

BYLAWS  
OF  
PLACIDO BAYOU COMMUNITY ASSOCIATION, INC.  
A CORPORATION NOT FOR PROFIT

ARTICLE I. GENERAL

The provisions of this document constitute the By-laws of PLACIDO BAYOU COMMUNITY ASSOCIATION, INC., (the "Community Association") which Bylaws shall be utilized to govern the management and operation of the Community Association.

ARTICLE II. DEFINITIONS

The terms used in these Bylaws shall be defined as set forth in the Master Declaration and as follows, unless the context otherwise requires:

"Addendum" shall mean a duly recorded written document, however titled, which shall subject additional portions of the Real Property to the provisions of the Master Declaration, thereby including such land within Placido Bayou.

"Annual Assessment" shall mean each Unit's share of the funds required for the payment of Operating Expenses, which from time to time shall be assessed against the Owner based on the then current annual budget of the Community Association.

"Articles of Incorporation" shall mean the Articles of Incorporation of the Community Association, as amended from time to time.

"Assessment" shall mean Annual Assessments, Special Assessments, Individual Assessments, and all other charges which are levied against a Member by the Community Association pursuant to any Master Document.

"Assessment Unit" shall mean each Unit which is assessable for Operating Expenses as more fully set forth at Article VI below.

"Board" shall mean the Board of Directors or other representative body responsible for administration of the Community Association.

"Community Properties" shall mean all portions of Placido Bayou designated as such by Developer and other real property which may be acquired by the Community Association as hereinafter provided. Community Properties shall be developed for the common use and enjoyment of the Owners and occupants of Placido Bayou as more fully described herein and shall include, without limitation, Thoroughfares, Lakes, Open Spaces, and recreational facilities operated by the Community Association, if any.

"Condominium" shall mean any condominium formed within Placido Bayou pursuant to the Florida Condominium Act.

"Condominium Unit" shall mean a part of any Condominium which is subject to exclusive ownership, as defined in the Declaration of Condominium for such Condominium, and shall also include former Condominium Units which were a part of a Condominium which has been terminated under the laws of the State of Florida.

"DRC" shall mean the Design Review Committee of the Community Association.

"Declaration" shall mean either a written instrument by which a Condominium has been created (a "Master Declaration of Condominium") or a duly recorded land use document whereby certain covenants, restrictions and easements have been impressed upon a Neighborhood (a "Master Declaration of Covenant").

"Developer" shall mean PLACIDO BAYOU JOINT VENTURE, its successors and assigns, provided there is an exclusive assignment of all of Developer's rights and obligations hereunder to such successor or assign. Additionally, Developer may assign all or only a portion of such rights and obligations as to all or only a portion of the Real Property. In the event of any such partial assignment, the assignee shall not be deemed Developer as to the rights and obligations created by the Master Declaration, but shall have only those rights and obligations specifically set forth in such assignment. Any such assignment may be made on a non-exclusive basis.

"Dwelling Unit" shall mean a Single Family residence and the Lot upon which it is constructed, unless the context requires a meaning of only the residence.

"Governmental Body" shall mean any governmental body, agency or entity which has authority over Placido Bayou or any portion thereof.

✓ "Individual Assessment" shall mean any financial charge levied by the Board against a specific Member pursuant to the terms of any Master Document, including, without limitation, the authority of the Board to enforce the provisions of the Master Documents by imposing fines, late charges and interest and any provision permitting the Community Association to collect attorneys' fees and costs.

"Lot" shall mean a portion of Placido Bayou which has been designated as a "lot" on the Plat of such portion of Placido Bayou. Developer expects to construct Dwelling Units on the Lots and, thereafter, each Lot and the residence constructed thereon may be referred to herein as a Dwelling Unit.

"Master Documents" shall mean the Master Declaration, all Addendums, any additional easement agreements recorded as to Placido Bayou, the Articles of Incorporation, the Bylaws, and the Rules, all as amended from time to time.

"Mortgagee" shall mean any lending institution, including one or more commercial or savings banks, savings and loan associations, mortgage companies, insurance companies, or any subsidiary thereof, any pension funds or business trusts, including but not limited to real estate investment trusts, and any other institutional lender engaged in financing the purchase, construction, or improvement of real estate, or any institutional assignee of loans made by such lender, or any private or governmental institution which has insured the loan of the lender or any combination of the foregoing entities which holds a first mortgage on Placido Bayou or any portion thereof.

"Neighborhood" shall mean a particular area of Placido Bayou designated as a "neighborhood" by Developer. The name and boundaries of each Neighborhood have been or shall be specifically described in the Master Declaration or in the Addendum or Plat for the portion of Placido Bayou in which such Neighborhood lies. A Neighborhood may be comprised of adjoining property lying in one or more Sections.

"Neighborhood Area" shall mean the area within a Neighborhood which has been developed for the common use and enjoyment of all Owners within such Neighborhood, and which shall be specifically described in the Plat or Declaration for such Neighborhood.

"Neighborhood Association" shall mean any corporation not for profit, its successors and assigns, which is organized and Operated to provide for the maintenance, management and care of any Neighborhood, as provided in the Declaration for such Neighborhood. A Neighborhood Association shall be either a homeowners' association, a condominium association or other association created and formed to maintain, manage and care for a Parcel.

"Operate" (and all forms of such word) shall mean and include, as appropriate, to administer, manage, regulate, direct, coordinate, improve, repair, construct, maintain and develop.

"Operating Expenses" shall mean the expenses, reserves and assessments properly incurred by the Community Association for construction, installation, improvement, maintenance, upkeep, repair, and such other obligations as required or permitted by any Master Document in the Operation of Placido Bayou.

"Owner" shall mean the owner, from time to time, of a vested, present fee simple title to a Unit, and shall be synonymous with "member", except Developer shall be a member for so long as it owns any portion of Placido Bayou.

"Parcel" shall mean a portion of Placido Bayou which shall be developed by an individual or legal entity other than Developer, or which shall be developed by Developer for recreational use by the Owners. Each Parcel, either separately or together with other portions of Placido Bayou, shall also be designated as a Neighborhood and shall be deemed to contain an assigned number of units for purposes of voting and Assessments within the Community Association, all as more fully described hereinafter and in its Declaration.

"Parcel Owner" shall mean the owner from time to time, of the vested, present fee simple title to a Parcel.

"Placido Bayou" shall mean all portions of the Real Property subject to the Master Declaration, and shall be comprised of the land lying in every Section, from time to time.

"Placido Bayou Unit 1 Plat" shall mean the Plat recorded in Plat Book 88, Pages 2 through 5 of the Public Records, Pinellas County, Florida.

"Plat" shall mean a duly recorded written instrument filed by Developer, from time to time, whereby a portion of the Real Property is described and subdivided into lots, blocks, tracks or any combination thereof.

"Rules" shall mean all rules and regulations of the Community Association promulgated by Developer or by the Board pursuant to powers granted under any Master Document.

"Section" shall mean all portions of the Real Property described in a single Plat, which property has been made subject to the provisions of the Master Declaration. Each Section may be more specifically referred to by its corresponding Plat number; for example, all the land described in Placido Bayou Unit 1 Plat may be referred to as "Section 1."

"Single Family" shall mean either a single person occupying a Unit and maintaining a household, or two (2) to six (6) persons related by blood, marriage, or adoption occupying a Unit and living together and maintaining a common household, or not more than four (4) unrelated persons occupying a Unit.

"Special Assessment" shall mean each Unit's share of the funds required for the payment of Operating Expenses which from time to time may be assessed against the Owner in addition to the Annual Assessment.

"Turnover Meeting" shall mean the membership meeting following the termination of voting classes of membership as described in the Master Declaration

"Unit" shall mean a Condominium Unit, a Dwelling Unit, a Lot or a Parcel; provided, however, that for purposes of Assessments and voting, a Parcel shall not be deemed a single Unit, but shall be deemed to contain the number of Units allocated to such Parcel as provided in the Master Declaration.

"Voting Member" shall mean any of the one (1) to three (3) individuals elected by each Neighborhood Association to exercise, on behalf of the Owners of Units lying within such Neighborhood, other than Developer, certain membership rights in the Community Association, including without limitation the right to cast the votes for all Units owned by such Owners in such Neighborhood, and shall also mean the individual appointed by Developer, from time to time, to serve as its Voting Member and to exercise its membership rights in the Community Association, including without limitation the right to cast all votes entitled to be cast by Developer.

