

SECOND REVISION OF THE BYLAWS OF
LAZY RIVER VILLAGE, INC.

MARCH 21, 2007

A FLORIDA NON-PROFIT CORPORATION
ARTICLE 1. GENERAL PROVISIONS

1.1 Name The name of this corporation shall be LAZY RIVER VILLAGE, INC.

1.2 Principal Office. The principal office of the Corporation shall be at 10500 South Tamiami Trail, North Port, Florida 34287, or at such other place as may be subsequently designated by the Board of Directors (hereafter "Board" and sometimes "Directors").

1.3 Definitions. These Bylaws shall govern the operation of the corporation, both prior to and subsequent to the conversion of LAZY RIVER VILLAGE into a Cooperative under the Florida Cooperative Act, Chapter 719, Florida Statutes. Any terms not defined in these Bylaws shall have those definitions established by the applicable Florida Statutes, except that if any definition in these Bylaws conflicts with a definition in the Florida Statutes, where permissible, the definition in these Bylaws shall prevail.

ARTICLE 11. MEMBERSHIP AND VOTING RIGHTS

2.1 Membership. Membership in the corporation shall be limited to lessees or a family member of a lessee of LAZY RIVER VILLAGE (hereafter "Village") who have purchased membership certificates in the Corporation. Upon the transfer of the membership certificate, either voluntarily, in accordance with these Bylaws, or by operation of law, the transferee shall become a member of the Corporation if all the requirements for membership have been met. If the membership certificate is vested in more than one person, all persons owning the membership certificate shall be eligible to hold office, attend meeting and act as full members of the Corporation; but, as herinafter indicated, the vote of a membership certificate shall be cast by the "voting member". If a membership certificate is owned by a corporation, the corporation may designate an individual officer or employee as its voting member, and natural person(s) entitled to occupy the unit on its behalf.

2.2 Partial Payment for Membership Certificate. The Corporation at its option may allow partial payment for membership certificates in which event the certificate shall be subject to a lien in favor of the Corporation for the unpaid amount.

2.3 Voting. (a) The owner of each membership certificate shall be entitled to one vote. If an owner owns more than one membership certificate, he shall be entitled to one vote for each certificate. Each membership certificate's vote shall not be divisible.

(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 be present shall be binding upon all membership certificate owners for all purposes, except where otherwise provided by law, in the Articles of Incorporation or in these Bylaws; and, as used in these Bylaws and the Articles of Incorporation, the term majority of the members shall mean those membership certificate owners having more than fifty percent (50%) of the total authorized votes of all membership certificates which the Corporation has offered for sale and have not been purchased.

(c) Quorum. Unless otherwise provided in these Bylaws, the presence in person or by proxy of a majority of the designated voting membership shall constitute a quorum.

(d) Proxies. Except for elections of members of the Board of Directors, votes may be cast in person or by proxy. All proxies shall be in writing, signed by the person entitled to vote, shall be filed with the Secretary of the Corporations prior to or at the meeting at which they are to be used, and shall be only effective for the specific meetings for which originally given any lawful recess or adjournment to a specific date thereof. Unit owners may not vote by general proxy except as authorized by Section 719.106 (b)2, Florida Statutes, but may vote by limited proxies in a form substantially conforming to the limited proxy form authorized by law. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was issued.

(e) Designation of Voting Member. If a membership certificate is owned by more than one member, the member entitled to cast the membership vote shall be designated in a certificate which shall be filed with the Secretary after being signed by all of the members owning an interest in such certificate. If a certificate is owned by a corporation, it shall designate the person entitled to cast the vote by certifying such person's name with the Secretary. Each such certificate shall be valid until revoked or superseded by a subsequent certificate. Notwithstanding the foregoing, if a certificate is owned jointly by a husband and wife, they may designate a voting member; or, not having designated a voting member, if only one is present at a meeting, that owner may cast the membership vote; or, if they are both present at a meeting and unable to agree upon any subject requiring a vote, then there shall be no vote cast to agree upon any subject requiring a vote, then there shall be no vote cast by the membership certificate on that particular subject at the meeting.

2.4 Minimum Age. Except for persons who were permanent residents of Lazy River Village at the time of recording of the Proprietary Lease, one occupant must be at least fifty-five (55) years of age and any other occupant must be at least forty-five (45) years of age. The Board of Directors reserves the right to deny establishment of residency in the Village by a second occupant of a unit who is under fifty-five (55) years of age, if such residency could jeopardize

Lazy River Village's qualification as "housing for older persons" as defined by the 1988 Fair Housing Act Amendments.

ARTICLE III. MEMBERSHIP AND MEETINGS

3.1 Place. All meetings of the membership shall be held in the recreation building of the Village or at such other place and at such time as shall be designated by the Directors and stated in the notice of the meeting.

3.2 Notices. The Secretary shall send by regular mail or deliver a notice of each annual or special meeting to each member and post a copy of the notice in a conspicuous place on the bulletin board located near the recreations building in the Village at least fourteen (14) days, but not more than sixty (60) days, prior to such meeting. Notice of any meeting shall list the time, place and purpose thereof. All notices shall be mailed or served at the address of the member as it appears on the books and served at the address of the member as it appears on the books of the Corporation. Proof of posting, delivery or mailing of notice shall be given by affidavit of the person serving the notice and the post office certificate of mailing shall be retained as proof of such mailing. Notice of specific meetings shall be waived by members before or after the meeting.

