k) Accounting records for the Association and the accounting records for the Common Areas, according to good accounting practices. All accounting records shall be maintained for a period of not less than 7 years. The accounting records shall include, but not be limited to:
 1. A current account and a monthly, bimonthly, or quarterly statement of the account for each Unit designating the name of the Owner, the due date and amount of each Assessment, the amount paid upon the account, and the balance due.
 2. All audits, reviews, accounting statements, and financial reports of the Association.
 3. All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one (1) year;
- (l) Accurate, itemized, and detailed records for all receipts and expenditures.
 1. A current account and a monthly, bimonthly, or quarterly statement of the account for each Unit designating the name of the Owner, the due date and amount of each Assessment, the amount paid upon the account, and the balance due.
 2. All audits, reviews, accounting statements, and financial reports of the Association.
 3. All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one (1) year;
- (m) Ballots, sign-in sheets, voting proxies and all other papers relating to elections, which shall be maintained for a period of 1 year from the date of the meeting to which the documents relates;
- (n) All rental records where the Association is acting as agent for the rental of Units.

The official records of the Association shall be maintained in Palm Beach County, Florida or otherwise within fifty (50) miles of The Properties.

The official records of the Association shall be open to inspection by any Association member or the authorized representative of such member at all reasonable times, subject to such reasonable rules as may be adopted regarding the frequency, time, location, notice and manner of record inspection and copying. Failure to permit inspection of the Association records as provided herein entitles any person prevailing in an enforcement action to recover reasonable attorneys' fees from the person in control of the records who, directly or indirectly, knowingly denies access to the records for inspection. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the Association member.

17. Voluntary Arbitration. Any disputes arising from the operation of the Common Areas or the Association between or among Owners and the Association or between or among Owners or the agents or assigns of Owners or the Association may be resolved through binding arbitration conducted in accordance with the Florida Arbitration Code, the Florida Administrative Code and the rules and procedures of the American Arbitration Association (to the extent applicable).

The foregoing was adopted as the By-Laws of CLUBSIDE POINTE AT BROKEN SOUND COMMUNITY ASSOCIATION, INC., a corporation not for profit on the ____ day of _____, 19__.

Approved:

PRESIDENT

SECRETARY

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