

EXHIBIT "D"

**GUERNICA CONDOMINIUM**

BY-LAWS OF  
GUERNICA CONDOMINIUM ASSOCIATION, INC.

**EXHIBIT "D"**  
**INDEX TO BYLAWS**

	<u>PAGE</u>
I. IDENTITY	<u>5</u>
1.1 Principal Office	<u>5</u>
1.2 Fiscal Year	<u>5</u>
1.3 Seal	<u>5</u>
1.4 Definitions	<u>5</u>
II. MEETINGS OF MEMBERS AND VOTING	<u>5</u>
2.1 Annual Meeting	<u>5</u>
2.2 Special Meetings	<u>5</u>
2.3 Notice of Annual Meeting	<u>6</u>
2.4 Notice of Special Meetings, Generally	<u>6</u>
2.5 Notice of Budget Meeting	<u>6</u>
2.6 Notice of Meeting to Consider Recall of Board Members	<u>7</u>
2.7 Notice of Meeting to Elect Non-developer Directors	<u>7</u>
2.8 Quorum	<u>7</u>
2.9 Voting	<u>7</u>
2.10 Membership-Designation of Voting Member	<u>7</u>
2.11 Proxies; Powers of Attorney	<u>7</u>
2.12 Adjourned Meetings	<u>8</u>
2.13 Waiver of Notice	<u>8</u>
2.14 Action by Members Without a Meeting	<u>8</u>
2.15 Minutes of Meetings	<u>8</u>
2.16 Order of Business	<u>8</u>
2.17 Actions Specifically Requiring Unit Owner	<u>9</u>
2.18 Handling of Written Inquiries	<u>10</u>
III. DIRECTORS	<u>10</u>
3.1 Number and Qualifications	<u>10</u>
3.2 Election of Directors	<u>10</u>
3.3 Term	<u>11</u>
3.4 Vacancies	<u>11</u>
3.5 Removal	<u>11</u>
3.6 Resignation	<u>12</u>
3.7 Organizational Meeting	<u>12</u>
3.8 Regular Meetings	<u>12</u>
3.9 Special Meetings	<u>12</u>
3.10 Waiver of Notice	<u>12</u>
3.11 Quorum	<u>12</u>
3.12 Adjourned Meetings	<u>13</u>
3.13 No Proxy	<u>13</u>
3.14 Presumed Assent	<u>13</u>
3.15 Joinder in Meeting by Approval of Minutes	<u>13</u>
3.16 Attendance by Conference Telephone	<u>13</u>

3.17	Meetings Open to Members	13
3.18	Presiding Officer	13
3.19	Minutes of Meetings	13
3.20	Executive Committee	14
3.21	Compensation	14
3.22	Order of Business	14
3.23	Election of Directors by Unit Owners Other than Developer	14
3.24	Relinquishment of Control	15
3.25	Failure to Elect Director Quorum	15
IV.	POWERS AND DUTIES OF THE BOARD OF DIRECTORS	16
4.1	Maintenance, Management, and Operation of Condominium Property	16
4.2	Contract, Sue, or be Sued	16
4.3	Right of Access to Units	16
4.4	Make and Collect Assessments	16
4.5	Lease, Maintain, Repair, and Replace the Common Elements	16
4.6	Lien and Foreclosure for Unpaid Assessments	16
4.7	Purchase Unit	16
4.8	Grant or Modify Easements	16
4.9	Purchase Land or Recreation Lease	16
4.10	Acquire Use Interest in Recreational Facilities	16
4.11	Acquire Title to Property	17
4.12	Authorize Certain Amendments	17
4.13	Adopt Rules and Regulations	17
4.14	Maintain Official Records	17
4.15	Obtain Insurance	17
4.16	Furnish Annual Financial Reports to Members	17
4.17	Give Notice of Liability Exposure	17
4.18	Provide Certificate of Unpaid Assessment	17
4.19	Pay Annual Fee to the Division of Florida Land Sales, Condominiums, and Mobile Homes for Each Residential Unit Operated by the Association	17
4.20	Approve or Disapprove Unit Transfer and Impose Fee	17
4.21	Contract for Operation, Maintenance, and Management of the Condominium	17
4.22	Pay Taxes or Assessments Against the Common Elements or Association Property	17
4.23	Pay Costs of Utilities Service Rendered to the Condominium and Association Property and Not Billed Directly to Individual Unit Owners	18
4.24	Employ Personnel	18

4.25	Impose Fines	<u>18</u>
4.26	Suspend Approval for Delinquent Unit Owner	<u>18</u>
4.27	Authorize Private Use of the Common Elements	<u>18</u>
4.28	Repair or Reconstruct Improvements After Casualties	<u>18</u>
4.29	Certificate of Compliance	<u>18</u>
4.30	Limited power to convey common elements	<u>18</u>
V.	OFFICERS	<u>18</u>
5.1	Executive Officers	<u>18</u>
5.2	President	<u>18</u>
5.3	Vice President	<u>19</u>
5.4	Secretary and Assistant Secretary	<u>19</u>
5.5	Treasurer	<u>19</u>
5.6	Compensation	<u>19</u>
VI.	FISCAL MANAGEMENT	<u>19</u>
6.1	Board Adoption of Budget	<u>19</u>
6.2	Budget Requirements	<u>19</u>
6.3	Notice of Budget Meeting	<u>20</u>
6.4	Member Rejection of Excessive Budget	<u>20</u>
6.5	Alternative Budget Adoption by Members	<u>21</u>
6.6	Budget Restraints on Developer	<u>21</u>
6.7	Accounting Records and Reports	<u>21</u>
6.8	Depository	<u>21</u>
6.9	Fidelity Bonding	<u>21</u>
VII.	ASSESSMENTS AND COLLECTION	<u>22</u>
7.1	Assessments, Generally	<u>22</u>
7.2	Special Assessments	<u>22</u>
7.3	Charges for Other than Common Expenses	<u>22</u>
7.4	Liability for Assessments	<u>22</u>
7.5	Assessments; Amended Budget	<u>23</u>
7.6	Collection: Interest, Application of Payment	<u>23</u>
7.7	Lien for Assessment	<u>23</u>
7.8	Collection: Suit, Notice	<u>23</u>
7.9	Fines	<u>23</u>
VIII.	ASSOCIATION CONTRACTS, GENERALLY	<u>24</u>
8.1	Fair and Reasonable; Cancellation	<u>24</u>
8.2	Escalation Clauses in Management Contracts Prohibited	<u>24</u>
8.3	Requirements for Maintenance and Management Contracts	<u>24</u>
IX.	ASSOCIATION OFFICIAL RECORDS	<u>25</u>