3.3 Annual Meeting. The annual meeting for the purpose of electing Directors and transacting any other authorized business shall be held the third Thursday in January of each year, or at such other time as shall be selected by the Directors. At the annual meeting, the members shall elect the Directors by a plurality vote (cumulative voting prohibited) and shall transact such other business as may be properly brought before the meeting.

3.4 Special Meetings. Special meetings of the members for any purpose, unless otherwise prescribed by statute, may be called by the President or shall be called by the President or Secretary at the request, in writing, of a majority of the Directors or at the request, in writing, of voting members representing forty percent (40%) of the total number of membership certificates outstanding. Such request shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subject stated in notice of meeting.

3.4.1 Regular Meetings. Regular meetings of the members for any purpose, unless otherwise prescribed by statute, may be established by Resolution of the Board of Directors from time to time. A copy of such Resolution shall be posted in a conspicuous place on the official bulletin board located inside the recreations hall at least fourteen (14) days prior to the first of such regular meetings. Unless otherwise prescribed by statute, the Secretary shall not be required to send by regular mail or deliver a notice of each regular meeting to each member; however, the Secretary shall make certain that a copy of the Board resolution authorizing the regular meeting shall be posted continuously in a conspicuous place on the official bulletin board located inside the recreation hall. The Board Resolution shall list the time, date and place of the scheduled

regular meetings. No further notice of regular meetings shall be required, except that an agenda of each regular meeting shall be posted on said bulletin board at least fourteen (14) days prior to the scheduled meeting.

3.5 Waiver and Consent. Whenever the vote of the members at a meeting is required or permitted by any provision of the statutes or the Articles of Incorporation of these bylaws to be taken in connection with any action of the Corporation, the meeting and vote of members may be dispensed with if all of the members, who would have been entitled to vote upon the action of such meeting if such meeting were held, shall consent in writing to such action being taken. Membership certificate owners may waive notice of specific meetings and may take action by written agreement without meetings.

3.6 Adjourned Meetings. If any meeting of the members can not be organized because a quorum is not present either in person or by proxy, the meeting shall be adjourned from time to time until a quorum is present.

3.7 Order of Business. The order of business at annual meetings and, as far as practical, at other meetings of the membership, shall be:

- (a) Call to order by President or Chairperson.
- (b) Calling of the roll and certifying of proxies.
- (c) Proof of notice of the meeting or waiver of notice.
- (d) Appointment of inspectors of election.
- (e) Reading and disposal of any approved minutes.
- (f) Ratification of prior actions of Board of Directors.
- (g) Reports of officers.
- (h) Reports of committees.
- (i) Unfinished business.
- (j) New business.
- (k) Election results.
- (l) Adjournment.

3.8 Minutes of Meeting. The minutes of all meetings of the membership shall be kept in a book available for inspection by the members or their authorized representatives and board members at any reasonable time. The Corporation shall retain these minutes for a period of not less than seven (7) years.

3.9 Conduct of Meetings. Unit owners shall have the right to participate in meetings of unit owners with reference to all designated agenda items. However, the Board of Directors may adopt reasonable rules governing the frequency, duration, and manner of unit owner participation. Any unit owner may tape record or videotape meetings of the unit owners in the manner authorized by law.

ARTICLE IV. DIRECTORS

4.1 Membership. The affairs of the Corporation shall be managed by a Board of seven (7) Directors. All Directors shall be owners of a membership certificate or shall be the designated voter of an owner of such a membership certificate. No Director shall continue to serve on the Board after he ceases to be an owner of a membership certificate or the designated voter of a membership certificate in the Corporation.

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

(a) Election of Directors shall be held at the annual meeting of the membership.

(b) A search committee of three (3) members, one of whom shall be on the Board of Directors, may be appointed by the Board of Directors not less than ninety (90) days prior to the annual meeting of the membership. Thereupon, the committee shall seek at least one candidate for each vacancy.

(c) The provisions of this paragraph 4.2 (c) shall apply to Board elections occurring on and after January 1, 1992; No less than sixty (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, or each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or designated voting representative of a unit owner desiring to be a candidate for the Board of Directors shall give written notice to the Association not less than forty (40) days before a scheduled election. Not less than thirty (30) days before the election meeting, the Association shall mail a second notice of the meeting 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 **unedited** information sheet, no larger than 8-1/2 inches by 11 inches furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association.

(d) The election shall be by secret written ballot and by plurality of the votes cast, each person voting being entitled to cast a vote for each of as many candidates or nominees as there are vacancies to be filled. (There shall be no cumulative voting.) For elections occurring on and after January 1, 1992, use of proxies shall not be permitted. No unit owner or designated voting representative of a unit owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid.

(e) At any duly convened regular or special meeting of the membership at which a quorum is present, any one or more of the Directors may be removed, with or without cause, by the affirmative vote of voting members casting not less than a majority of the total votes present at such meeting. A successor may then and there be elected to fill any vacancy created. Should any vacancy not be filled, the Board may fill the vacancy in the manner provided below.

(f) If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification or removal from office, a majority of the remaining Directors, even if less than a quorum, shall choose a successor who shall hold office for the balance of the unexpired term of office of the Director he replaces.

(g) Any director may resign at any time by delivering written notice of such resignation to the office of the association. Any director shall become disqualified to hold office upon the transfer of his membership certificate.

4.3 Terms of Directors. The terms of the Board of Directors shall be for a period of two (2) years. The term of office begins immediately following the announcement of the results of the election. In the event a quorum is not achieved and the annual meeting is continued to another date, the terms of directors begins immediately upon announcement of the election results.