"Voting Representative" shall mean the individual entitled to cast the vote for a Unit at membership meetings of the Neighborhood Association for such Unit, as further defined in the bylaws of such Neighborhood Association.

#### ARTICLE III. OFFICES AND AGENCY

1. Registered Office and Registered Agent. The registered office of the Community Association shall be located in the State of Florida at such place as may be fixed from time to time by the Board upon filing of such notices as may be required by law, and the registered agent shall have a business office identical with such registered office.

2. Principal Office. The initial principal office of the Community Association shall be located at 9210 Fourth Street North, St. Petersburg, Florida 33702, which principal office may be changed from time to time by the Board as provided in these Bylaws.

#### ARTICLE IV. MEMBERS

1. Qualifications of Members. Those individuals, corporations, partnerships, trusts or other legal entities who own a vested present fee simple interest in a Unit shall be members. Any member which is not a natural person may exercise its membership rights, including without limitation its right to be elected an officer of the Community Association, through the individual appointed as its Voting Representative pursuant to the bylaws of its Neighborhood Association.

2. Manner of Admission. Each qualified entity designated in a deed or other instrument establishing title to a Unit shall automatically become a member of the Community Association. The member or members from each Unit shall promptly deliver a copy of said instrument, duly recorded, to the Community Association and shall obtain a written acknowledgement of said delivery signed by an officer of the Community Association.

3. Members' Rights. Every member who has complied with the requirements of Section 2 above shall have all the rights set forth in the Master Declaration and these Bylaws, including, but not limited to, the following:

(a) The right to receive notice of every meeting of the membership, as set forth in Article VI below.

(b) The right to attend every meeting of the membership.

(c) The right to vote on each matter brought before the membership, such voting right being exercised by a Voting Member as set forth in Article V below.

(d) The right to examine a copy of the proposed annual budget at least thirty (30) days prior to the Board meeting at which the budget shall be considered, together with a notice of such meeting. The Board meeting shall be open to all members.

(e) The right to receive annually a written summary of the accounting records of the Community Association as set forth at Section 4 of Article XVIII below.

(f) The right to inspect at reasonable times all books and records of the Community Association pursuant to Section 2 of Article XVIII below.

(g) The right to inspect, at reasonable times, a copy of each insurance policy obtained by the Community Association.

#### 4. Obligations of Members.

(a) Every member shall be subject to the obligations and duties set forth in the Master Declaration and these Bylaws, as the same are now or may hereafter be constituted, including, but not limited to, the following obligations:

(1) To conform to and abide by the Master Documents and to see that all persons claiming rights within Placido Bayou by, through or under him do likewise.

(2) To promptly pay all Assessments levied by the Community Association.

(3) To not use or permit the use of his Dwelling Unit, if he owns a Dwelling Unit, for any purpose other than as a Single Family residence.

(4) To promptly report to the Community Association any defect or need for repairs for which the Community Association is responsible.

(b) In the event of violation of any provision of this Section excepting Paragraph 4, the Community Association or any other Unit Owner may bring appropriate action to enjoin such violator or to enforce the provisions of the documents enumerated in Subsection (a) above, or sue for damages, or file a written complaint to initiate hearing procedures as provided in these Bylaws, or seek such other legal remedy, as deemed appropriate, or take all such courses of action at the same time as more fully set forth in these Bylaws.

5. Assessments. Membership shall be assessable pursuant to Article VI of the Master Declaration and Article XIV of these Bylaws.

6. Transferability of Membership. Membership in the Community Association may be transferred only as an incident to the transfer of the transferor's Unit, and such transfers shall be subject to the procedures set forth in the Master Declaration. Transfers of membership shall be made only on the books of the Community Association, and notice of each transfer shall be given in writing as set forth in Section 2 above.

7. Restriction of Rights. A member does not have any authority to act or speak for the Community Association by reason of being a member.

8. Termination of Membership. Membership in the Community Association shall be terminated automatically when title to the Unit supporting said membership vests in another legal entity; provided, however, any party who owned more than one (1) Unit shall remain a member of the Community Association so long as he shall retain title to any Unit.

#### ARTICLE V. VOTING

1. Voting Rights of Members. Unless otherwise provided and except for Parcel Owners, the record Owner, or all record Owners collectively if there are more than one, of each Unit shall be entitled to one vote on each matter brought before the membership of the Community Association, which vote shall be cast by the Voting Member(s) designated as set forth in the Master Declaration. No vote may be divided, no fractional vote shall be cast. Any vote may be cast in person or by proxy as set forth herein.

2. Failure to Designate. If no Voting Member(s) is duly designated by a Neighborhood at least five (5) days prior to a membership meeting, such failure shall result in depriving the Owners within said Neighborhood of a vote at such meeting; unless the Board, in its discretion, fixes a later date for determination of Voting Member(s) entitled to vote at the meeting. If fewer Voting Members than are required for a Neighborhood are appointed, the Voting Member(s) which has been appointed may cast the votes of the Neighborhood in the manner established by such Neighborhood. Any votes which are not eligible to be cast because of a failure to appoint any Voting Members shall not be counted in deter-

mining a quorum or sufficiency of approval for any matter brought before the meeting or for any other purpose.

3. Records of Membership.

(a) The Community Association shall keep a membership book containing the name and address of each member. A termination of membership shall be recorded in the membership book.

(b) At least fourteen (14) days before every membership meeting, a complete list, arranged numerically by Unit, of every Voting Member entitled to vote at such meeting or any adjournment thereof, with the address to which notice is to be sent, shall be prepared by the Secretary of the Community Association. This membership list shall be kept on file and in current status at the principal office of the Community Association; and any member or Voting Member shall be entitled to inspect the list at any reasonable time. Said list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection at any time during the meeting.

(c) Notwithstanding anything contained in Subsection (a) above, to the contrary, if less than fourteen (14) days notice of the meeting is given, the membership list shall be prepared and kept on file from the date of such notice.

(d) If the requirements of Subsections (b) or (c) above have not been substantially complied with, on demand of any member or Voting Member, in person or by proxy, the meeting shall be adjourned until the Community Association has complied with the requirements. If no such demand is made, failure to comply with said requirements shall not affect the validity of any action at such meeting.

4. Adjourned Meetings. When a determination of Voting Members entitled to vote at any meeting of the membership has been made as provided in this Article, such determination shall apply to any adjournment thereof, unless the Board provides otherwise.

5. Proxies.

(a) At any meeting of the members, every Voting Member having the right to vote shall be entitled to vote in person or by proxy. A Voting Member shall name another officer or director of his Neighborhood Association as his proxy unless no such individual is able or willing serve in such capacity. Each proxy must be in writing and filed with the Secretary at any time before the appointed time of the meeting and shall be effective only for the specific meeting for which it was originally given and any lawfully adjourned meeting thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Voting Member executing it. The appearance at any meeting of any Voting Member who has previously designated a proxy shall automatically revoke and terminate said proxy.

(b) Each proxy shall specifically set forth the name of the person voting by proxy, the name of the person authorized to vote the proxy for him, and the date the proxy was given. Each proxy shall contain the date, time and place of the meeting for which the proxy is given, and if a limited proxy, set forth those items which the holder of the proxy may vote, and the manner in which the vote is to be cast.

(c) No proxyholder may appoint a substitute to act in his place.

6. Quorum and Voting.

(a) The Voting Members representing a majority of the votes entitled to be cast, as fixed by these Bylaws, represented in person or by proxy shall constitute a quorum at any meeting of the membership. If, however, such quorum shall not be present, a majority vote of the Voting Members present in person or represented by proxy shall reschedule said meeting for a later date and time, which time shall be not less than two (2) days nor more than thirty (30) days thereafter, and adjourn. Notice of the adjourned meeting shall be given as set forth in Subsection 8 of Article VI below. At said rescheduled meeting any business may be transacted which might have been transacted at the meeting originally called, however, thirty-four percent (34%) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum, except for any matter which would materially affect the rights of Mortgagees.