X.	OBLIGATIONS OF OWNERS	<u>26</u>
10.1	Violations, Notice, Actions	<u>26</u>
10.2	Attorneys' Fees	<u>27</u>
10.3	No Waiver of Rights	<u>27</u>
XI.	ARBITRATION OF INTERNAL DISPUTES	<u>27</u>
XII.	LIABILITY SURVIVES MEMBERSHIP TERMINATION	<u>27</u>
XIII.	LIMITATIONS ON UNIT OWNER LIABILITY FOR USE OF COMMON ELEMENTS	<u>27</u>
XIV.	PARLIAMENTARY RULES	<u>27</u>
XV.	RULES AND REGULATIONS	<u>27</u>
15.1	Board May Adopt	<u>27</u>
15.2	Posting and Furnishing Copies	<u>27</u>
15.3	Limitations on Authority	<u>28</u>
15.4	Reasonableness Test	<u>28</u>
XVI.	RESTRICTIONS ON AND REQUIREMENTS FOR USE, MAINTENANCE, AND APPEARANCE OF UNITS	<u>28</u>
16.1	Where Contained	<u>28</u>
16.2	Tests for Validity of Restrictions	<u>28</u>
XVII.	PRIORITIES IN CASE OF CONFLICT	<u>28</u>
XVIII.	INDEMNIFICATION	<u>29</u>
XIX.	DEFECTIVE CONDOMINIUM DOCUMENTS; CURATIVE PROVISIONS	<u>29</u>
XX.	AMENDMENTS	<u>29</u>
21.1	Notice	<u>29</u>
21.2	Adoption	<u>29</u>
21.3	Limitation	<u>29</u>
21.4	Recording	<u>29</u>
21.5	Format	<u>30</u>
XXI.	CONSTRUCTION	<u>30</u>

BYLAWS  
OF  
GUERNICA CONDOMINIUM ASSOCIATION, INC.

I. IDENTITY

These are the Bylaws of GUERNICA CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the state of Florida ("the Association"), organized for the purpose of operating that certain condominium located in Miami-Dade County, Florida, and known as GUERNICA CONDOMINIUM ("the Condominium").

1.1 Principal Office. The principal office of the Association shall be at 1701 w 37 Street, #17, Hialeah, Florida 33012 or at such other place as may be designated by the Board of Directors.

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.

1.4 Definitions. For convenience, these Bylaws shall be referred to as "the Bylaws"; the Articles of Incorporation of the Association as "the Articles"; and the Declaration of Condominium for the Condominium as "the Declaration." The other terms used in these Bylaws shall have the same definitions and meanings as those in F.S. Chapter 718, the Condominium Act ("the Act"), as well as those in the Declaration and the Articles, unless otherwise provided in these Bylaws or unless the context otherwise requires.

II. MEETINGS OF MEMBERS AND VOTING

2.1 Annual Meeting. The annual meeting of the members shall be held within 100 days of the recordation of Declaration of Condominium and every November thereafter. The place and time determined by the Board of Directors. There shall be an annual meeting every calendar year. The purpose of the meeting shall be to elect Directors and to transact any other business authorized to be transacted by the members.

2.2 Special Meetings. Special meetings of the members shall be held at such places as provided 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 on receipt of a written request from at least 10% of the voting interests of the Association. Requests for a meeting by the members shall state the purpose for the meeting. Business conducted at any special meeting shall be limited to the matters stated in the notice for the meeting. The provisions of this section, as applicable, shall be modified by the provisions of F.S. 718.112(2)(e), concerning budget meetings; F.S. 718.112(2)(j), concerning recall; F.S. 718.112(2)(f), concerning budget reserves; and F.S. 718.301(1)-(2), concerning election of Directors by Unit Owners other than the Developer.

2.3 Notice of Annual Meeting. The members of the board shall be elected by

written ballot or voting machine. Proxies shall in no event be used in electing the board, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise, unless otherwise provided by Florida chapter 718. Not less than 60 days before a scheduled 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 a vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate for the board must give written notice to the association not less than 40 days before a scheduled election. Together with the written notice and agenda, the association shall mail or deliver a second notice of the election to all unit owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the association shall include an information sheet, no larger than 8 ½ inches by 11 inches, which must be furnished by the candidate not less than 35 days before the election, to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the association. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of member of the board. No unit owner shall permit any other person to vote his or her ballot, and any such ballots improperly cast shall be deemed invalid, provided any unit owner who violates this provision may be fined by the association in accordance with Fla. Stat. §718.303. Additionally the association shall further provide written notice of the annual meeting mailed or hand delivered to each Unit Owner at least 14 days and not more than 34 days before the annual meeting. A copy of the notice shall be posted in a conspicuous place on the Condominium property at least 14 continuous days before the annual meeting. An Officer of the Association shall provide an Affidavit or United States Post Office Certificate of Mailing, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered to each Unit Owner at the address last furnished to the Association. Unit Owners may waive notice of the annual meeting.

2.4 Notice of Special Meetings, Generally. Except as modified by the specific requirements for special kinds of members' meetings as set out in these Bylaws, notice of special meetings generally shall be in writing, state the place, day, and hour of the meeting, and state the purpose or purposes for which the meeting is called. The notice shall be delivered to each Unit Owner not less than 10 nor more than 60 days before the date of the meeting, either personally or by first class mail, by or at the direction of the President, the Secretary, or the Officer or persons calling the meeting. If mailed, the notice shall be considered delivered when deposited in the United States mail addressed to the Unit Owner at the address that appears in the records of the Association, with postage prepaid. Payment of postage for notice of any special meeting, by whomever called, shall be an obligation of the Association.

2.5 Notice of Budget Meeting. The Board of Directors shall mail or hand deliver to each Unit Owner at the address last furnished to the association a notice and a copy of the proposed annual budget, not less than 14 days before the meeting at which the Board will consider the budget.

2.6 Notice of Meeting to Consider Recall of Board Members. A special meeting of the Unit Owners to recall a member or members of the Board of Directors may be called by

10% of the voting interests giving notice of the meeting as required for a meeting of Unit Owners, stating the purpose of the meeting. The notice must be accompanied by a dated copy of a signature list of at least 10% of the Unit Owners. The meeting shall be held not less than 10 days nor more than 60 days from the date the notice of the meeting is given.

2.7 Notice of Meeting to Elect Nondeveloper Directors. Within 75 days after the unit owners other than the developer are entitled to elect a member or members of the board of directors of the Association, the Association shall call an election for the members of the board of directors, and shall give at least 60 days notice thereof.

2.8 Quorum. A quorum at meetings of members shall consist of persons entitled to exercise, either in person or by proxy, a majority of the voting interests of the entire membership.

2.9 Voting.

a. Number of Votes. In any meeting of members, each Unit shall have one voting interest. The vote of a Unit is not divisible.

b. Majority Vote. The acts approved by a majority of the voting interests present in person or by proxy at a meeting at which a quorum is present shall be binding on all Unit Owners for all purposes unless the Act, the Declaration, the Articles, or these Bylaws require a larger percentage, in which case that larger percentage shall control.

2.10 Membership-Designation of Voting Member. Persons or entities shall become members of the Association on the acquisition of fee title to a Unit in the Condominium after approval of the acquisition in the manner provided in the Declaration. Membership shall be terminated when a person or entity no longer owns a Unit in the Condominium. If a Unit is owned by more than one natural person (other than a husband and wife), or a corporation, partnership, or other artificial entity, the voting interest of that Unit shall be exercised only by the natural person named in a voting certificate signed by all the natural persons who are owners or by the chief executive officer of the artificial entity and filed with the Secretary of the Association in its official records.