4.4 Organizational Meeting. If the organizational meeting of the Board of Directors shall be held immediately after their election on the annual meeting date it shall be so stated in the annual meeting notice.

4.5 Regular Meetings.

(a) 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 and shall be open to all unit owners. Notice of regular meetings shall be posted on the official clubhouse bulletin board at least forty-eight (48) continuous hours in advance of such meetings, except in an emergency.

(b) At any meeting where the budget or assessments against membership certificates are to be considered for any reason, notice of such meeting and the purpose thereof shall be posted conspicuously on the official bulletin board provided for that purpose located in the clubhouse at least 30 continuous days in advance of said meeting. Written notice of such meeting shall be **mailed** to the unit owners at least thirty (30) days in advance of such meeting. Evidence of compliance with this 30-day notice shall be made by an affidavit executed by the person providing the notice and filed among the official records of the association.

(c) At any meeting at which an amendment to the rules regarding unit use will be considered, written notice of such meeting (including notice that the rules are to be considered) shall be posted conspicuously on the official bulletin board in the clubhouse and **mailed or delivered** to the unit owners at least fourteen (14) days in advance of such meeting. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the person providing the notice and filed among the official records of the association.

4.6 Special Meetings.

(a) Special meetings of the Directors may be called by the President, or in his absence, by the Vice-President or may be called by the President or Secretary at the written request of one-third of the members of the Board

(b) Notice of the meeting shall be given personally or by mail, which notice shall state the time, place and purpose of the meeting and shall be transmitted not less than forty-eight (48) hours prior to the meeting, except that, at any meeting where the budget or assessments against membership certificates are to be considered for any reason written notice of such meeting (including notice that the budget or assessments are to be considered) shall be posted conspicuously on the official bulletin board provided for that purpose located in the clubhouse and mailed to the unit owner at least thirty (30) days in advance of such meeting. Evidence of compliance with this 30-day notice shall be made by an affidavit executed by the person providing notice and filed among the official records of the association.

(c) Any meeting at which an amendment to the rules regarding unit use will be considered, written notice of such meeting (including notice that the rules are to be considered) shall be posted conspicuously on the official bulletin board in the clubhouse and mailed or delivered to the unit owner, at least fourteen (14) days in advance of such meeting. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the person providing notice and filed among the official records of the association.

4.6.1 Committee Meetings. A committee is defined as a group of board members, unit owners, or unit owners and board members appointed by the board or a member of the board to make recommendations to the board regarding the association budget or to take action on behalf of the board, such as an "Executive Committee". Any quorum of the members of these committees must follow the noticing and agenda requirements for the "Regular Meeting" of Directors.

4.7 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting unless the Director states that his attendance is for the express purpose of objecting to the transaction of business because the meeting is not lawfully called.

4.8 Quorum. A quorum at a Directors meeting shall consist of a majority of the entire Board of Directors.

4.9 Adjourned Meetings. If at any 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. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted. Notice of an adjourned meeting shall be posted in accordance with the notice requirements of regular meetings (see Section 4.5 above.)

4.10 Chairman of the Board. The presiding officer of the Directors meetings shall be the President of the Corporation who shall also be the Chairman of the Board and, in the absence of the Chairman of the Board, a temporary Chairman selected by a majority of the Board shall preside.

4.11 Order of Business. The order of business at Directors meeting shall be:

- (a) Roll Call
- (b) Reading of minutes of the last meeting
- (c) Consideration of communications
- (d) Resignation and elections
- (e) Reports of officers and employees
- (f) Reports of committees
- (g) Unfinished business
- (h) Original resolutions and new business
- (i) Adjournment

4.12 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by the membership or their authorized representatives. Minutes of the meetings of the Board of Directors shall be retained for a period of not less than seven (7) years.

4.13 Executive Committee. The Board of Directors may, by resolution duly adopted, appoint an executive committee to consist of two to three of the 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 Cooperative during the intervals between the meetings of the Board of Directors insofar as any be permitted by law, except that the executive committee shall not have the power to establish the budget of the Corporation or determine the cash requirements or rent or assessments payable by the membership to meet the common expenses of the Cooperative or to amend or adopt rules governing the details of the operation and use of the Cooperative property.

4.14 Compensation. Directors shall not be entitled to any compensation for their services.

4.15 Conduct of Meetings. Meetings of the Directors and any committee thereof at which a quorum of the members of that committee are present shall be open to all unit owners. Any unit owner may tape record or videotape meetings of the Directors in the manner authorized by law. The right to attend such meetings includes the right to speak at such meetings with regard to all designated agenda times. The Directors may adopt reasonable rules governing the frequency, duration and manner of the unit owner statements.

ARTICLE V. POWERS AND DUTIES OF THE DIRECTORS

5.1 The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Corporation and may do all acts except such acts which by law or by these By-

Laws may not be delegated to the Board of Directors by the members. The Board of Directors shall have the power and duty to operate and maintain the common areas; determine the expenses required for the operation of the common areas; determine the expenses required for the operation of the Corporation; collect rents, use fees, and assessments necessary for the common expenses of the Corporation; employ personnel necessary for the operation of the common areas; adopt rules and regulations covering the details of the operation of the Cooperative; maintain bank account, purchase, lease or acquire membership certificates and dwelling units, as applicable thereon, in the name of the Corporation; sell, sublet, transfer, mortgage or otherwise deal with the corporate assets; obtain insurance; borrow money on behalf of the Corporation when required in connection with capital improvements, operation, care, upkeep and maintenance of the common areas; or refinancing of the cooperative mortgage; however (except in the case of action by the Board of Directors to refinance the Cooperative mortgage, in which event no vote of the membership shall be required), the consent to two-thirds (2/3) of the membership present in person or by proxy at a duly called and convened association meeting shall be obtained prior to borrowing or spending any sum in excess of Ten Thousand Dollars (\$10,000) for capital expenditure or land acquisition unless provided for in the operation or reserve budget.