(b) If a quorum is present, the decision of a majority of the votes cast shall be the act of the members unless otherwise provided by law, the Master Declaration, the Articles of Incorporation or these Bylaws. Election of directors shall be by a plurality of votes cast.

(c) After a quorum has been established at a membership meeting, the subsequent withdrawal of Voting Representatives, so as to reduce the number of votes available to be cast at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof. The decision by a majority of the votes cast shall be the act of the membership unless otherwise provided by law, the Master Declaration, the Articles of Incorporation, or these Bylaws.

ARTICLE VI. MEMBER'S MEETINGS

1. Annual Meetings. The annual meeting of the members for the election of directors to serve on the Board and for the transaction of such other business as may properly come before the meeting, shall be held each year in the month of June on such day and at such time as the Board shall direct; provided, however, that said date may be changed by resolution of the Board so long as the annual meeting for any year shall be held not later than thirteen (13) months after the last preceeding annual meeting of the members.

2. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President, by the Board, or by the written request of the Voting Members entitled to cast not less than ten percent (10%) of the votes entitled to be cast. Such request shall state the purpose or purposes of the proposed meeting and the date said meeting shall be held; provided however, except in an emergency, at least five (5) days notice shall be given to each member and Voting Member. No business other than that specified as the purpose in said notice shall be discussed or transacted at such special meeting.

3. Turnover Meeting. Within sixty (60) days after the occurrence of any event described at Section 2 of Article V of the Master Declaration, the Community Association shall

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call, upon not less than thirty (30) days nor more than forty (40) days notice, a meeting of the members for the purpose of electing directors as required in the Master Declaration. Said Turnover Meeting may be called and the notice given by any Unit Owner if the Community Association fails to do so.

4. Time and Place of Meetings. All meetings of the membership shall be at such place as the Board may from time to time designate, on the date and hour set forth in the notice of said meeting; provided, however, no meeting shall be held on a legal holiday.

5. Notice.

(a) Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than fourteen (14) nor more than forty (40) days before the meeting, unless otherwise provided herein, by or at the direction of the President, the Secretary or other persons calling the meeting. Notice shall be given to each Voting Member either personally or by first class mail. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the Voting Member at his address as it appears on the books of the Community Association, with postage thereon prepaid.

(b) Notwithstanding anything contained in this Section to the contrary, unless such right is waived in writing, notice of the annual meeting shall be sent by mail to each Voting Member and the post office certificate of mailing shall be retained as proof of such mailing.

(c) In addition and for the purpose of providing notice to the members, notice of each meeting shall be posted in one or more conspicuous places within Placido Bayou designated for such purpose at least fourteen (14) days prior to such meeting or, in the case of a special meeting, at the time notice is given, if this date is less than fourteen (14) days before said meeting.

6. Waiver of Notice. A written waiver of notice signed by any Voting Member, whether before or after the meeting, shall be equivalent to the giving of notice to such Voting Member. Attendance of a Voting Member at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when the Voting Member attends a meeting for the express purpose as stated at the beginning of the meeting, of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the membership need be specified in any written waiver of notice.

7. Adjourned Meetings. The Voting Members representing a majority of the voting rights present, whether or not a quorum exists, may adjourn any meeting of the membership to another time and place. Notice of such adjourned meeting as required in Section 5 above shall be given to the members and Voting Members by posting such notice in a conspicuous place in each Neighborhood. No further notice shall be required.

8. Action by Members Without a Meeting.

(a) Any action required by law or any Master Document, to be taken at any annual or special meeting of the membership, or any action which may be taken at any annual or special meeting of such members, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by Voting Members representing not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all persons entitled to vote thereon were present and voted.

(b) Within ten (10) days after obtaining such authorization by written consent, notice shall be given to each Neighborhood Association and those Voting Members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

9. Recordation of Actions. All actions of the membership shall be recorded in minutes, if taken during a meeting, or in an Action by Written Consent, if taken without a meeting; and such documents shall be made available, upon request, to members, or their authorized representatives, and directors at any reasonable time.

10. Procedure. The members may adopt their own rules of procedure which shall be consistent with the Master Documents and applicable law.

ARTICLE VII. DIRECTORS

1. Function. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Community Association shall be managed under the direction of, the Board; provided however, certain matters specified in the Master Declaration and these Bylaws shall be considered as authorized only after approval by the membership. The Board shall make appropriate delegations of authority to the officers; and, to the extent permitted by law and these Bylaws, by appropriate resolution, the Board may authorize one or more committees to act on its behalf.

2. Qualification of Directors. The qualifications for becoming and remaining a director of the Community Association are as follows:

(a) Any director elected prior to the Turnover Meeting need not be a member of the Community Association.

(b) Every director elected at the Turnover Meeting and at all times thereafter shall be a member of the Community Association, provided however, no director entitled to be elected by Developer need be a member of the Community Association.

(c) Directors must be persons who are competent to contract.

(d) Not more than one (1) director shall be elected from any Neighborhood unless at least one (1) director is elected from every Neighborhood.

### 3. Duties of Directors.

(a) A director shall be expected to attend all meetings of the Board and of any committee of the Board to which he has been appointed.

(b) A director shall perform his duties as a director, including his duties as a member of any committee of the Board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Community Association, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

(c) In performing his duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(1) One or more officers or employees of the Community Association whom the director reasonably believes to be reliable and competent in the matters presented;

(2) Counsel, public accountants or other persons as to matters which the director reasonably believes to be to be within such person's professional or expert competence; or

(3) A committee upon which he does not serve, duly designated in accordance with a provision of these Bylaws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

(d) A director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance described above to be unwarranted.

(e) A person who performs his duties in compliance with this Section shall have no liability by reason of being or having been a director of the Community Association.

4. Number. The number of directors of the Community Association until the Turnover Meeting shall be three (3). At that meeting and each annual meeting of the membership thereafter the number of directors shall be determined at said meeting, provided the number shall not be less than three (3) nor more than one and one-half ( $1\frac{1}{2}$ ) times the number of Neighborhoods in Placido Bayou. These numbers may be increased or decreased from time to time by amendment to these Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director.

### 5. Election and Term.

(a) Each person named in the Articles of Incorporation as a member of the initial Board shall hold office until the Turnover Meeting of the membership and until his successor shall have been elected and qualified or until his earlier resignation, removal from office or death.

(b) All elections of directors must satisfy the requirements of the Articles of Incorporation and the Master Declaration.

(c) At the Turnover Meeting, one half ( $\frac{1}{2}$ ) of the directors entitled to be elected by the membership, or as close to such number as possible, shall be elected to serve

until the next annual meeting. The remaining directors shall be elected to serve for an additional year and until the following annual meeting.

(d) At the annual meeting first described at Subsection (c) above and at each annual meeting thereafter, directors shall ordinarily be elected to serve a term of two (2) years. It is the intention of the Community Association that the terms of the directors shall be staggered so that at each annual meeting only one-half (1/2) of the number of directors specified in Section 4 above, or as close to such number as possible, shall be elected; therefore, directors may be elected for a term of one (1) year whenever the circumstances dictate such abbreviated term in order to maintain the intended balance.

(e) Each director elected under this Article shall hold office for the term for which he is elected and until his successor shall have been elected and qualified or until his earlier resignation, disqualification, removal from office or death.

6. Compensation. At the Turnover Meeting and thereafter, the membership shall have the authority to fix the compensation, if any, of the directors; provided, however, no director entitled to be elected by Developer shall receive any fees or compensation for his services as director.

7. Removal of Directors.

(a) Any director who fails to attend three (3) consecutive meetings, whether annual, regular or special, of the Board without an excused absence, may be removed from the Board by a vote of a majority of the remaining directors, though less than a quorum of the Board. For purposes of this Subsection (a), the nature of an absence, whether excused or unexcused, shall be determined by the President of the Community Association; provided, however, any absence deemed by the President to be unexcused shall be submitted to the Board (without the affected director being entitled to a vote) for its determination of the nature of the absence, which determination shall be final and binding on all parties concerned.