2.11 Proxies. Unit owners may not vote by general proxy, but may vote by limited proxies substantially conforming to a limited proxy form adopted by the Division. Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes taken to waive or reduce reserves in accordance with Florida Statutes §718.112; for votes taken to waive financial statements requirements as provided by Florida Statutes §718.111; for votes taken to amend the Declaration pursuant to Fla. Statutes §718.110; for votes taken to amend the Articles of Incorporation or By-laws pursuant to Fla. Statutes §718.112; and for any other matter for which chapter 718 of the Florida Statutes requires or permits a vote of the unit owners. No proxies, limited or general, shall be used in the election of Board Members. General proxies may be used for other matters for which limited proxies are not required, and may also be used for voting non-substantive changes to items which a limited proxy is required and given. Notwithstanding, all of the above stated, unit owners may vote in person and unit owner's meetings. Any proxy given shall be



effective only for the specific meeting for which originally given and any lawfully 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 is revocable at any time at the pleasure of the Unit owner executing it. Notwithstanding, the Association must provide at a minimum a financial report.

2.12 Adjourned Meetings. If any meeting of members cannot be organized because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present; except that when meetings have been called to consider the enactment of a budget to replace a proposed budget that exceeds 115% of the assessments for the preceding year, the meetings may not be adjourned for lack of a quorum and if a quorum is not present the excessive budget shall go into effect as scheduled. The time and place to which the meeting is adjourned shall be announced at the meeting at which the adjournment is taken and a notice shall be posted in a conspicuous place on the Condominium property as soon thereafter as may be practical stating the time and place to which the meeting is adjourned.

2.13 Waiver of Notice. Unit owners may waive their right to receive notice of any meeting, whether annual or special, by a writing signed by them to that effect. The waiver shall be filed with the Secretary of the Association either before, at, or after the meeting for which the waiver is given.

2.14 Action by Members Without a Meeting. Unit owners may take action by written agreement without a meeting on matters for which action by written agreement without meeting is expressly allowed by the Bylaws, Declaration or a Florida Statute that provides for such action, provided written notice is given to the Unit Owners in the manner prescribed elsewhere in these Bylaws appropriate to the subject matter to be agreed on, unless that notice is waived as provided in these Bylaws. The decision of a majority of the Unit Owners, or a larger percentage vote as otherwise may be required by the Act, the Declaration, the Articles, or these Bylaws (the decision to be evidenced by written response to be solicited in the notice), shall be binding on the membership. The notice shall set forth a time period within which responses must be made by the members, and responses received after that shall not be considered.

2.15 Minutes of Meetings. The minutes of all meetings of Unit Owners shall be kept in a book open to inspection at all reasonable times by any Association member, any authorized representative of the member, and Board members. The minutes shall be retained by the Association for a period of not less than seven years. Association members and their authorized representatives shall have the right to make or obtain copies at the reasonable expense, if any, of the Association member.

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

- a. Call to order.
- b. Election of a chairman of the meeting, unless the President or Vice President is

present, in which case he or she shall preside.

- c. Collect and acknowledge receipt of all election ballots.
- d. Distribute blank ballots to all eligible voters who have not cast their votes.
- e. Calling of the roll, certifying of proxies, determination of a quorum.
- f. Proof of notice of meeting or waiver of notice.
- g. Reading and disposal of any unapproved minutes.
- h. Reports of Officers.
- i. Reports of committees.
- j. Appointment of inspectors of election.
- k. Election of Directors.
- l. Unfinished business.
- m. New business.
- n. Adjournment.

2.17 Actions Specifically Requiring Unit Owner Approval. The following actions require approval by the Unit Owners and may not be taken by the Board of Directors acting alone:

- a. Amendments to the Declaration, except those made by the Developer recording a Certificate of Surveyor, or as otherwise provided specifically in the Declaration.
- b. Merger of two or more independent condominiums of a single complex to form a single condominium.
- c. Purchase of land or recreation lease.
- d. Cancellation of grants or reservations made by the Declaration, a lease, or other document and any contract made by the Association before the transfer of control of the Association from the Developer to Unit Owners other than the Developer, that provides for operation, maintenance, or management of the Condominium Association or property serving the Unit Owners.
- e. Exercise of option to purchase recreational or other commonly used facilities lease.

- f. Providing no reserves, or less than adequate reserves.
- g. Recall of members of Board of Directors.
- h. Other matters contained in the Declaration, the Articles, Bylaws and Chapter 718 Florida Statutes and the rules promulgated thereof that specifically require a vote of the members.

2.18 Handling of Written Inquiries. When a unit owner files a written inquiry by certified mail with the board of administration, the board shall respond in writing to the unit owner within 30 days of receipt of the inquiry. The board's response shall either give a substantive response to the inquirer, notify the inquirer that a legal opinion has been requested, or notify the inquirer that advice has been requested from the division. If the board requests advice from the division, the board shall, within 10 days of its receipt of the advice, provide in writing a substantive response to the inquirer. If a legal opinion is requested, the board shall, within 60 days after the receipt of the inquiry, provide in writing a substantive response to the inquiry. The failure to provide a substantive response to the inquiry as provided herein precludes the board from recovering attorney's fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the inquiry. The association may through its board of administration adopt reasonable rules and regulations regarding the frequency and manner of responding to unit owner inquiries, one of which may be that the association is only obligated to respond to one written inquiry per unit in any given 30-day period. In such a case, any additional inquiry or inquiries must be responded to in the subsequent 30-day period, or periods, as applicable.

### III. DIRECTORS

3.1 Number and Qualifications. The affairs of the Association shall be managed initially by a Board of three Directors selected by the Developer. When Unit Owners other than the Developer are entitled to elect a majority of the Directors, the Board shall be composed of any odd number of Directors that the Board may decide. The number of Directors, however, shall never be less than three. Other than those selected by the Developer, Directors must be either Unit Owners, tenants residing in the Condominium, officers of a corporate Unit Owner, or partners of a partnership Unit Owner. No Director (except those selected by the Developer) shall continue to serve on the Board after ceasing to meet those requirements. A person who has been convicted of any felony by any court of record in the United States and who has not had his or her right to vote restored pursuant to law in the jurisdiction of his or her residence is not eligible for board membership. The validity of an action by the Board is not affected if it is later determined that a member of the Board is ineligible for Board membership due to having been convicted of a felony.

3.2 Election of Directors. Directors shall be elected at the annual meeting in the following manner:

- a. The Board of Directors shall be elected by written ballot or voting machine.
- b. Proxies shall not be used to elect the Board of Directors, either in general

elections or elections to fill vacancies caused by resignation, or otherwise, unless the unit owners by affirmative vote approve the use of proxies for that purpose.

c. The Association shall mail or deliver, whether separately or included in other mailings, a first notice of the date of the election to each Unit Owner no less than 60 days before the scheduled election. Any unit owner or other eligible person desiring to be a candidate for the board must give written notice to the association not less than 40 days before a scheduled election. The Association shall mail or deliver to the Unit Owners at the addresses listed in the official records of the association at least 14 days prior to the annual meeting, a second notice of the election, which notice must also include an agenda, and a ballot which lists all candidates. Upon request of a candidate, the Association shall include with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the Association, an information sheet, no larger than 8 ½ inches by 11 inches, which must have been timely submitted by the candidate no less than 35 days prior to the scheduled election. The Association has no liability for the contents of the information sheets prepared by the candidates. In an effort to reduce costs, the Association may print or duplicate the information sheets on both sides of the paper. The Division shall by rule establish voting procedures consistent with the provisions contained in chapter 718 of the Florida Statutes including rules providing for the secrecy of ballots. The second notice and accompanying documents shall not contain any communication from the Board that endorses, disapproves, or otherwise comments on any candidate. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board. No unit owner shall permit any other person to vote his or her ballot, and any such ballots improperly cast shall be deemed invalid. Any unit owner violating this provision may be fined by the Association in accordance with F.S. 718.303. The regular election shall occur on the date of the annual meeting. Notwithstanding the provisions of this subparagraph, an election and balloting are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the board, as set forth in F.S. 718.112(2)(d)3.