5.2 The Board of Directors shall exercise all of the powers specifically set forth in the Articles of Incorporation, these By-laws and the laws of Florida; impose a fee not in excess of the statutory limit for the reasonable expenses required for the transfer, sublease or sale of a membership certificate; collect delinquent rent and assessments by suit or otherwise; abate nuisance; and join or seek damages from members for violation of these Bylaws and the terms and conditions of any proprietary lease.

5.3 The Board of Directors shall assess the membership during each fiscal year in an amount sufficient to pay all operating expenses of the Corporation, including debt service on the blanket mortgage encumbering the cooperative, to the extent that the expense of this item in the annual budget is greater than the income available for debt service. Available income shall be a sum equal to interest and principal payments to be received from members and rent received from tenants on unsold units after deduction of the standard maintenance charges against such unsold units.

ARTICLE VI. OFFICERS

6.1 President. The President shall be the chief executive officer of the Corporation and Chairman of the Board of Directors. The President shall preside at all meetings of the membership. The President shall have general supervision over the affairs of the Corporation and other officers. The President shall sign all written contracts and perform all of the duties incident to the office and such duties as may be delegated from time to time by the Board.

6.2 Vice President. The Vice President shall perform such duties as may be required by the Board and, in the absence of the President, those duties incidental to the office of President.

6.3 Secretary. The Secretary or Assistant Secretary shall issue notices of meeting, shall attend and keep minutes of all meetings and shall have charge of all of the books and records of the Corporation, except those kept by the Treasurer.

6.4 Treasurer. The Treasurer or Assistant Treasurer shall have custody of the Corporation's funds and securities. The Treasurer shall keep full and accurate accounts of the Corporation's receipts and disbursements and shall deposit all monies and other valuable effects in the name of and to the credit of the Corporation in such depositories as may be designated by the Board. The Treasurer shall account for the Corporation and the members in accordance with Florida Law.

6.5 Initial Officers. The officers of the Corporation who shall hold office and serve until the first election of officers by the Board of Directors of the Corporation following the first meeting of the membership are as follow:

Ralph Spade	President
Ray Hoy	Vice President
Larry Leone	Treasurer
Jack Lopez	Secretary

6.6 Compensation. The President and Vice President shall not receive compensation for their services. The Secretary and Treasurer or Secretary-Treasurer may be compensated upon the affirmative vote of two-thirds (2/3) of the Membership.

6.7 Resignations. Any officer may resign his post at any time by written resignation delivered to the Secretary, which shall take effect immediately unless a later date is specified therein.

ARTICLE VII. CORPOATE FUNDS

7.1 Depositories. The funds of the corporation shall be deposited in such banks and depositories as may be determined and approved by resolutions of the Board. Funds shall be withdrawn only upon checks and demands for money signed by such officer of officers as may be designated by the Board.

7.2 Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January each year; provided, however, the Board is expressly authorized to change to a different fiscal year if it deems it advisable.

7.3 Cash Requirements. Each owner of a membership certificate shall be liable for a 1/357 percentage or portion of the common expenses.

7.4 Assessments. Common expense assessments and the budget which is the base for the assessments shall be in accordance with law. If the annual assessment proves to be insufficient, it may be amended at any time by an action of the majority of the Board of Directors of the Corporation. The unpaid assessments for the remaining portion of the year shall be due in equal monthly installments on the first day of each subsequent month during the year for which the assessment is made. If any annual assessment is not made or required, a payment in the amount required by the last prior assessment shall be due upon each assessment's payment date until changed by a new assessment. Assessments shall be made in amounts no less than are required to provide funds in advance for the payment of all the anticipated current operating costs and expenses for all of the unpaid operating expenses previously incurred by the Corporation not otherwise payable from other sources of income of the Corporation.

7.5 Assessments of Other than Common Expenses. At the outset of the Cooperative formation, certain of the units in the Cooperative are owned by the Corporation. The Directors shall establish and collect rent on all those units for which the Corporation holds the membership certificate and on which a mobile home or other dwelling unit is situated or though vacant is suitable, in the opinion of the Board, for storage of a boat, automobile or travel trailer, so that the expense to the Corporation in the form of interest and principal payments on such unsold membership certificates and fair share of the maintenance expense shall be allocated to each of such units. The Corporation intends to add the cost of carrying those units on the date of recordation hereof, to the cost of the membership certificate and proprietary lease for each such unit when sold. Interest and principal expenses shall be common expenses to the extent that the Corporation fails or is unable to collect revenues sufficient from the above rents to meet the mortgage expense to the Corporation on all of such units. The Corporation reserves the right to increase the sales price of a membership certificate and proprietary lease for its units in excess of the carrying costs thereof. Certain of the units in the Cooperative shall be leased to members who have only partially paid the sum due for purchase of a membership certificate. The expense of payment of the balance of the purchase price, together with interest thereon, at a rate and on such terms as are agreed among Corporation and such member shall not be common expenses, but rather the sole expense of the affected member. The Directors shall establish a special assessment or rental amount against those units leased to members who have not fully paid for the membership certificates, so that the interest expense of the Corporation on the unpaid balance of the price of each membership certificate shall be passed on to the member holding such certificate.