(b) Subject to Developer's rights to appoint Directors, any director or the entire Board may be recalled and removed from office with or without cause, by the members; provided, however, the question of removal shall be divided so that the removal of each director is considered separately. A special meeting of the membership to recall a director or directors may be called by Voting Members holding not less than ten percent (10%) of the votes entitled to be cast giving notice of the meeting as required for a meeting of the membership. The notice shall state the purpose of the meeting and shall be accompanied by a dated copy of a signature list of the Voting Members holding at least ten percent (10%) of the votes entitled to be cast. The list must state that the purpose of the signatures is for recall.

(c) Any removal of a director from the Board shall be without prejudice to any contract rights of the director so removed.

8. Resignation of Directors. A director may resign from the Board by providing written notification of such resignation to the President of the Community Association, and such resignation shall become effective immediately upon re-

ceipt by the President of said written notification or at such later date as may be specified in the notification.

9. Vacancies. Any vacancy occurring in the membership of the Board, including any vacancy created by reason of an increase in the number of directors, may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board; provided, however, any vacancy occurring prior to the Turnover Meeting may be filled by Developer and any vacancy resulting from the removal of a director by the membership may be filled by the membership. A director so elected shall hold office for the term for which he is elected or for the remainder of the unexpired term of the director he is replacing. Nothing in this Section shall impair any rights of Developer to appoint one (1) or more directors.

10. Directors' Conflict of Interest.

(a) No contract or other transaction between the Community Association and one or more of its directors or any other corporation, firm, association or entity in which one or more of the directors are directors or officers or are financially interested shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the Board or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purpose, if:

(1) The fact of such relationship or interest is disclosed or known to the Board or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or

(2) The fact of such relationship or interest is disclosed or known to the Voting Members entitled to vote, and they authorize, approve or ratify such contract or transaction by vote or written consent; or

(3) The contract or transaction is fair and reasonable as to the Community Association at the time it is authorized by the Board, a committee or the members.

Disclosure of such agreement by setting forth same in the Master Declaration, as initially declared or subsequently re-declared or amended, shall stand as an absolute confirmation of such agreements and the valid exercise of the directors and officers of the Community Association of the powers pertinent thereto.

(b) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies such contract or transaction.

ARTICLE VIII. DIRECTORS' MEETINGS

1. Annual Meetings. The annual meeting of the Board shall be held without notice immediately after the adjournment of the annual meeting of the members, provided a quorum shall then be present. If a quorum is not present, said annual meeting shall be held as soon thereafter as may be practicable on notice as provided at Section 7 below.

2. Regular Meetings. The Board may, by resolution duly adopted, establish regular meetings, which shall thereafter be held without further notice until subsequent resolution altering same.

3. Special Meetings. Special meetings of the Board for any purpose may be called at any time by the President or any two (2) directors.

4. Annual Budget Meetings. An Annual Budget Meeting shall be held during the last month of each accounting year or at such time as the Board shall direct for the purpose of adopting an annual budget for the Community Association for the coming accounting year. Written notice stating the place, day and hour of the meeting shall be delivered personally or by registered certified mail to each director at his address as it appears on the books of the Community Association no more than forty (40) days nor less than thirty (30) days before the meeting. Notice shall be given each Voting Member and each member pursuant to Section 1 of Article XIII below.

5. Place of Meetings. Meetings of the Board shall be held at such place as the directors may from time to time designate.

6. Open Meetings. Meetings of the Board shall be open to all Voting Members; provided, however, such right of attendance shall not prohibit the Board from acting by written consent as hereinafter provided.

7. Notice of Meetings.

(a) Unless otherwise provided, written notice stating the place, day and hour of any meeting of the Board must be given to each director not less than five (5) nor more than thirty (30) days before the directors' meeting, by or at the direction of the President, the Secretary or other persons calling the meeting; provided, however, in the case of an emergency, only such notice as is reasonable under the circumstances need be given. Notice must be given either personally or by telegram, cablegram or first class mail; and if mailed, the notice shall be deemed to be given when deposited in the United States mail addressed to the director at his address, as it appears in the records of the Community Association, with postage thereon prepaid. Except as otherwise specified in these Bylaws, the notice need not specify the business to be transacted at, nor the purpose of, any meeting.

(b) Additionally, notice of every meeting of the Board, stating the place and time thereof, shall be posted conspicuously within Placido Bayou at the place or places designated for such notices at least forty-eight (48) hours prior to any such meeting to call the members attention thereto; provided, however, in the event of an emergency only such notice as is reasonable under the circumstances shall be required.

(c) 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 the nature of any such Assessment.

8. Waiver of Notice. A written waiver of notice signed by any director, whether before or after any meeting, shall be equivalent to the giving of notice to said director. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objec-

tions to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director attends a meeting for the express purpose, as stated at the beginning of the meeting, of objecting to the transaction of business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the directors need be specified in any written waiver of notice.

9. Presumption of Assent. A director of the Community Association who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

10. Adjourned Meeting. A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the Board to another time and place. Notice of any such adjourned meeting shall be given to the directors who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors.

11. Quorum. A majority of the number of directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board.

12. Voting.

(a) Each director present at any meeting of the Board shall be entitled to one (1) vote on each matter submitted to a vote of the directors. Proxy voting shall not be permitted.

(b) A majority vote by the directors present at a meeting of the Board at which a quorum is present shall be the act of the Board, unless a greater number is required under any provision of the Master Declaration, the Articles of Incorporation or these Bylaws.

(c) A director may join by written concurrence in any action taken at a meeting of the Board, but such concurrence may not be used for the purposes of creating a quorum.

13. Action by Directors Without a Meeting. Any action required by law or any Master Document to be taken at a meeting of the directors, or any action which may be taken at a meeting of the directors, may be taken without a meeting if a consent in writing setting forth the action so to be taken signed by all of the directors is filed in the minutes of the proceedings of the Board. Such consent shall have the same effect as a unanimous vote. A copy of such consent shall be given to each Neighborhood Association within ten (10) days of obtaining such authorization by written consent.

14. Meeting By Communications Equipment. Any action required or permitted to be taken at a meeting of the Board at which a proper notice or a waiver thereof has been given pursuant hereto may be taken by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. When a telephone conference is used, a telephone speaker shall be attached so that any Voting Members present may hear the discussion.

15. Recordation of Actions. All actions of the Board shall be recorded in minutes. Upon request, such minutes shall be made available for inspection by members, or their authorized representatives, and directors, at any reasonable time.

16. Procedure. The directors may adopt their own rules of procedure which shall not be inconsistent with the Master Declaration, the Articles of Incorporation, these By-laws or applicable law.

#### ARTICLE IX. COMMITTEES

1. Function. Except where specifically delegated authority to act, committees shall serve in an advisory capacity to the Board and the membership, and shall make specific recommendations to the Board and the members regarding those aspects of the business and affairs of the Community Association to which they have been delegated responsibility. The Design Review Committee ("DRC") shall have the authority set forth in the Master Declaration and such further authority as may be delegated from time to time.

2. Types of Committees. There shall be a DRC. The Board, by resolution adopted by a majority of the full Board, may appoint such other standing committees or ad hoc committees as it deems necessary from time to time.

3. Committee Powers. Any committee shall have and may exercise all the authority granted to it by the Board, except that no committee shall have the authority to:

- (a) Fill vacancies on the Board or any committee thereof;
- (b) Adopt, amend or repeal the Bylaws;
- (c) Amend or repeal any resolution of the Board;
- (d) Act on matters committed by Bylaws or resolution of the Board to another committee of the Board.

4. Appointment. The Board shall appoint committee members from among the directors and members of the Community Association, and shall designate a chairman and a secretary for each committee. The Chairman of the DRC shall be a director.

5. Term. The members and officers of each committee shall be initially appointed at any meeting of the Board, and, thereafter shall be appointed at the annual meeting of the Board. Said appointees shall take office on the day of such Board meeting and shall hold office until the next annual meeting of the Board and until a successor shall have been appointed, or until his earlier resignation, disqualification, removal from office, death, or until such committee shall terminate, whichever first occurs.

6. Removal of Committee Members. Any committee member may be removed from office at any time, with or without cause, by the Board.

7. Resignation of Committee Members. Any committee member may resign therefrom by providing written notification of such resignation to the President of the Community Association, and any such resignation shall become effective



immediately upon receipt by the President of said written notification or at such later date as may be specified in the notification.