3.3 Term. Each Director's term of service shall extend until the next annual meeting of the members and thereafter until his or her successor is duly elected and qualified or until he or she is removed in the manner provided in section 3.5. However, at any annual meeting after the Developer has relinquished control of the Association and in order to provide a continuity of experience, the members may vote to create classes of directorships having a term of one, two, or three years so that a system of staggered terms will be initiated.

3.4 Vacancies. Except for vacancies resulting from removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by majority vote of the remaining Directors. Any Director elected to fill a vacancy shall hold office only until the next election of Directors by the members, irrespective of the length of the remaining term of the vacating Director.

3.5 Removal. Subject to chapter 718, Florida Statutes and the rules promulgated thereof, any Director may be recalled and removed from office with or without cause by the affirmative vote or agreement in writing of a majority of all voting interests. A special meeting of the Unit Owners may be called for this purpose by 10% of the voting interests on giving

notice of the meeting as required in these Bylaws. The notice shall state the purpose of the special meeting. Any vacancy on the Board of Directors thus created shall be filled by the members of the Association at the same meeting. No Director shall continue to serve on the Board if, during the Board member's term of office, the Board member's membership in the Association is terminated for any reason.

3.6 Resignation. Any Director may resign at any time by sending or personally delivering a written notice of resignation to the Association, addressed to the Secretary. The resignation shall take effect on receipt of the notice by the Association, unless it states some fixed date in the resignation, and then from the date so fixed. Acceptance of a resignation shall not be required to make it effective.

3.7 Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within 10 days of the election at a place and time that shall be fixed by the Directors at the meeting at which they were elected. Adequate notice of said meeting as with all meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the condominium property at least 48 continuous hours preceding the meeting except in an emergency.

3.8 Regular Meetings. The Board of Directors may establish a schedule of regular meetings to be held at a time and place as a majority of them shall determine from time to time. Notice of regular meetings, however, shall be given to each Director personally or by mail, telephone, or telegraph at least three days before the day named for the meeting with the notice of each meeting posted conspicuously on the Condominium property at least 48 continuous hours before the meeting, except in an emergency.

3.9 Special Meetings. Special meetings of the Board of Directors may be called by the President and, in his or her absence, by the Vice President, and must be called by the Secretary at the written request of one third of the Directors. Notice of the meeting shall be given personally or by mail, telephone, or telegraph. The notice shall state the time, place, and purpose of the meeting and shall be transmitted not less than three days before the meeting. A copy of the notice of any special meeting shall be posted conspicuously on the Condominium property at least 48 continuous hours before the meeting, except in an emergency.

3.10 Waiver of Notice. Any Director may waive notice of a meeting before, at, or after the meeting and that waiver shall be considered equivalent to the giving of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of the meeting, except when the Director'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.

3.11 Quorum. A quorum at the meetings of the Directors 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 when approval by a greater number of Directors is required by the Declaration, the Articles, or these Bylaws.

3.12 Adjourned Meetings. If there is less than a quorum present at any meeting of the Board of Directors, the majority of those present may adjourn the meeting until a quorum is present. At any adjourned meeting, any business that might have been transacted at the meeting originally called may be transacted at a subsequent properly noticed meeting. A copy of the notice of the meeting, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the Condominium property at least 48 continuous hours before the meeting, except in an emergency. If there is no condominium property or Association property upon which notices can be posted, notices of board meetings shall be mailed or delivered at least 14 days before the meeting to the owner of each unit.

3.13 No Proxy. There shall be no voting by proxy at any meeting of the Board of Directors.

3.14 Presumed Assent. A Director present at any Board meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he or she votes against the action or abstains from voting because of an asserted conflict of interest.

3.15 Joinder in Meeting by Approval of Minutes. A Director may submit in writing his or her agreement or disagreement with any action taken at a meeting that the Director did not attend, but the agreement or disagreement may not be used as a vote for or against the action taken and may not be used for purposes of creating a quorum.

3.16 Attendance by Conference Telephone. When telephone conference is used, a telephone speaker shall be attached so that the discussion may be heard by the Board members and by any Unit Owners present in an open meeting. Board members utilizing telephone conference calls may be counted toward obtaining a quorum and may vote over the telephone.

3.17 Meetings Open to Members. Meetings of the Board of Directors shall be open to all Unit Owners to attend, observe, and speak with reference to all designated agenda items. Notice of any meeting in which assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and set out the nature of the assessments.

3.18 Presiding Officer. The presiding Officer at Board meetings shall be the President or, in his or her absence, the Vice President, and in his or her absence, the Directors present shall designate any one of their number to preside.

3.19 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book open to inspection by any Association member or the authorized representative of the member and Board members at all reasonable times. The Association shall retain these minutes for a period of not less than seven years. Association members and their authorized representatives shall have the right to make or obtain copies, at the reasonable expense, if any, of the Association member.

3.20 Executive Committee. The Board of Directors, by resolution, may appoint an

executive committee to consist of three or more members of the Board. The executive committee shall have and may exercise all of the powers of the Board in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board insofar as may be permitted by law. The executive committee, however, shall not have power to: (1) determine the common expenses required for the operation of the Condominium; (2) determine the assessments payable by the Unit Owners to meet the common expenses of the Condominium; (3) adopt or amend rules and regulations covering the details of the operation and use of the Common Elements; (4) purchase, lease, or otherwise acquire Units in the Condominium in the name of the Association; (5) approve any actions or proposals required by the Act, the Declaration, the Articles, or these Bylaws to be approved by Unit Owners; or (6) fill vacancies on the Board of Directors. Meetings of the executive committee shall be open to Unit Owners and shall be noticed in the same manner as a regular board meeting.

3.21 Compensation. Directors shall serve without pay but shall be entitled to reimbursement for expenses reasonably incurred in the discharge of their duties.

3.22 Order of Business. The order of business at meetings of Directors shall be:

- a. Calling of roll.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading and disposal of any unapproved minutes.
- d. Reports of Officers and committees.
- e. Unfinished business.
- f. New business.
- g. Adjournment.

3.23 Election of Directors by Unit Owners Other than Developer. Unit owners other than the developer are entitled to elect a member or members of the Board of Directors of the Association, under the following schedule:

a. When Unit Owners other than the Developer own 15% or more of the units in the Condominium that will be operated ultimately by the Association, the Unit Owners other than the Developer shall be entitled to elect one third of the members of the Board of Directors of the Association.

b. Unit Owners other than the Developer are entitled to elect a majority of the members of the Board of Directors of the Association on the earliest of the following events:

1. Three years after 50% of the units that will be operated ultimately by the Association have been conveyed to purchasers.

2. Three months after 90% of the units that will be operated ultimately by the Association have been conveyed to purchasers.

3. When all the units that will be operated ultimately by the Association have been completed, some of them have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business.