7.6 Determination of Assessments.

a) The Directors shall fix and determine the sum or sums necessary and adequate to assess members for their share of the common expenses by virtue of a budget to be adopted by the Board of Directors. Common expenses shall include expenses for the operation, maintenance, repair or replacement, or betterment of the common areas; costs of carrying out the powers and duties of the Corporation; all insurance coverage; and any other expenses designated as common expenses by the Directors or the proprietary lease. Funds for the payment of

common expenses shall be assessed against members as provided in these Bylaws and the proprietary leases.

Assessments shall be payable monthly in advance and shall be due on the first day of each month unless otherwise ordered by the Directors. Assessments shall be made against members monthly, as aforesaid, in an amount required to provide funds in advance for payment of the anticipated current operating expenses and for unpaid operating expenses previously incurred. Special assessments, if necessary, shall be levied in the same manner as regular assessments and shall be payable in the manner determined by the Directors. All funds due under these Bylaws are common expenses, except rent and those funds assessed under Paragraph 7.5 above.

(b) A copy of the proposed budget shall be mailed to the members not less than thirty (30) days prior to the Board meeting at which the budget will be considered, together with a notice of that meeting. The Directors' meeting at which the budget shall be considered shall be open to all of the members.

(c) If an adopted budget requires assessment against the members in any fiscal or calendar year exceeding 115 percent (115%) of the assessments for the preceding year, the Directors, upon written application of ten percent (10%) of the members, shall call a special meeting of the members within thirty (30) days, upon not less than ten (10) days' written notice. At the special meeting, members shall consider and enact a budget. The adoption of the budget shall require a vote of not less than 66 2/3% of all members in writing, the budget shall be adopted. In determining whether assessments exceed 115% of similar assessments in prior years, and authorized provisions of reasonable reserves for repair or replacement of the Cooperative property, expenses by the Corporation which are not anticipated to be incurred on a regular or annual basis, or assessment for betterments to the cooperative property shall be excluded from the computation.

(d) The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to those expenses listed in Section 719.504 (20), Florida Statutes. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. The accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and any other items for which deferred maintenance or replacement cost exceed \$10,000. The Association may adjust reserve assessments and reserves annually to account for extension or reduction of the useful life of a reserve item caused by deferred maintenance or other factors. The intent to undertake adjustment of reserves shall be clearly stated in the agenda published for the meeting. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item. The immediate foregoing shall not apply to budgets in which the members have by a two-thirds (2/3) vote at a duly called meeting of the Corporation determined for a fiscal year to provide no reserves or reserves less adequate than required by the foregoing section.

(e) When the Directors determine the amount of any assessment, the Treasurer shall mail or present to each member a statement of assessment. All assessments shall be paid to the Treasurer and, upon request, the Treasurer shall give a receipt for each payment received.

7.7 Rent. The Directors shall determine annually the rent to be charged for the ensuing year in accordance with the terms of the proprietary lease and 7.5 of these by-laws.

7.8 Application of Payments and Commingling of Funds. All sums collected by the Corporation from common expense assessments, rent, other charges and income may be commingled in a single fund or divided into more than one fund, as determined by the Directors. Statutory reserve funds and any interest accruing thereon shall remain in the reserve account for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the voting interests present at a duly called membership meeting. Assessments, rents and fees are due in advance by the first of each month. Payments received after the sixth (6th) day of the month shall be considered delinquent, and an administrative late fee of ten dollars (\$10.00) will be due. Payments delinquent beyond the thirtieth (30th) day of the month shall be assessed a late fee of \$25 on each delinquent installment. Any delinquent payment by a member shall be applied to interest, costs, attorney's fees, other charges, expenses, advances and general or special assessments in such manner and amounts as the Directors determine.

7.9 Acceleration of Assessment Installments Upon Default. If a member shall be in default in the payment of an assessment, rent or other charge, the Directors may accelerate the remaining installments of the assessment upon notice to the member, and the unpaid balance shall be due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the member, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur. If the Directors (or Attorney or Agent therefore) record a Claim of Lien against the unit in accordance with Section 11.2, then the accelerated assessments, rent and other charges, shall include the amounts due for the remainder of the budget year in which the Claim of Lien is filed.

7.10 Fidelity Bonds. The members shall obtain and maintain bonding of all officers or directors of the Corporation who control or disburse funds of the Corporation in the principal sum of not less than Fifty Thousand Dollars (\$50,000) for each such director and officer. The Corporation shall bear the cost of any such bonding.

7.11 Accounting Review or Audit. An audit or review of the accounts of the Corporation will be performed by a certified public account at least annually. The Board of Directors shall make this decision each year applicable to ensuing year and, if a review is chosen, this decision must be ratified by the shareholders at the annual meeting. However, the Board of Directors is empowered to require an audit instead of a review should circumstances warrant. A copy of any audit or review report shall be furnished to each member of the Corporation not less than ninety (90) days after the end of the fiscal year.

7.12 Accounting Records and Reports. The accounting records of the Corporation shall be maintained according to generally accepted accounting practices and shall be open to inspection by members or their authorized representatives at reasonable times, and written summaries of them shall be supplied at least annually as set out in Paragraph 7.11 above. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, and (b) an account for each membership certificate designating the name and current mailing address of the member, the amount of each assessment, the dates and the amounts in which the assessments come due, the amount paid upon the account and the balance due.