8. Vacancies. Any vacancy occurring in the membership of any committee and any membership thereon to be filled by reason of an increase in the number of members of a committee shall be filled by the Board.

#### ARTICLE X. COMMITTEE MEETINGS

1. Regular Meetings. Regular meetings of each standing committee shall be held, as determined by the chairman of the committee. There shall be no regular meetings of any ad hoc committee unless established by the chairman of said committee.

2. Special Meetings. Special meetings of any committee may be called at any time by the chairman of the committee or by any two (2) members thereof.

3. Place of Meetings. Committee meetings shall be held at such other place as the chairman of the committee may from time to time designate.

4. Notice of Meetings. Written or oral notice stating the place, day and hour of any regular or special meeting of the committee must be given to each committee member not less than three (3) nor more than thirty (30) days before the committee meeting. The notice need not specify the business to be transacted at, nor the purpose of any meeting. A written waiver of notice signed by any committee member, whether before or after any meeting, shall be equivalent to the giving of notice to said committee member. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of a committee need be specified in any written waiver of notice.

5. Quorum. A majority of the number of members of any committee shall constitute a quorum for the transaction of business at any committee meeting.

#### 6. Voting.

(a) Each committee member present at any meeting of a committee shall be entitled to one (1) vote on each matter submitted to a vote of the committee members; provided, however, proxy voting shall not be permitted.

(b) A majority vote by the committee members present at a committee meeting at which a quorum is present shall be the act of the committee, unless a greater number is required by resolution of the Board.

#### 7. Action Without a Meeting.

(a) By Written Consent. Any action required or which may be taken at a committee meeting may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed by all of the members of the committee. Such consent shall have the same effect as a unanimous vote.

(b) By Communications Equipment. Any action required or which may be taken at a committee meeting may be taken by means of a conference telephone or similar communi-

cations equipment by means of which all persons participating in the meeting can hear each other at the same time.

#### ARTICLE XI. OFFICERS

1. Designation. The officers of the Community Association shall consist of a president, past president, (when appropriate), one or more vice-presidents (as determined necessary by the Board), a secretary and a treasurer. The Community Association shall also have such other officers, assistant officers and agents as may be deemed necessary or appropriate by the Board from time to time.

2. Duties. The officers of the Community Association shall have the following duties:

(a) President. The President shall be the chief executive officer of the Community Association, having general overall supervision of all the business and officers of the Community Association, subject to the directions of the Board. He shall preside at all meetings of the members and Board, and shall be an ex officio member of all standing committees. He shall execute with the Secretary or any other officer authorized by the Board, any deeds, mortgages, bonds, contracts or other instruments which are duly authorized to be executed, except where the same is required or permitted by law to be otherwise signed and executed, and except where the execution thereof shall be expressly delegated by the Board to some other officer or agent of the Community Association. He shall perform any and all other duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

(b) Past President. The immediate past President of the Community Association shall, at the conclusion of his term in office, assume the office of Past President. The primary function of the Past President shall be to provide continuity from his administration to that of his successor and be a source of information, guidance and inspiration to all officers of the Community Association.

(c) Vice-President. In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President (or in the event there be more than one vice-president, the Vice-Presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President shall perform such duties as from time to time may be assigned to him by the President or by the

(d) Secretary. The Secretary shall have custody of and maintain all of the corporate records except those maintained by the Treasurer; shall have custody of the corporate seal, shall record the minutes of all meetings of the membership and of the Board; shall have the primary responsibility, but not the exclusive right, to give notices required by these Bylaws; and shall perform any and all other duties incident to the office of Secretary and such other duties as from time to time may be prescribed by the Board or the President. The Secretary may attest to any agreement or recordable instrument on behalf of the Community Association, but such attestation is not required.

(e) Treasurer.

(1) The Treasurer shall have charge and custody of all corporate funds and financial records, shall keep full and accurate accounts of receipts and disbursements and render accounts thereof at the annual meetings of the Board and the membership and whenever else required by the Board or the President; shall deposit all monies and other valuable effects in the name of and to the credit of the Community Association in such depositories as may be designated from time to time by the Board; and shall perform any and all other duties incident to the office of Treasurer and such other duties as may be prescribed by the Board or the President. The Treasurer shall be bonded by the Community Association.

(2) He shall collect the assessments and shall promptly report the status of collections and of all delinquencies to the Board.

(3) He shall give status reports to potential transferees, on which reports the transferees may rely.

(4) The Community Association may hire a manager or other qualified person to perform any or all of the duties of the Treasurer.

3. Election and Term.

(a) Each person named as an officer in the Articles of Incorporation shall hold office until the first annual meeting of the Board and until his successor shall have been elected and qualified, or until his earlier resignation, disqualification, removal from office or death.

(b) At the each annual meeting of the Board, a majority of the directors then in office shall elect the officers of the Community Association for the ensuing year. The Board may elect the same person to fill any two or more offices, and the failure to elect a president, vice-president, secretary or treasurer shall not affect the existence of the Community Association. No officer excepting the President need be a member of the Board, but, after the Turnover Meeting, each officer shall be a member of the Community Association.

(c) Each officer shall hold office for the term of one (1) year and until his successor shall have been elected and qualified, or until his earlier resignation, disqualification removal from office or death.

4. Removal of Officers. Any officer or agent elected or appointed by the Board may be removed by the Board, with or without cause whenever in its judgment the best interests of the Community Association will be served thereby.

5. Resignation of Officers. Any officer or agent elected or appointed by the Board may resign such office by providing written notification of such resignation to the President or to the Secretary of the Community Association, and such resignation shall become effective immediately upon receipt of said notification or at such later date as may be specified in the notification.

6. Vacancies. Any vacancy, however occurring, in any office, may be filled by the Board. Any officer so elected

shall hold office for the unexpired term of the officer he is replacing.

7. Compensation. At any time after the Turnover Meeting, the Board shall have the authority to fix and pay compensation in a reasonable amount to any of its officers for services rendered by reason of said office.

8. Bonding. The Community Association shall provide for fidelity bonding of all officers, directors or other persons who control or disburse funds of the Community Association as set forth at Section 10 of Article XVII below. The Community Association may bond any officer of the Community Association and shall bear the cost of such bonding.

#### ARTICLE XII. INDEMNIFICATION OF OFFICERS AND DIRECTORS

##### 1. Indemnification for Actions, Suits or Proceedings.

(a) The Community Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Community Association) by reason of the fact that he is or was a director or officer of the Community Association, or is or was serving at the request of the Community Association as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Community Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe this conduct was unlawful. The adverse termination of any action, suit or proceeding by judgment, order, settlement, conviction, or a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner in which he reasonably believed to be in, or not opposed to, the best interests of the Community Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Community Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Community Association to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the Community Association, or is or was serving at the request of the Community Association as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Community Association; provided, however, that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Community Association unless, and only to the extent that the court in which such action or suit

was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is firmly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) To the extent that a director or officer, of the Community Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Subsections (a) and (b), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Notwithstanding anything contained herein to the contrary, any indemnification under Subsections (a) or (b) (unless ordered by a court) shall be made by the Community Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Subsection (a) or (b). Such determination shall be made:

(1) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or

(2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs by independent legal counsel in a written opinion; or

(3) by the members.

(e) Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding may be paid by the Community Association in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Subsection (d) upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Community Association as authorized in this Section.

2. Other Indemnification. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of the members or disinterested directors, or otherwise, both as to actions in his official capacity and as to actions in another capacity while holding such position and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

3. Liability Insurance. Upon the majority vote of a quorum of the Board, the Community Association may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Community Association, or is or was serving at the request of the Community Association, as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Community Association shall have indemnified him against such liability under the provisions of this Article XII.

#### ARTICLE XIII. ANNUAL BUDGET

1. Adoption by Board. The proposed annual budget for Operating Expenses for the Community Association shall be adopted by the Board. Said budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications. In addition to annual Operating Expenses, unless otherwise waived by the Community Association, the budget shall include reserve accounts for capital expenditures and deferred maintenance. A copy of the proposed annual budget of Operating Expenses shall be mailed, by regular mail, to the Voting Members and to each Neighborhood Association not less than thirty (30) days prior to the meeting at which the budget shall be considered together with a notice of such meeting. Such meeting shall be open to the members.