4. When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business.

5. Seven years after recordation of the Declaration of Condominium, or, in the case of an Association that may ultimately operate more than one Condominium, seven years after recordation of the Declaration for the first Condominium it operates, or, in the case of an Association operating a phase condominium created under F.S. 718.403, seven years after recordation of the Declaration creating the initial phase, whichever occurs first. The Developer is entitled to elect at least one member of the Board of Directors of the Association as long as the Developer holds for sale in the ordinary course of business at least 5% in condominiums with fewer than 500 units, or 2% in condominiums with more than 500 units, of the units in a Condominium operated by the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any developer-owned units in the same manner as any other Unit Owner except for purposes of reacquiring control of the Association or selecting the majority members of the Board of Directors.

3.24 Relinquishment of Control. At the time the Unit Owners other than the Developer elect a majority of the members of the Board of Directors of the Association, the Developer shall relinquish control of the Association and the Unit Owners shall accept control. Simultaneously, or for the purposes of financial records and information not more than 90 days thereafter, the Developer shall deliver to the Association at the Developer's expense, all property of the Unit Owners and of the Association held or controlled by the Developer, including but not limited to those items specified in the Act. Nothing contained in these Bylaws shall be deemed to prevent the Developer from transferring control of the Association to Unit Owners other than the Developer before the occurrence of the events described in this subsection.

3.25 Failure to Elect Director Quorum. If the Association or the Board of Directors fails to fill vacancies on the Board of Directors sufficient to constitute a quorum, any Unit Owner may apply to the circuit court within whose jurisdiction the Condominium is situated for the appointment of a receiver to manage the affairs of the Association, in the manner prescribed in the Act. 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 the powers and duties of a duly-constituted Board of Directors and shall serve until the Association fills vacancies on the Board sufficient to constitute a quorum.



#### IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association existing under the Act, the Declaration, the Articles, and these Bylaws shall be exercised exclusively by the Board of Directors, or its duly authorized agents, contractors, or employees, subject only to the approval by Unit Owners when that approval specifically is required. The powers and duties of the Board shall include, but shall not be limited to, the following:

4.1 Maintenance, Management, and Operation of Condominium Property.

4.2 Contract, Sue, or be Sued. The Association may institute, maintain, settle, or appeal actions or hearings in its name on behalf of all Unit Owners concerning matters of common interest, including but not limited to the common elements and commonly-used facilities.

4.3 Right of Access to Units. The Association has the irrevocable right of access to each Unit during reasonable hours as necessary for the maintenance, repair, or replacement of any common elements or for making emergency repairs necessary to prevent damage to the common elements or to another Unit or Units.

4.4 Make and Collect Assessments.

4.5 Lease, Maintain, Repair, and Replace the Common Elements.

4.6 Lien and Foreclosure for Unpaid Assessments. The Association has a lien on each Condominium parcel for any unpaid assessments with interest and for reasonable attorneys' fees, costs, and expenses incurred in the collection of the assessment or enforcement of the lien. It also has the power to purchase the Condominium parcel at the foreclosure sale and to hold, lease, mortgage, or convey it.

4.7 Purchase Unit. In addition to its right to purchase Units at a lien foreclosure sale, the Association generally has the power to purchase Units in the Condominium and to acquire, hold, lease, mortgage, and convey them.

4.8 Grant or Modify Easements. The Association, without the joinder of any Unit Owner, may grant, modify, or move any easement if the easement constitutes part of or crosses common elements.

4.9 Purchase Land or Recreation Lease. Any land or recreation lease may be purchased by the Association on the approval of two thirds of the voting interests of the Association.

4.10 Acquire Use Interest in Recreational Facilities. The Association may enter into agreements, acquire leaseholds, memberships, and other possessory or use interest in lands or facilities, such as country clubs, golf courses, marinas, and other recreational facilities, whether contiguous to the Condominium property or not if (1) they are intended to provide enjoyment, recreation, or other use or benefit to the Unit Owners and (2) if they exist or are

created at the time the Declaration was recorded and are fully stated and described in the Declaration.

4.11 Acquire Title to Property. The Association has the power to acquire title to property or otherwise hold property for the use and benefit of its members.

4.12 Authorize Certain Amendments. If it appears that through a drafter's error in the Declaration that the common elements, common expenses, or common surplus has been stated or distributed improperly, an amendment to the Declaration correcting that error may be approved by the Board of Directors or a majority of the voting interests.

4.13 Adopt Rules and Regulations. The Association may adopt reasonable rules and regulations for the operation and use of the common elements, common areas, and recreational facilities serving the Condominium.

4.14 Maintain Official Records. The Association shall maintain all of the records, when applicable, set forth in Article IX of these Bylaws, which shall constitute the official records of the Association.

4.15 Obtain Insurance. The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association, the Association property, and the Condominium property.

4.16 Furnish Annual Financial Reports to Members.

4.17 Give Notice of Liability Exposure. If the Association may be exposed to liability in excess of insurance coverage in any legal action, it shall give notice of the exposure to all Unit Owners, who shall have the right to intervene and defend.

4.18 Provide Certificate of Unpaid Assessment. Any Unit Owner or unit mortgagee has the right to request from the Association a certificate stating all assessments and other monies owed to the Association with respect to the Condominium parcel.

4.19 Pay Annual Fee to the Division of Florida Land Sales, Condominiums, and Mobile Homes for Each Residential Unit Operated by the Association.

4.20 Approve or Disapprove Unit Transfer and Impose Fee. The Association may charge a preset fee of up to \$100 in connection with the approval or disapproval of any proposed mortgage, lease, sublease, sale, or other transfer of a Unit in the Condominium as provided in the Declaration.

4.21 Contract for Operation, Maintenance, and Management of the Condominium.

4.22 Pay Taxes or Assessments Against the Common Elements or Association Property.

4.23 Pay Costs of Utilities Service Rendered to the Condominium and Association

Property and Not Billed Directly to Individual Unit Owners.

4.24 Employ Personnel. The Association may employ and dismiss personnel as necessary for the maintenance and operation of the Condominium property and may retain those professional services that are required for those purposes.

4.25 Impose Fines. The Board of Directors may impose fines on Unit Owners in reasonable sums as the Board may deem appropriate, not to exceed \$100.00 for violations of the Declaration, these Bylaws, or lawfully adopted rules and regulations, by Owners, their guests, invitees, or tenants. See 7.9.

4.26 Suspend Approval for Delinquent Unit Owner. The Board of Directors may disapprove the prospective tenant of any Unit Owner as long as the Unit Owner is delinquent in the payment of assessments for Common Expenses.

4.27 Authorize Private Use of the Common Elements. The Board of Directors may authorize Unit Owners or others to use portions of the Common Elements, such as social rooms and meetings rooms, for private parties and gatherings. Reasonable charges may be imposed provided a lease is entered into between the Association and the Unit Owner.

4.28 Repair or Reconstruct Improvements After Casualties.

4.29 Certificate of Compliance. A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the association board as evidence of compliance of the condominium units to the applicable fire and life safety code.

4.30 Limited power to convey common elements. The association shall have the limited power to convey a portion of the common elements to a condemning authority for the purposes of providing utility easements, right of way expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings.

V. OFFICERS

5.1 Executive Officers. The executive Officers of the Association shall be a President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer, a Secretary, and an Assistant Secretary. The Officers shall be elected annually by the Board of Directors and may be removed without cause at any meeting by a vote 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 or Assistant Secretary. No person shall sign an instrument nor perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect other Officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.2 President. The President shall be the chief executive Officer of the Association. He or she shall have all of the powers and duties that usually are vested in the office of President of an association, including but not limited to the power to appoint committees from among the members to assist in the conduct of the affairs of the Association as he or she may

determine appropriate. The President shall preside at all meetings of the Board.