7.13 Tax Deduction Statement. The Corporation shall, on or before March 15 following the close of the fiscal year, send to each member listed on the books of the Corporation for the prior fiscal year a statement setting forth the amount per membership certificate of that portion of the rent paid by such member under his proprietary lease during such year which has been used by the Corporation for the payment of real estate taxes and interest on a mortgage or other indebtedness paid by the Corporation with respect to property owned by it.

7.14 Application of Payment. All payments by a member shall be applied as provided herein and in the proprietary lease for his unit.

7.15 Transfers and Fees. The assignment or sale, transfer or sublease of units is subject to the approval of the Directors pursuant to these Bylaws and the proprietary leases. The Directors may impose a fee in connection with the assignment or sale, transfer or sublease of units; and this expense shall not exceed the statutory limit. No charge shall be made in connection with an extension or renewal of a sublease.

The Board of Directors is authorized to adopt rules requiring as a condition to permitting the sublease of a unit the depositing into a Corporation escrow account a security deposit in an amount not to exceed the equivalent of one (1) month's rent. The security deposit shall protect against damages to the common areas or cooperative property. Within fifteen (15) days after a sublessee vacates the premises, the Corporation shall refund the full security deposit or give written notice by certified mail, return receipt requested, to the sublessee at sublessee's last known address of any claim made against the security deposit. Disputes involving the security deposit shall be handled in the same fashion as disputes concerning security deposits under Section 83.49, Florida Statutes (The Landlord-Tenant Act).

ARTICLE VIII. ROSTER OF MEMBERS AND MORTGAGES

The Corporation shall maintain records entitled "Members". A member who mortgages his unit shall notify the Corporation of the name and address of his mortgagee and shall file a copy of the mortgage documents with the Corporation. A member who satisfies a mortgage covering a unit shall also notify the Corporation thereof and file a copy of the satisfaction of mortgage with the Corporation. Each member of the member's family member(s) or sublessee(s) or each occupant

shall deliver a photocopy of a bonafide personal identification including name, birthdate and photograph. Acceptable forms of identification include a driver's license or passport.

ARTICLE IX. PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of the Corporation meetings when not in conflict with the proprietary lease, the Articles or these Bylaws.

ARTICLE X. AMENDMENTS

Except as otherwise provided elsewhere, these Bylaws may be amended in the following manner:

10.1 Proposal of Amendments. A resolution for the adoption of an amendment to these Bylaws may be proposed either by a majority of the Directors or by not less than twenty percent (20%) of the members entitled to vote.

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

10.3 Adoption. Amendment may be adopted by a two-thirds (2/3) vote at the meeting set forth in notice given pursuant to Section 10.2.

10.4 Consent to Certain Amendments. No amendments to the Bylaws shall be valid without the written consent of one hundred percent (100%) of the members affected by any amendment that changes the configuration or size of any unit in any material fashion or that materially alters or modifies the appurtenances of the unit. No amendment to the Bylaws shall be valid without the written consent of sixty-six and 2/3 percent (66-2/3%) of the members if any such amendment would change the proportion or percentage by which the members share the common expenses and the common surplus and equity in the Corporation or change or modify voting rights.

10.5 Errors and Omissions. In the event it shall appear that there is an error or omission in these Bylaws or exhibits thereto or any Cooperative document, then and in the event that Corporation may correct such error or omission by an amendment to these Bylaws in the manner hereinafter described to effectuate an amendment for the purpose of curing defects, errors or omissions. Such an amendment shall not require a vote of approval as provided in Paragraph 10.3 above but shall require a vote in the following manner:

(a) Notice of the subject matter of a proposed amendment to cure a defect, error or omission shall be included in the notice of any meeting at which such proposed amendment is to be considered.

(b) A resolution for the adoption of such a proposed amendment may be proposed by either the President or by not less than twenty percent (20%) of the directors or by not less than ten percent (10%) of the eligible voters of the Corporation. Except as elsewhere provided, such approvals must be either by:

(i) Not less than thirty-three and one-third percent (33 1/3%) of the entire membership of the Board of Directors and by not less than ten percent (10%) of the votes of the entire membership of the Corporation; or

(ii) Not less than twenty-five (25%) of the votes of the entire membership of the Corporation; or

(iii) In the alternative, an amendment may be made by an agreement signed and acknowledged by the Directors and/or members in the percentages set forth in either subparagraphs 10.5 (b)(i) or (ii) above and in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Public Records of Sarasota County, Florida.

(c) The foregoing provisions relating to amendments for defects, errors or omissions are intended to be in accordance with and pursuant to Section 719.304(1), Florida Statutes.

(d) The amendment made pursuant to subparagraphs 10.5(b)(i) or (ii) need only be executed and acknowledged by Corporations and by no other parties whatsoever.

10.6 Provisio. 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 mortgagees of the mobile home park or of units without the consent of the mortgagees in each instance. No amendment shall be made that is in conflict with the Articles or the proprietary leases.

10.7 Execution. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of these Bylaws, which certificate shall be executed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Corporation 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 Sarasota County, Florida.

ARTICLE XI. COMPLIANCE AND DEFAULT

11.1 Violations. In the event a violation (other than the non-payment of an assessment) by a member or occupant of a unit of any of the provisions of these By-Laws, the proprietary lease or the Florida Cooperative Act, the Corporation, by direction of its Directors, shall notify the member of said breach by written notice, transmitted to the member at his unit by certified mail or hand delivery. If such violation shall continue for a period of thirty (30) days from the date of mailing or delivery of the notice, the Corporation shall have the right to treat such violation as an

intentional, material breach of Bylaws, the proprietary lease or the Florida Cooperative Act, and the Corporation shall then, at its option, have the following elections:

(a) To commence an action in equity to enforce performance on the part of the member;
or

(b) To commence an action at law to recover its damages;

(c) To commence an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.