2. Excessive Assessments. In the event the adopted budget requires Annual Assessments against Unit Owners in any accounting year exceeding one hundred fifteen percent (115%) of such Annual Assessments for the preceeding year, and upon written application of Voting Members entitled to vote at least ten percent (10%) of the votes entitled to be cast, the Board shall call a special meeting of the membership within thirty (30) days, upon not less than ten (10) days written notice to each Voting Member and Neighborhood Association. The purpose of the special meeting shall be to consider and enact a budget. The Board may propose a revised budget to the Voting Members at such membership meeting, or in writing prior to said meeting.

At the special meeting or any adjournment thereof, the membership shall consider and enact a budget. The adoption of the annual budget by the membership shall require the approval of a majority of all votes eligible to be cast.

In the event the membership is unable to adopt a budget at the special meeting or adjournment thereof, within five (5) days the Board shall hold a special meeting and adopt an annual budget which does not require Annual Assessments against Unit Owners in the accounting year exceeding one hundred fifteen percent (115%) of such Annual Assessments for the preceeding year.

3. Determination of Increase. In determining whether Annual Assessments exceed one hundred fifteen percent (115%) of Annual Assessments for the prior year, there shall be excluded from the computation any provision for reasonable reserves for repair or replacement of the Community Properties, anticipated expenses of the Community Association which are not expected to be incurred on a regular or annual basis, or Annual Assessments for betterments to the Community Properties.

4. Limit on Increase of Budget. As long as Developer is in control of the Board, said Board shall not impose an Annual Assessment for a year greater than one hundred fifteen percent (115%) of the prior accounting year's Annual Assessment without the approval of a majority of all votes eligible to be cast.

#### ARTICLE XIV. ASSESSMENTS

1. Determination and Payment. After adoption of a budget, a determination of the Annual Assessment shall be made by apportioning the total sum of said budget among the Owners according to the provisions for sharing Operating Expenses set forth in the Master Declaration. As provided in the Master

Declaration, each installment of the Annual Assessment may be collected by the Neighborhood Association for the Neighborhood in which the Unit is located, in which case assessments of both associations may be made against Owners as a single sum. The Annual Assessment shall be payable in monthly installments on the first (1st) day of each month. The Board shall promptly deliver or mail to the Owner of each Unit which is assessed or to such other person designated, in writing, to receive such notice, a statement setting forth the amount of the Annual Assessment, the amount of each monthly installment and the dates on which payment is due. In the alternative, the Board can provide such notice to the each Neighborhood Association for further transmittal to their respective members. The statement shall indicate whether the annual assessments of the Community Association and the appropriate Neighborhood Association shall be collected as a single sum and, if so, the amount of each such assessment. Such payments shall be due and payable regardless of whether or not members are sent or actually receive a written notice.

2. Failure to Adopt a Budget. If an annual budget has not been adopted for the accounting year at the start of said year, an Annual Assessment in the amount of the last prior Annual Assessment shall continue in force until changed by an amended Annual Assessment.

3. Excess Income. If for any reason, the budget provides income in excess of the Community Association's needs, such over-assessments shall be retained by the Community Association in its account to be applied to any reserve account or to the next ensuing year's expenses or rebated to the members, at the direction of the Board.

4. Amended Budget. Subject to the requirements of Article XIII above, in the event the Annual Assessments prove to be insufficient, the budget and Assessments may be amended at any time by the Board.

5. Other Assessments. The Board shall have power to levy Special Assessments as necessary for actual economic needs of the Community Association. Additionally, Individual Assessments may be levied against individual Owners in accordance with the terms of any Master Document.

6. Initial Contribution Fund. The initial purchaser of a Unit, at the time of purchase, shall pay an initial fee of an amount equal to two monthly installments of his Annual Assessment as determined at said time, which sum shall be over and above the other Assessments provided for herein. During the specified period of times Developer has guaranteed that the Assessments for Operating Expenses shall not increase over a stated dollar amount, which time period and dollar amount are set forth in the initial budget of the Community Association, these initial contributions shall be held in a general reserve fund. Upon the termination of such guarantee period, the funds or any portion thereof may be reallocated for other purposes in accordance with Section 8, below.

7. Exemption of Developer. Notwithstanding anything contained in any Master Document to the contrary, Developer shall not be assessed as a Unit Owner for capital improvements without its written approval so long as it holds Units for sale in the ordinary course of business.

8. Reserves. Funds reserved pursuant to an annual budget or resolution of the Board shall be used for the purposes for which they are reserved unless their use for another purpose is approved by the membership.

#### ARTICLE XV. RULES AND REGULATIONS

1. Purpose. The Rules of the Community Association shall be a list of certain reasonable restrictions on and requirements for the use, maintenance, and appearance of the Community Properties or portions thereof and any land or facilities which may become subject to Community Association powers. The Rules shall be in addition to all other requirements of the Master Declaration, the Articles of Incorporation and Bylaws and all applicable documents of the appropriate Neighborhood Association.

2. Modification. Certain Rules have been promulgated by Developer and a copy thereof is on file with the Secretary of the Community Association. These Rules may be modified, amended or repealed and new Rules may be adopted from time to time by the majority vote of the Board or the membership.

3. Application. Every Owner, occupant, guest and invitee shall be subject to the Rules. A copy of such Rules, as amended from time to time, shall be made available by the Community Association to all Unit Owners and occupants of any Unit on request, although the failure to furnish a copy thereof in any instance shall not affect the enforceability of any Rule.

4. Exceptions. The Board may, under special circumstances, waive or vary specific restrictions or requirements in individual cases upon a vote of two-thirds (2/3) of the entire Board. The Board may impose conditions on any waiver or variance.

#### ARTICLE XVI. REMEDIES FOR VIOLATION AND DISPUTES

##### 1. Legal Remedies.

(a) In the event of violation of the provisions of any Master Document, the Community Association, on its own behalf, may, but is not required to, bring appropriate action to enjoin such violation or to enforce the provisions of such document or sue for damages, or take all such courses of action at the same time, or bring appropriate action for such other legal or equitable remedy as it may deem appropriate. Failure by the Community Association to enforce any such provision shall in no event be deemed a waiver of the right to enforce later violations.

(b) In the event of such legal action brought against an Owner, the losing defendant shall pay all costs and expenses, including, but not limited to, legal fees incurred prior to litigation, filing and service of process fees, reasonable attorneys' fees and court costs incurred by the Community Association incident to the proceeding, during trial, upon any appeal and in any post judgment proceedings. Each Owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of the harshness of the remedy available to the Community Association, and with the intent of all Owners to give to the Community Association a method and pro-



cedure which will enable it at all times to operate on a businesslike basis, to collect those monies due and owing it from Owners and to preserve each Owner's right to enjoy his Unit free from unreasonable restraint and nuisance.

(c) The costs and expenses authorized at Subsection (b) above shall be assessed against the Owner's Unit as an Individual Assessment collectible in the same manner as any other Assessment of the Community Association.

## 2. Hearing Procedures.

(a) Written Complaint. An action under this Section is initiated upon the filing of a written complaint by any member of the Community Association or by any officer or director with the Board. The complaint shall constitute a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the respondent is charged, to the end that the respondent will be able to prepare his defense. The complaint shall specify the specific provisions of the Master Document which the respondent is alleged to have violated, but shall not consist merely of charges phrased in the language of such provisions without supporting facts.

(b) Service of Complaint. Upon the filing of the complaint, the Board shall serve a copy thereon on the respondent by any of the following means: [1] personal delivery or [2] registered or certified mail, return receipt requested, and addressed to respondent, at the address appearing on the books of the Community Association. Service by mailing or posting shall be deemed delivered and effective two (2) days after such posting and mailing in a regular depository of the United States Postal Service. The complaint shall be accompanied with a postcard or other written form entitled "Notice of Defense", further described at Subsection (d) below, and a "Notice of Hearing" as set forth in Subsection (c) below. No order adversely affecting the rights of the respondent shall be made in any case, unless the respondent shall have been served as provided herein.