5.3 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 or she also shall assist the President and exercise those other powers and perform those other duties as shall be prescribed by the Directors.

5.4 Secretary and Assistant Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He or she shall attend to the serving of all notices to the members and Directors and other notices required by law. The Secretary shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He or she 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. The Assistant Secretary shall support the Secretary and shall perform the Secretary's duties in the Secretary's absence.

5.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He or she shall keep books of account for the Association in accordance with good accounting practices, that, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. The Treasurer shall submit a treasurer's report to the Board at reasonable intervals and shall perform all other duties incident to the office of treasurer. All money 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.

5.6 Compensation. The compensation, if any, of all Officers and other employees of the Association shall be fixed by the Board of Directors. This provision shall not preclude the Board from employing a Director as an employee of the Association or preclude contracting with a Director for the management of the Condominium.

## VI. FISCAL MANAGEMENT

6.1 Board Adoption of Budget. The Board of Directors shall adopt a budget for the common expenses of the Association in advance of each fiscal year at a special meeting of the Board called for that purpose at least 45 days before the end of each fiscal year.

6.2 Budget Requirements. The proposed annual budget of common expenses shall be detailed and shall show the amount budgeted by accounts and expense classifications, including, when applicable, but not limited to:

- a. Administration of the Association.
- b. Management fees.
- c. Maintenance.

- d. Rent for recreational and other commonly used facilities.
- e. Taxes on Association property.
- f. Taxes on leased areas.
- g. Insurance.
- h. Security provisions.
- i. Other expenses.
- j. Operating capital.
- k. Fees payable to the Division of Florida Land Sales, Condominiums, and Mobile Homes.

l. Reserve accounts for capital expenditures and deferred maintenance, including, but not limited to, roof replacement, building painting, and pavement resurfacing. The amount to be reserved shall be computed by means of a formula based on estimated remaining useful life and estimated replacement cost of each reserve item. Reserves must be included in the proposed annual budget but may be waived or reduced from the final budget if by vote of the majority of the members present at a duly called meeting of the Association they shall determine for one fiscal year to waive or reduce the reserves to less adequate than required by F.S. 718.112(2)(f). If a meeting of the Unit Owners has been called to determine to waive or reduce the reserves to less adequate than required, and the result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect. The vote to waive or reduce reserves must be taken each fiscal year.

6.3 Notice of Budget Meeting. The Board of Directors shall mail a meeting notice and copies of the proposed annual budget to the Unit Owners not less than 14 days before the meeting at which the budget will be considered. The meeting shall be open to all the Unit Owners.

6.4 Member Rejection of Excessive Budget. If a board adopts in any fiscal year an annual budget which requires assessments against unit owners which exceed 115 percent of assessments for the preceding fiscal year, the board shall conduct a special meeting of the unit owners to consider a substitute budget if the board receives, within 21 days after adoption of the annual budget, a written request for a special meeting from at least 10 percent of all voting interests. The special meeting shall be conducted within 60 days after adoption of the annual budget. At least 14 days prior to such special meeting, the board shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished to the association, a notice of the meeting. An officer or manager of the association, or other person providing notice of such meeting shall execute an affidavit evidencing compliance with this notice requirement, and such affidavit shall be filed among the official records of the association. Unit owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of all voting interests unless the bylaws require

adoption by a greater percentage of voting interests. If there is not a quorum at the special meeting or a substitute budget is not adopted, the annual budget previously adopted by the board shall take effect as scheduled.

6.5 Alternative Budget Adoption by Members. At its option, for any fiscal year, the Board of Directors may propose a budget to the Unit Owners at a meeting of members or in writing. If the proposed budget is approved by the Unit Owners at the meeting or by a majority of all voting interests in writing, the budget shall be adopted.

6.6 Budget Restraints on Developer. If the developer controls the board, assessments shall not exceed 115 percent of assessments for the prior fiscal year unless approved by a majority of all voting interests.

6.7 Accounting Records and Reports. The Association shall maintain accounting records in the county in which the Condominium is located, according to good accounting practices. The records shall be open to inspection by any Association member or the authorized representative of the member at all reasonable times. The records shall include, but are not limited to:

- a. Accurate, itemized, and detailed records of all receipts and expenditures.
- b. A current account and a monthly, bimonthly, or quarterly statement of the account for each Unit designating the name of the Unit Owner, the due date and amount of each assessment, the amount paid on the account, and the balance due.
- c. All audits, reviews, accounting statements, and financial reports of the Association or Condominium.
- d. 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 year. Within 90 days after the end of each fiscal year, the Association shall prepare and complete, or cause to be prepared and completed by a third party, a financial report for the preceding fiscal year. Within 21 days after the financial report is completed or received by the Association from the third party, the Association shall mail to each Unit Owner at the address last furnished to the Association by the Unit Owner, or hand deliver to each Unit Owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the Unit Owner, without charge, upon receipt of a written request from the Unit Owner.

6.8 Depository. The depository of the Association shall be those banks or savings and loan associations, state or federal, located in Florida, as shall be designated from time to time by the Board of Directors and in which the money for the Association shall be deposited. Withdrawal of money from those accounts shall be only by checks or other withdrawal instruments signed by those persons authorized by the Board of Directors.

6.9 Fidelity Bonding. The Association shall obtain and maintain adequate insurance or fidelity bonding to cover the maximum funds that will be in its custody at any one time of all persons who control or disburse funds of the Association, including but not limited to, the

president, secretary, and treasurer of the Association, and those individuals authorized to sign checks. The cost of bonding shall be at the expense of the Association.

## VII. ASSESSMENTS AND COLLECTION

7.1 Assessments, Generally. Assessments shall be made against the Units not less frequently than quarterly in the discretion of the Board of Directors. The assessments shall be made in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. The assessment funds shall be collected against Units in the proportions or percentages provided in the Declaration.

7.2 Special Assessments. The specific purpose or purposes of any special assessment, including emergency assessments, that cannot be paid from the annual assessment for common expenses, as determined by the Board of Directors, shall be set forth in a written notice of the assessment sent or delivered to each Unit Owner. The notice shall be sent or delivered within the time before the payment or initial payment thereunder shall be due, as may be reasonable or practicable in the circumstances. Special assessments shall be paid at the times and in the manner that the Board may require in the notice of the assessment. The funds collected under a special assessment shall be used only for the specific purpose or purposes set forth in the notice, or returned to the Unit Owners. Excess funds may be used to reduce the next year's annual assessments. On completion of the specific purpose or purposes, however, any excess funds shall be considered common surplus.

7.3 Charges for Other than Common Expenses. Charges by the Association against individual members for other than common expenses shall be payable in advance and the billing and collection thereof may be administered by the Association. Charges for other than common expenses may be made only after approval of a member or when expressly provided for in the Declaration or other Condominium documents. These charges may include, without limitation, charges for the use of the Condominium property or recreation area, maintenance services furnished at the expense of a member, and other services furnished for the benefit of a member.