Upon a finding by a court that the member was in violation of any of the provisions of the above-mentioned documents, the member shall reimburse the Corporation for its reasonable attorney's fees incurred in bringing such action.

11.2 Defaults. In the event a member does not pay any rents, assessments, use fees, or interest on any such payments, required to be paid to the Corporation within thirty (30) days from the due date, the Corporation, acting on its own behalf or through its Directors or manager acting on behalf of the Corporation, may foreclose the lien encumbering the unit created by non-payment of the required monies in the same fashion as mortgage liens are foreclosed pursuant to Section 719.108, Florida Statutes. Reasonable attorneys' fees incurred by the Corporation incident to the collection of delinquent rents, assessments and other accounts or the enforcement of the lien shall also be secured by the lien. The Corporation shall be entitled to the appointment of a receiver if it so requests. The Corporation shall have the right to bid-in the unit at a foreclosure sale and to acquire, hold, sublet, mortgage and convey the same. In lieu of foreclosing its lien, the Corporation may, through its Directors, bring suit to recover a money judgment for any rent, sums, charges or assessments required to be paid to the Corporation without waiving its lien securing such delinquent accounts, or interest thereon. In any action either to foreclose its lien or to recover a money judgment, brought by or on behalf of the Corporation against a member, the losing party shall pay the costs thereof, together with a reasonable attorney's fee.

11.3 Negligence or Carelessness of a Member. Each member shall be liable for the expenses of any maintenance, repair or replacement rendered necessary by the member's act, neglect or carelessness, or by the negligence of any family member, guests, employees, agents, sublessees, or licensees. Such liability shall be limited to the extent that such expense is not met by the proceeds of insurance carried by the Corporation.

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

ARTICLE XII. INDEMNIFICATION

Every Director and officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including attorneys' fees reasonably incurred by or imposed upon him in connection with any proceeding or settlement thereof in which the officer may become involved, by reason of his being or having been a Director or officer of the Corporation. This indemnification shall apply whether or not the individual is a Director or officer at the time such liabilities or expenses are incurred, except in cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. In the event of a settlement, the indemnification established herein shall apply only when the Board approves such settlement or reimbursement. The foregoing right of indemnification shall be in addition to and not exclusive of any and all other rights of indemnification to which such Director or officer may be entitled.

ARTICLE XIII. LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

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

ARTICLE XIV. LIMITATION OF LIABILITY

Notwithstanding the duty of the Corporation to maintain and repair the common facilities, the Corporation shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements, members or other persons.

ARTICLE XV. LIENS

Protection of Property. All liens against a unit, other than permitted mortgages, taxes or special assessments, shall be satisfied or otherwise removed within thirty (30) days of the date the lien attaches. All taxes and special assessments shall be paid before becoming delinquent or as provided in the cooperative documents or Bylaws, whichever is sooner.

ARTICLE XVI. SEAL

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

ARTICLE XVII. PROPRIETARY LEASES AND MEMBERSHIP CERTIFICATES

17.1 Issuance. No share certificates shall be issued by the Corporation. Three hundred fifty seven (357) proprietary leases shall be issued by the Corporation. One proprietary lease shall be issued to each Lessee of a unit in the Cooperative. The price for the issuance of the proprietary lease shall be the price for the purchase of the membership certificate of the same number as the unit. The price and terms for the purchase of certificates and issuance of proprietary leases shall be set from time to time by the Directors.

17.2 Execution. All proprietary leases shall be signed by the President or Vice President and shall have the corporate seal affixed. Membership certificates shall be signed by the President and Secretary and shall have the corporate seal affixed.

17.3 Form of Proprietary Lease. The form of proprietary lease from time to time shall be determined by the Board of Directors.

17.4 Form of Membership Certificate. The form of membership certificate shall be determined by the Board of Directors.

17.5 Transfers. Transfers of membership certificates shall be made only on the books of the Corporation. The existing certificate, properly endorsed, shall be surrendered and canceled before a new certificate is issued. Transfers of Proprietary Leases shall be made by a written assignment, executed with the formalities of a Deed, recorded in the Public records of Sarasota County, Florida. Proof of the executed and recorded assignment, and assumption by the assignee, of the Proprietary Lease, shall be required by the Corporation before the corresponding membership certificate shall be canceled and reissued. All transfers of proprietary leases and membership certificates are subject to these Bylaws and the Master Form Proprietary Lease.

17.6 Votes. Each proprietary lease shall entitle the lessee and holder to one vote in the meetings of the Corporation. There shall be a total of 357 votes.

17.7 Liens. The Corporation shall have a first lien on all of the individual leases and membership certificates in the name of each member for rents, assessments and other charges due the Corporation by such member.

17.8 Memorandum of Proprietary Lease. In lieu of recording a complete and full proprietary lease, a memorandum of proprietary lease may be recorded upon the initial lease of cooperative unit by the Corporation to a lessee.

17.9 Inscription of Membership Certificates. Membership certificates shall be inscribed with the following legend:

“The rights of any holder of this membership certificate are subject to the provisions of the Articles of Incorporation and the Bylaws of the Corporation and to all the terms, covenants, conditions and provisions of a certain proprietary lease made between the Corporation, as Lessor, and the person in whose name this certificate is issued, as Lessee, for a unit in the mobile

home village which is owned by the Corporation and operated as a "cooperative", which proprietary lease limits and restricts the title and rights of any transferee of this certificate and imposes a lien on his certificate to secure payment of assessments, common expenses and other sums which may become due to the Corporation from the holder hereon".