(c) Notice of Hearing. Along with service of complaint, the Board shall serve a Notice of Hearing, as provided herein, on all parties giving at least twenty (20) days notice of said hearing. The Notice to the respondent shall be substantially in the following form but may include other information:

"You are hereby notified that a hearing will be held before the Board of Directors of the Community Association at \_\_\_\_\_ or the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at the hour of \_\_\_\_\_ upon the charges made in the complaint served upon you. You may be present at the hearing, may but need not be represented by counsel, may present any relevant evidence and you will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to compel the attendance of witnesses and the production of books, documents or other items applying to the Board of Directors."

If any of the parties can, within forty-eight (48) hours, show good cause as to why they cannot attend the hearing on the set date and indicate times and dates on which they would be available, the Board may reset the time and date of hearing and promptly deliver notice of the new hearing date.

(d) Notice of Defense. Service of complaint and Notice of Hearing shall be accompanied by a Notice of Defense which shall be signed by respondent, or on behalf of respondent, and returned to the Board within forty-eight (48) hours after service or respondent shall be deemed to have admitted to the complaint in whole.

The Notice of Defense shall state the respondent may:

(1) Attend a hearing before the Board as herein provided;

(2) Object to a complaint upon the grounds that it does not state acts or omissions upon which the Board may proceed;

(3) Object to the form of the complaint on the grounds that it is so indefinite or uncertain that the respondent cannot identify the violating behavior or prepare his defense; or

(4) Admit to the complaint in whole or in part. In such event the Board shall meet to determine appropriate action or penalty if any.

(e) Cease and Desist Orders. The Board may, at its own discretion, issue a cease and desist order, along with the complaint statement to respondent, such cease and desist order to be substantially in the following form:

"The Board of Directors has received the attached complaint."

"By authority of Article XVI, Section 2 of the Bylaws, the Board hereby requests that you CEASE AND DESIST such acts or actions until such time, if any, as a ruling of the Board of Directors or court of law permits."

"Failure to comply with this request may result in penalty greater than that which would be imposed for a single violation."

(f) Insufficient Complaint. Any objections to the form or substance of the complaint shall be considered by the Board within five (5) days of their receipt. The Board shall make its determination and notify all parties within said five (5) day period. If the complaint is insufficient, the complaining party shall have seven (7) days within which to amend the complaint to make it sufficient. The same procedure as set forth above shall be followed with respect to any amended or supplemental complaint. If it is determined by the Board that the complaint is still insufficient, then the matter shall be dismissed by the Board.

(g) Amended or Supplemental Complaints. At any time prior to the hearing date, the Board may file or permit the filing of an amended or supplemental complaint. All parties shall be notified thereof in the manner herein provided. If the amended or supplemental complaint presents new charges, the Board shall afford the respondent a reasonable opportunity to prepare his defense thereto.

(h) Discovery. Upon written request to the other party, made prior to the hearing and within fifteen (15) days after service of the complaint by the Board or within ten (10) days after service of any amended or supplemental complaint, either party is entitled to (1) obtain the names and

addresses of witnesses to the extent known to the other party, and (2) inspect and make a copy of any statements, writing and investigative reports relevant to the subject matter of the hearing. Nothing in this Section, however, shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product. Any party claiming his request of discovery has not been complied with shall submit a petition to compel discovery with the Board. The Board shall make a determination and issue a written order setting forth the matters or parts thereof which the petitioner is entitled to discover.

(i) Notarized Statements. At any time ten (10) or more days prior to a hearing or a continued hearing, any party shall mail or deliver to the opposing party a copy of any sworn statement which that party proposes to introduce in evidence together with a notice as provided below. Unless the opposing party, within seven (7) days after such mailing or delivery, mails or delivers to the proponent a request to cross-examine such author, or if the opportunity to cross-examine such author is not afforded after request is made as herein provided, the statement may be introduced in evidence, but shall be given only the same effect as hearsay evidence.

(j) Constraints on the Board. It shall be incumbent upon each director to make a determination as to whether he is able to function in a disinterested and objective manner in consideration of the case before it. Any member incapable of such objective consideration of the case shall disclose such to the Board and remove himself from the proceedings and have it so recorded in the minutes.

The respondent may challenge any director for cause, where a fair and impartial hearing cannot be afforded, at any time prior to the taking of evidence and testimony at the hearing. In the event of such a challenge, the Board shall meet to determine the sufficiency of the challenge. A majority of the Board may sustain the challenge, removing the director from the proceedings and have it so recorded in the minutes. All the decisions of the Board in this regard shall be final.

In either event, the President shall appoint another director to replace the director so removed or, if no other director is available or qualified, a Voting Member to serve as a temporary director.

(k) Hearing.

(1) Each hearing, including all preliminary matters prior to the hearing shall be before three (3) directors and their action shall be the action of the Board, provided, however, whenever the Board has commenced to hear the matter and a director is forced to withdraw prior to a final determination, the remaining directors shall continue to hear the case.

(2) Each party shall have these rights: to call and examine witnesses; to introduce exhibits; to cross-examine opposing witnesses; and to rebut the evidence against him. Even if the respondent does not testify on his own behalf, he may still be called and examined as if under cross-examination. Oral evidence shall be taken only on oath or affirmation administered by an officer of the Community Association.

(3) The hearing need not be conducted according to technical rules relating to evidence and witnesses. Generally, any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence, but shall not be sufficient in itself to support a finding.

(4) The Board shall choose one director who shall serve as hearing officer and preside over the hearing. At the beginning of the hearing, the hearing officer shall explain the rules and procedures by which the hearing is to be conducted. Generally, each principal is entitled to make an opening statement, starting with the complainant. Then each party is entitled to produce evidence, witnesses and testimony and to cross-examine the witnesses and opposing party. Then each party is entitled to make a closing statement. Any party may waive the rights to exercise any part of this process, and the Board is entitled to exercise its discretion as to the specific manner in which the hearing will be conducted, so long as the above rights are protected.

(1) Authorized Action. At the conclusion of testimony, the Board shall deliberate the evidence. By a vote of the directors, the Board shall determine whether the allegations as presented constitute a violation of the covenants or rules and regulations. If the Board concludes that a violation has taken place, it shall have the following elections:

- (1) Reprimand;
- (2) Levying a fine in such amount as the occasion determines;
- (3) Authorize the initiation of appropriate action.

(m) Fines. Fines levied by the Board pursuant to Subsection (1) shall be considered an Individual Assessment against the member, leviable by the Board against the Unit and collectible in the same manner as any other Assessment of the Community Association.

#### ARTICLE XVII. INSURANCE, BONDING

The insurance, other than title insurance, which shall be carried upon the Community Properties, shall be governed by the following provisions:

1. Liability Insurance. The Board shall obtain and maintain public liability and property damage insurance covering all of the Community Properties and insuring the Community Association and the Owners, as their interests appear, in such amount as the Board may determine from time to time, in its sole discretion. All liability insurance shall contain a cross-liability endorsement to cover liabilities of the Owners as a group to an Owner.

2. Casualty Insurance. The Community Association shall obtain and maintain fire and extended coverage insurance, vandalism and malicious mischief insurance, and, if any real property is in an area identified by the Department of Housing and Urban Development as having a special flood hazard, flood insurance. Such insurance shall insure all of the insurable

improvements comprising the Community Properties in an amount equal to the maximum insurable replacement value, in accordance with the original plans and specifications, as actually built, including modifications, if any, as determined annually by the Board. It shall not be the responsibility of the Community Association to obtain insurance coverage upon the real or personal property owned by any Neighborhood Association nor upon the real or personal property or for living expenses of any Owner.

3. Workmen's Compensation. The Board shall obtain Workmen's Compensation insurance to meet the requirements of law.

4. Other Insurance. The Board may obtain such other insurance as the Board shall determine from time to time to be desirable.

5. Insurance on Units. Each Owner shall be solely responsible for purchasing, at his own expense, liability insurance to cover accidents occurring within his Unit, and for purchasing insurance upon his real and personal property and for living expenses.

6. Community's Power to Compromise Claims. The Community Association is hereby irrevocably appointed agent for each Unit Owner, for the purpose of compromising and settling claims arising under insurance policies purchased by the Community Association and for the purpose of executing and delivering releases therefor, upon the payment of claims.