7.4 Liability for Assessments. Each Unit Owner, regardless of how his or her title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments that come due while he or she is the Unit Owner. The Unit Owner and grantee are jointly and severally liable for all unpaid assessments that came due up to the time of transfer of title. A first mortgagee or its successor or assignee who acquires title to a unit by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due before the mortgagee's acquisition of title is limited to the lesser of:

a. the unit's unpaid common expenses and regular periodic assessments that accrued or came due during the six months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or

- b. one percent of the original mortgage debt.

The provisions of this paragraph shall not apply unless the first mortgagee joined the Association as a defendant in the foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location that was known to or reasonably discoverable by the mortgagee.

A Unit Owner's liability for assessments may not be avoided by waiver of the use or enjoyment of any common element or by abandonment of the unit for which the assessments are made.

7.5 Assessments: Amended Budget. If the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the year for which an amended assessment is made shall be payable in as many equal installments as there are installment payment dates remaining in the budget year as of the date of the amended assessment. The budget shall not be amended for emergency or special nonrecurring expenses.

7.6 Collection: Interest, Application of Payment. Assessments and installments on them, if not paid within 10 days after the date they become due, shall bear interest at the rate of 18% per year until paid. All assessment payments shall be applied first to interest and then to the assessment payment due.

7.7 Lien for Assessment. The Association has a lien on each Condominium parcel to secure the payment of assessments. The lien is effective for one year after the claim of lien is recorded in the public records of Dade County unless, within that time, an action to enforce the lien is commenced. The claim of lien shall secure all unpaid assessments that are due and that may accrue after the recording of the claim of lien and before the entry of a certificate of title, as well as interest and all reasonable costs and attorney's fees incurred by the Association incident to the collection process. The lien is subordinate to any mortgage on the Condominium parcel recorded before it.

7.8 Collection: Suit, Notice. The Association may bring an action to foreclose any lien for assessments in the manner that a mortgage of real property is foreclosed. It also may bring an action to recover a money judgment for the unpaid assessment without waiving any claim of lien. The Association shall give notice to the Unit Owner of its intention to foreclose its lien at least 30 days before the foreclosure action is filed. The notice shall be given by delivery of a copy of it to the Unit Owner or by certified or registered mail, return receipt requested, addressed to the Unit Owner at the last known address.

7.9 Fines. Before levying a fine under section 4.25, the Board of Directors shall afford an opportunity for hearing to the party against whom the fine is sought to be levied, after reasonable notice of not less than 14 days. The notice shall include:

- a. a statement of the date, time and place of the hearing;



b. a statement of the provisions of the Declaration, these Bylaws, and lawfully adopted rules and regulations that have allegedly been violated; and

c. a short and plain statement of the matters asserted by the Association.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved before a committee of other Unit Owners and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. If the committee does not agree with the fine, the fine may not be levied. Each day of violation shall be a separate violation. The affected Unit Owner, whether the offending party or not, shall always be given notice of the hearing. No fine shall become a lien against a Unit. No fines may be levied against unoccupied Units.

#### VIII. ASSOCIATION CONTRACTS, GENERALLY

8.1 Fair and Reasonable; Cancellation. Any contracts made by the Association before the Unit Owners assume control from the Developer must be fair and reasonable. All contracts for the operation, maintenance, or management of the Association or property serving the Unit Owners, made by the Association, whether before or after assumption of control of the Association by the Unit Owners, must not be in conflict with the powers and duties of the Association or the rights of the Unit Owners. Contracts made by the Association before the Unit Owners assume control may be canceled by the Unit Owners after assumption of control in the manner and under the circumstances as provided in the Act.

8.2 Escalation Clauses in Management Contracts Prohibited. No management contract entered into by the Association shall contain an escalation clause, since they have been declared to be against the public policy of the state of Florida.

8.3 Requirements for Maintenance and Management Contracts. Written contracts for operation, maintenance, and management entered into by the Association must contain certain elements in order to be valid and enforceable. These include, but are not limited to:

- a. Specification of the services, obligations, and responsibilities of the service provider.
- b. Specification of costs for services performed.
- c. An indication of frequency of performance of services.
- d. Specification of minimum number of personnel to provide the contracted services.
- e. The disclosure of any financial or ownership interest that the Developer has in the service provider, if the Developer is in control of the Association.

#### IX. ASSOCIATION OFFICIAL RECORDS

The Association, from its inception, shall maintain each of the following items when applicable, which shall constitute the official records of the Association:

- a. A copy of the plans, permits, warranties, and other items provided by the Developer under F.S. 718.301(4).
- b. A photocopy of the recorded Declaration of each Condominium operated by the Association and all amendments thereto.
- c. A photocopy of the recorded Bylaws of the Association and all amendments thereto.
- d. A certified copy of the Articles of Incorporation of the Association and all amendments thereto.
- e. A copy of the current rules of the Association.
- f. A book or books containing the minutes of all meetings of the Association, of the Board of Directors, and of Unit Owners, which minutes shall be retained for a period of not less than seven years.
- g. A current roster of all Unit Owners, their mailing addresses, Unit identifications, voting certifications, and, if known, telephone numbers. Additionally, the Association may require a copy of the deed or other instrument showing each Unit's ownership, together with a copy of any mortgage on the Unit and any satisfaction of that mortgage.
- h. All current insurance policies of the Association and Condominiums operated by the Association.
- 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 Unit Owners have an obligation or responsibility.
- j. Bills of sale or transfer for all property owned by the Association.
- k. An adequate number of copies of all financial information required by Fla. Stat. § 718.111.
- l. Ballots, sign-in sheets, and voting proxies, which shall be maintained for a period of one year from the date of the election, vote, or meeting to which the proxy relates.
- m. All rental records when the Association is acting as agent for the rental of Condominium Units.
- n. A copy of the current Frequently Asked Questions and Answers Sheet in a form adopted by the Division of Florida Land Sales, Condominiums, and Mobile Homes.

o. All other records of the Association not specifically included in the foregoing that are related to the operation of the Association.

The official records of the Association shall be maintained within the state of Florida and shall be open to inspection by any Association member or the authorized representative of the member. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the Association member. The Association shall provide the records within five (5) working days after receipt of a written request. The failure of the association to provide the records within 10 days after receipt of a written request shall create a rebuttable presumption that the association willfully failed to comply with the statute. A unit owner who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply. The minimum damages shall be \$50 per calendar day up to 10 days, the calculation to begin on the 11<sup>th</sup> working day after receipt of the written request. The 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 denied access to the records for inspection. Copies of the Declaration, Articles of Incorporation, Bylaws, rules, and all amendments to each of the foregoing, as well as the question and answer sheet provided for in F.S. 718.504, shall be kept on the Condominium property and shall be made available to Unit Owners and prospective purchasers on payment by Unit Owners and prospective purchasers of the actual costs for preparing and furnishing these documents to those requesting the same.

#### X. OBLIGATIONS OF OWNERS

10.1 Violations, Notice, Actions. In the case of a violation (other than the nonpayment of an assessment) by a Unit Owner of any of the provisions of the Act, the Declaration, the Articles, these Bylaws, or any lawfully adopted rules and regulations, the Association by direction of its Board of Directors may transmit to the Unit Owner by certified mail, return receipt requested, a notice of the violation. If the violation shall continue for a period of 30 days from the date of the notice, the Association shall have the right to treat the violation as an intentional and material breach of the provision cited in the notice. It then, at its option, may take the following actions:

a. File an action to recover for its damages on behalf of the Association or on behalf of other Unit Owners.

b. File an action for injunctive relief requiring the offending Unit Owner to take or desist from taking certain actions.

c. File an action for both damages and injunctive relief.