ARTICLE XVIII. EASEMENTS

Each of the following easements is a covenant running with the land of the cooperative, to wit:

18.1 Utility Services: Drainage. Easements are reserved under, through and over the cooperative property as may be required for utility services and drainage in order to serve the Cooperative. Such reservation is also contained in the Master Form Proprietary Lease. A member shall do nothing on or under the unit that interferes with or impairs the utility services using these easements. The Directors shall have a right of access to each unit to inspect same, to maintain, repair or replace the pipes, wires, cables, conduits and other utility service facilities contained in or under the unit or elsewhere in the Cooperative property, if such access is necessary to prevent damage to the unit or another unit; and to remove any improvements interfering with or impairing the utility services or easements herein reserved; provided that such right of access shall not unreasonably interfere with the member's permitted use of the unit, and entry shall be made on not less than twenty-four (24) hours notice except in the event of an emergency.

18.2 Traffic. An easement shall exist for pedestrian traffic over, through and across sidewalks, paths, walks, other portions of the cooperative property as may be from time to time intended and designated for such purpose and use; and for vehicular and pedestrian traffic over, through and across such portions of the Cooperative property as may, from time to time, be paved and intended for such purposes; and such easements shall be for the use and benefit of the members institutional mortgages, or lessees, and those claiming by, through or under the aforesaid.

18.3 Covenant. All easements of whatever kind or character, whether heretofore or hereafter created, shall constitute a covenant running with the land, shall survive the termination of the Cooperative, and, notwithstanding any other provisions of these Bylaws, may not be substantially amended or revoked in a way which would unreasonably interfere with its proper and intended use and purpose.

ARTICLE XIX. APPROVAL AND RATIFICATION

The corporation, by its execution of these Bylaws approves and ratifies all of the covenants, terms and conditions, duties and obligations of these Bylaws and exhibits attached hereto. The members, by virtue of their acceptance of the proprietary leases and appurtenant membership certificates as to their unit, hereby approve and ratify all of the terms and conditions, duties, and obligations of these Bylaws and exhibits attached hereto.

ARTICLE XX. RULES AND REGULATIONS

Rules and Regulations may be adopted and amended from time to time and shall be deemed in effect until amended by the Directors and shall apply to and be binding upon all members. The members shall, at all times, obey said rules and regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees and persons over whom they exercise control or supervision. In order to change, amend or vary old or present rules and regulations an/or adopt new rules and regulations, the same shall be duly passed by at least a fifty-one (51%) majority vote of the Directors; no vote of the membership shall be required. A change, amendment or adoption of a rule and regulation shall not require an amendment to the Bylaws. The rules and regulations, in full force and effect, are available for inspection at the Association office, together with copies of all amendments to the Cooperative documents. Said rules and regulation and the amended Cooperative documents are made a part hereof as though set out in full. A copy of each of the foregoing instruments shall be provided to a unit owner upon request and payment of a reasonable charge, as determined by the board of directors.

ARTICLE XXI. CONSTRUCTION

Whenever the masculine singular form of the pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

Should any of the covenants herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force and effect.

ARTICLE XXII. CONFLICT

If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the proprietary leases, the provisions of the proprietary leases shall prevail.

ARTICLE XXIII-ARBITRATION

Internal disputes arising from the operation of the Cooperative among unit owners, the Corporation and their agents and assigns, shall be submitted for voluntary binding arbitration to the Division of Florida Land Sales, Condominiums and Mobile Homes of the Department of Business Regulation in accordance with Sections 719.106(1) (I) and 719.1255, the Cooperative Act of the Florida Statutes.

ARTICLE XXIV. ACQUISITION OF ADDITIONAL LANDS

From time to time, the Corporation shall have the right to purchase and add additional lands to the Cooperative property, which lands may or may not be converted to cooperative. Such action shall require the affirmative vote of two-thirds (2/3) of the membership of the Corporation. Thereafter, the Board of Directors shall have all the powers and duties with respect to such properties as the Board has with respect to the Cooperative.

ARTICLE XXV. RECREATIONAL AND OTHER FACILITIES

From time to time, the Corporation, through its Board of Directors, shall have the right to modify, add, delete, substitute, or otherwise develop recreational and/or other facilities and amenities of the Cooperative. If such action would materially alter or modify the appurtenances of a unit, then such action shall require the affirmative vote of a majority of the members. Thereafter, the Board of Directors shall have all the powers and duties necessary and/or convenient to accomplish the proposed action.

ARTICLE XXVI. AUTHORITY TO LEVY FINES

In addition to other powers and duties of the Board of Directors in the administration and enforcement of the Cooperative Documents and the Rules and Regulation, the Board of Directors or a committee designated by the Board of Directors shall have all the powers and duties necessary and/or convenient for levying reasonable fines against members and their licensees, invitees or other unit occupant (s) who fail to comply with any provision of the Cooperative Documents or reasonable rules of the Cooperative. The Board of Directors shall promulgate rules and regulations for the implementation of the fine-levying authority granted herein. Such rules and regulation shall include, among others, the following (a) that no fine shall exceed the maximum amount or be levied more frequently than allowed by Florida Statutes Chapter 719, as the same may be amended from time to time; and (b) that no fine shall be levied except after giving reasonable notice an opportunity for a hearing to the member and, if applicable, the member's licensee, invitee or other unit occupant(s).