7. Owners' Liability. Anything in this Article XVII to the contrary notwithstanding, each Owner shall be responsible to the Community Association for payment of any deductible from the insurance proceeds required by the Community Association's liability, casualty, Workmen's Compensation and such other insurance policies in force under the terms of this Article, for any claim arising as a result of the Owner's act or omission, or that of any guest, invitee or lessee of the Owner. The Community Association shall have the power to assess any Owner for such deductible.

8. Miscellaneous. Premiums for all insurance coverage obtained by the Community Association, and other expenses in connection with such insurance, shall be paid by the Community Association and be charged as an Operating Expense. All such insurance shall be placed with good and responsible companies, authorized to do business in Florida.

10. Fidelity Bonds. The Community Association shall provide fidelity bonding in the principal sum of not less than \$10,000.00 for all officers or directors who control or disburse funds of the Community Association.

#### ARTICLE XVIII. BOOKS, RECORDS AND FINANCES

1. Accounting Year. The accounting year of the Community Association shall begin on the first day of July in each year. The Board is expressly authorized to change this accounting year by resolution at any time for the convenience of the Community Association.

## 2. Books and Records.

(a) The Community Association shall keep minutes of the proceedings of its members, its Board and its committees, which minutes shall be available for inspection by Owners, or their authorized representatives, and by directors at any reasonable time. The Community Association shall maintain these minutes for a period of not less than seven (7) years.

(b) The Community Association shall maintain correct and complete books and records of account. These records shall be open to inspection by Owners or their authorized representatives at reasonable times, and written summaries of them shall be supplied at least annually to Owners or their authorized representatives. Failure to permit inspection of the Community Association's accounting records by Owners or their authorized representatives shall entitle any person prevailing in an action for enforcement to recover reasonable attorneys' fees from the person or persons in control of the books and records who, directly or indirectly, deny access to the books and records for inspection. The accounting records shall be maintained according to good accounting practices. The records shall include, but are not limited to:

(1) A record of all receipts and expenditures.

(2) An account for each Unit, designating the name and current mailing address of the Owner, the amount of each Assessment, the dates and amounts in which the Assessments come due, the amount paid upon the account, and the balance due.

(c) A copy of each insurance policy obtained by the Community Association shall be made available for inspection by Owners at reasonable times.

(d) The membership list required by Section 3 of Article V above shall be made available for inspection by Owners or their authorized representatives at any reasonable times.

(e) Current copies of the Master Documents, corporate books, records and the most recent annual audited financial statement, if such is prepared, shall be available for inspection by prospective purchasers, Owners, lenders and by holders, insurers or guarantors of any first mortgage on any Unit upon request, during normal business hours or under other reasonable circumstances.

## 3. Funds.

(a) All funds of the Community Association shall be deposited from time to time to the credit of the Community Association in one or more such banks, trust companies or other depositories as the Board may from time to time designate, upon such terms and conditions as shall be fixed by the Board. The Board may from time to time authorize the opening and keeping, with any such depository as it may designate, of general and special bank accounts and may make such special rules and regulations with respect thereto, not inconsistent with the provisions of these Bylaws, as it may deem necessary.

(b) Community Association funds shall be used only for Community Association purposes and may not be expended for the purposes of Developer, including but not limited to sales and promotion activities, utilities or other costs for construction activities or repair or replacement which is within the warranty obligations of Developer, nor may Community Association personnel be used for such purpose at Community Association expense.

(c) The authorized signers on all depository accounts shall be the President, Vice-President, Secretary, Treasurer, or such other officers or persons as the Board may from time to time designate. All checks over \$50.00 must be signed by two authorized signers, one of whom must be an officer of the Community Association; checks for less than Fifty Dollars (\$50.00) may be signed by any one of the authorized signers. Checks shall be issued only for all bills within the provisions of the budget adopted by the Board or pursuant to special appropriations made by the Board.

(d) Drafts or other orders for the payment of money, excepting depository accounts, and all notes or other evidences of indebtedness issued in the name of the Community Association shall be signed by such officers or officers, agent or agents of the Community Association and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer or an Assistant Treasurer, if any, and countersigned by the President.

4. Financial Information. Within three (3) months following the end of the accounting year of the Community Association, the Board shall mail or furnish by personal delivery to each Owner a complete financial report of actual receipts and expenditures for the previous accounting year. The report shall show the amount of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications including, if applicable, but not limited to, the following:

- (a) Costs for security;
- (b) Professional and management fees and expenses;
- (c) Taxes;
- (d) Costs for recreation;
- (e) Expenses for refuse collection and utility services;
- (f) Expenses for lawn care;
- (g) Costs for building maintenance and repair;
- (h) Costs for roadway building and repair;
- (i) Costs for lake maintenance;
- (j) Insurance costs;
- (k) Administrative and salary expenses; and
- (l) General reserves, maintenance reserves, and depreciation reserves.

#### ARTICLE XIX. EMINENT DOMAIN

(a) The Community Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with any condemning authority for acquisition of the Community Properties, or part thereof.

(b) In the event of a taking or acquisition of part or all of the Community Properties by a condemning authority, the award or proceeds of settlement shall be payable to the Community Association for the use and benefit of the Owners and their mortgagees as their interest may appear.

#### ARTICLE XX. NON-PROFIT OPERATIONS

The Community Association shall not authorize nor issue shares of stock. No dividend will be paid, and no part of the income of this Community Association will be distributed to its members, directors or officers. However, the Community Association may pay compensation in a reasonable amount to members, officers or directors for services rendered, subject to the limitations of Section 6 of Article VII and Section 7 of Article XI.

#### ARTICLE XXI. CORPORATE SEAL

The Board shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Community Association, the state of incorporation, the year of incorporation, and the words "corporation not for profit".

#### ARTICLE XXII. MODIFICATION OF BYLAWS

These Bylaws may be revised, amended or repealed, unless specifically prohibited herein, at any meeting of the Board or the membership by a majority vote, provided that notice of said meeting is given in accordance with these Bylaws, and that said notice contains a full statement of the proposed amendment. No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended, new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but instead, a notation must be inserted immediately preceeding the proposed amendment in substantially the following language: "Substantial rewording of Bylaw. See Bylaw \_\_\_\_ for present text." Nonmaterial errors or omissions in the Bylaw process shall not invalidate an otherwise properly promulgated amendment. No amendment to said Bylaws shall be adopted which would affect or impair the validity or priority of any mortgage covering any Unit.

#### ARTICLE XXIII. MISCELLANEOUS

1. Articles and Other Headings. The Article and Section headings contained in these Bylaws are for reference purposes only and shall not affect the meaning or interpretation of these Bylaws.



2. Gender and Number. Whenever the context requires, the gender of all words used herein shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural thereof.

3. Members and Owners. By the terms of the Master Declaration, all Owners shall be members and all members must be Owners; therefore, said designation shall be deemed synonymous. Notwithstanding the foregoing Developer shall be a member of the Community Association for so long as it owns any portion of Placido Bayou.

4. Revocability of Authorizations. No authorization, assignment, referral or delegation of authority by the Board to any committee, officer, agent or other official of the Community Association shall preclude the Board from exercising the authority required to meet its responsibility for the Operation of Placido Bayou. The Board shall retain the right to rescind any such authorization, assignment, referral or delegation in its sole discretion.

5. Validity. Should any of the covenants herein imposed be void or become unenforceable at law or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force and effect. Defects or omissions in the Bylaws shall not affect the validity of the Community Association or the title to the Community Properties.

#### SECRETARY'S CERTIFICATE

THIS IS TO CERTIFY that I am the Secretary of PLACIDO BAYOU COMMUNITY ASSOCIATION, INC., a Florida corporation not for profit, and the foregoing Bylaws of said Community Association were duly adopted by the Board of Directors of the Community Association at the Organizational Meeting of said directors held on \_\_\_\_\_, 19\_\_.

Dated: \_\_\_\_\_, 19\_\_

\_\_\_\_\_  
Secretary

HISTORY OF BYLAWS

The initial Bylaws of Placido Bayou Community Association, Inc., were first adopted on \_\_\_\_\_, 19\_\_.

Amendments made subsequent to \_\_\_\_\_, 19\_\_, should be listed below.

AMENDMENTS

CHANGE  
NUMBER

DATE OF ADOPTION BY  
MEMBERSHIP OR BOARD

SECTIONS  
AMENDED