A Unit Owner may bring an action against the Association or any Director for damages, injunctive relief, or both, if the Association or a Director willfully and knowingly fails to comply with the provisions of the Act, the Declaration, the Articles, these Bylaws, or the rules and regulations.

The foregoing action may be taken in addition to the Association's right to impose fines under section 4.25 of these Bylaws.

10.2 Attorneys' Fees. In any action brought under the provisions of section 10.1, the prevailing party is entitled to recover reasonable attorneys' fees.

10.3 No Waiver of Rights. Neither a Unit Owner nor the Association may waive a provision of the Act if that waiver would adversely affect the rights of a Unit Owner or the purposes of the provision, except that Unit Owners or Board members may waive notice of specific meetings in writing.

#### XI. ARBITRATION OF INTERNAL DISPUTES

Prior to the institution of court litigation, all disputes that may be submitted to non binding arbitration pursuant to Fla. Stat. § 718.1255, shall be submitted to non binding arbitration.

#### XII. LIABILITY SURVIVES MEMBERSHIP TERMINATION

Termination of membership in the Association shall not relieve or release a former member from any liability or obligation incurred with respect to the Condominium during the period of membership nor impair any rights or remedies that the Association may have against the former member arising out of membership and his or her covenants and obligations incident to that membership.

#### XIII. LIMITATIONS ON UNIT OWNER LIABILITY FOR USE OF COMMON ELEMENTS

Each Unit Owner may be personally liable for the acts or omissions of the Association relating to the use of the Common Elements. That liability shall be shared with other Unit Owners in the same percentages as their respective interests in the Common Elements. No individual Unit Owner's liability shall exceed the value of his or her Unit.

#### XIV. PARLIAMENTARY RULES

ROBERT'S RULES OF ORDER (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Act, the Declaration, the Articles, or these Bylaws.

#### XV. RULES AND REGULATIONS

15.1 Board May Adopt. The Board of Directors from time to time may adopt and amend reasonable rules and regulations governing the details of the use and operation of the Common Elements, Association property, and recreational facilities serving the Condominium.

15.2 Posting and Furnishing Copies. A copy of the rules and regulations adopted from time to time by the Board of Directors, and any amendments to existing rules and regulations, shall be posted in a conspicuous place on the Condominium property and a copy

furnished to each Unit Owner. No rule, regulation, or amendment shall become effective until 30 days after posting, except in the case of an emergency, in which case the rule, regulation, or amendment shall become effective immediately on posting.

15.3 Limitations on Authority. The Board of Directors may not unreasonably restrict any Unit Owner's right to peaceably assemble or to invite public officers or candidates for public office to appear and speak in Common Elements, Association property, common areas, and recreational facilities. The Board may not deny any resident of the Condominium, whether tenant or owner, access to any available franchised or licensed cable television service or exact a charge or anything of value in excess of charges normally paid for like services by residents of single-family homes within the same franchise or license area.

15.4 Reasonableness Test. Any rule or regulation created and imposed by the Board of Directors must be reasonably related to the promotion of the health, happiness, and peace of mind of the Unit Owners and uniformly applied and enforced.

#### XVI. RESTRICTIONS ON AND REQUIREMENTS FOR USE, MAINTENANCE, AND APPEARANCE OF UNITS

16.1 Where Contained. Restrictions on the use, maintenance, and appearance of the individual Condominium Units shall be as stated in the Declaration and no amendments to the restrictions shall be contained elsewhere than in the Declaration as adopted by a vote of the Unit Owners conducted in the manner prescribed in these Bylaws.

16.2 Tests for Validity of Restrictions. Restrictions contained in the Declaration and any amendments duly adopted by a vote of the Unit Owners shall be valid and in the nature of covenants running with the land, unless it is shown that they (1) are wholly arbitrary in their application; (2) are in violation of public policy; or (3) abrogate some fundamental constitutional right.

#### XVII. PRIORITIES IN CASE OF CONFLICT

In the event of conflict between or among the provisions of any of the following, the order of priorities shall be, from highest priority to lowest:

- a. The Act, as it existed on the date of recording the Declaration.
- b. The Declaration.
- c. The Articles.
- d. These Bylaws.
- e. The rules and regulations.

#### XVIII. INDEMNIFICATION

Every Officer and Director of the Association shall be indemnified by the Association against all expenses and liabilities, including reasonable attorneys' fees incurred and imposed in connection with any proceedings to which he or she may be a party, or in which he or she may become involved by reason of being or having been an Officer or Director of the Association, whether or not an Officer or Director at the time the expenses are incurred. The Officer or Director shall not be indemnified if adjudged guilty of gross negligence or willful misconduct or if he or she shall have breached the fiduciary duty to the members of the Association. The Association shall not be liable, however, for payment of a voluntary settlement unless it is first approved by the Board of Directors. The foregoing rights shall be in addition to and not exclusive of all other rights to which the Director or Officer may be entitled.

#### XIX. DEFECTIVE CONDOMINIUM DOCUMENTS; CURATIVE PROVISIONS

Under F.S. 718.110(10), the Association or a Unit Owner may petition the circuit court having jurisdiction in the county in which the Condominium property is situated to correct an error or omission in the Declaration or any other documents required to establish the Condominium, affecting its valid existence, and which errors or omissions are not correctable by the amendment procedures in the Declaration or the Act. In any case, after three years from the filing of the Declaration, it shall be deemed to be effective under the Act to create a Condominium, whether in fact it substantially complies with the mandatory requirements of the Act or not.

#### XX. AMENDMENTS

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

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

21.2 Adoption. An amendment may be proposed either by a majority of the Board of Directors or by not less than one third of the voting interests of the Association. The amendment shall be adopted if it is approved by not less than two thirds of the voting interests of the Association.

21.3 Limitation. No amendment shall be made that is in conflict with the Act or the Declaration, nor shall any amendment abridge, alter, or amend the rights of the Developer or mortgagees of Units without their consent.

21.4 Recording. A copy of each amendment shall be attached to or included in a certificate certifying that the amendment was duly adopted as an amendment of the Bylaws. The certificate, which shall identify the first page of the book and page of the public records where the Declaration of each Condominium operated by the Association is recorded, shall be executed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the public records of the county where the Declaration is recorded.

21.5 Format. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended. New words shall be underlined and words to be deleted shall be lined through with hyphens. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying "SUBSTANTIAL REWORDING OF BYLAW. SEE BYLAW NUMBER ..... FOR PRESENT TEXT."


## XXI. CONSTRUCTION

Whenever the context permits or requires, 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.

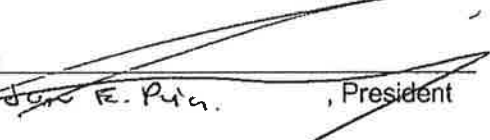
The foregoing were adopted as the Bylaws of GUERNICA CONDOMINIUM ASSOCIATION, INC., on this 12 day of OCTOBER, 2004

GUERNICA CONDOMINIUM  
ASSOCIATION, INC.

ATTEST:

  
MARK ROSSBACH, Secretary

By:

  
JOE E. PUGH, President