

BY-LAWS
OF
COLONY AT PONTE VEDRA IV
CONDOMINIUM ASSOCIATION, INC.

A Corporation Not for Profit
under the Laws of the State of Florida

These are the By-Laws of COLONY AT PONTE VEDRA IV CONDOMINIUM ASSOCIATION, INC. (hereinafter called "Association"), a corporation not for profit, incorporated under the laws of the State of Florida. The Association has been organized for the purpose of administering a condominium created pursuant to Chapter 718, Florida Statutes, as amended (hereinafter called "Condominium Act").

SECTION 1. ASSOCIATION.

1.1 Office. The office of the Association shall be c/o John S. Duss, IV, Esquire, 200 West Forsyth Street, Suite 1600 Jacksonville, Florida 32201 or such other place as shall be selected by a majority of the Board of Directors.

1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.3 Seal. The seal of the Association shall have inscribed thereon the name of the Association, the year of its organization, and the words "Not for Profit". Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise attached to the instrument or document being sealed.

1.4 Terms. All terms used herein shall have the same definitions as attributed to them in the Declaration of Condominium Ownership of COLONY AT PONTE VEDRA IV, A CONDOMINIUM.

SECTION 2. MEMBERS.

2.1 Qualification. The members of the Association shall consist of all Unit Owners of Condominium Parcels in COLONY AT PONTE VEDRA IV, A CONDOMINIUM, and all unit owners of condominium parcels in each additional condominium which designates the Association for its management and operation.

2.2 Membership. Membership in the Association shall be established by recording in the public records of St. Johns County, Florida, a deed or other instrument establishing a record title to a Condominium Parcel, and delivery to the Association of a copy of such instrument. The grantee in such instrument shall immediately become a member of the Association. The membership of any prior owner of the same Condominium Parcel shall be terminated upon delivery to the Association of a copy of the deed or other instrument as aforesaid.

2.3 Designation of Voting Representative. If a Condominium Parcel is owned by more than one person, the Unit Owner entitled to cast the vote appurtenant to said Parcel shall be designated by the Owners of a majority interest in the Parcel. A Voting Member must be designated by a statement filed with the Secretary of the Association, in writing, signed by the owners of a majority interest in a Condominium Parcel as the person entitled to cast the vote for all such owners. The designation may be revoked and a substitute Voting Member designated at any time at least five (5) days prior to a meeting. If a designation of a Voting Member is not filed with the Secretary at least five (5) days prior to any meeting, no vote shall be cast at such meeting by or for said Unit Owner(s).

2.4 Restraint Upon Alienation of Assets. The share of a member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Condominium Parcel.

SECTION 3. MEMBER'S MEETINGS.

3.1 Place. All meetings of the members of the Association shall be held at the office of the Association or such other place as may be stated in the notice of the meeting.

3.2 Membership List. At least ten (10) days before every election of directors, a complete list of the Voting Members of the Association, arranged numerically by unit number, shall be prepared by the Secretary. Such list shall be kept at the office of the Association and shall be open to examination by any member. Changes in the list of Voting Members may be made pursuant to Section 2.3 of these By-Laws.

3.3 Regular Meetings. Regular meetings of the members of the Association shall be held on the first business day of the month of March of each year.

3.4 Special Meetings.

3.4.1 Special meetings of the members for any purpose may be called by the President, and shall be called by the President or Secretary at the request, in writing, of either a majority of the Board of Directors or of a majority of the Voting Members. Such request shall state the purpose of the proposed meeting.

If an adopted budget of the Association requires assessments against the Unit Owners in any fiscal or calendar year which exceed one hundred fifteen percent (115%) of the assessments for the preceding year, the Board, upon written application of ten percent (10%) of the voting interest to the Board of Directors, shall call a special meeting of the Unit Owners within thirty (30)

days upon not less than ten (10) days' written notice to each Unit Owner.

A special meeting of the Unit Owners to recall a member or members of the Board of Directors may be called by ten percent (10%) of the voting interests giving notice of the meeting as required for a meeting of Unit Owners, and the notice shall state the purpose of the meeting.

3.4.2 Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

3.5 Notice. Written notice of every meeting, special or regular, of the members of the Association, stating the time, place and object thereof, shall be delivered to each Condominium Unit or mailed to each Voting Member at such member's address as shown in the books of the Association at least fourteen (14) continuous days prior to such meeting. No notice shall be required to be given to a person who becomes a Voting Member during such fourteen day period. A notice of each meeting shall be posted in the office of the Association during the entire fourteen day period.

3.6 Participation. All members shall be entitled to participate in any meeting of the Association but only Voting Members shall have the right to vote on any matter brought before such meeting.

3.7 Transfer of Control of the Association. When Unit Owners other than the Developer own fifteen percent (15%) or more of the Units in the Condominium, the Unit Owners other than the Developer shall be entitled to elect no less than one-third 1/3 of the members of the Board of Directors of the Association. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors of the Association:

(a) Three (3) years after fifty percent (50%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;

(b) Three (3) months after ninety percent (90%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;

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

(d) When some of the Units have been conveyed to purchasers and none of the others are being constructed

or offered for sale by the Developer in the ordinary course of business; or

(e) Seven (7) years after recordation of the Declaration of Condominium

which ever occurs first. The Developer is entitled to elect at least one member of the Board of Directors of the Association as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units in the Condominium operated by the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-Owned Units in the same manner as any other Unit Owner except for the purposes of requiring control of the Association or selecting the majority members of the Board of Directors.

3.8 Proxies. At any meeting of the members of the Association, the Voting Member shall be entitled to vote in person or by proxy. No proxy shall be valid unless it is granted to a person who is a Unit Owner. No person may cast more than five proxy votes.

3.9 Vote Required to Transact Business. When a quorum is present at any meeting, the majority of Voting Members present and voting shall decide any question brought before the meeting. If the question is one which requires more than a majority vote by express provision of the Condominium Act or the Declaration of Condominium Ownership, Articles of Incorporation or these By-Laws (hereinafter "Condominium Documents"), the express provision shall govern and control the number of votes required.

Voting Members of the Association present in person or represented by proxy, shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by statute or the Condominium Documents. If a quorum is not present at any meeting, the Voting Members may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. Any business may be transacted at any adjourned meeting which could have been transacted at the meeting called.

SECTION 4. DIRECTORS.

4.1 Number. The affairs of the Association shall be managed by Board of Directors, consisting of not less than three (3) nor more than five (5) directors. The number of directors shall be determined from time to time by the Voting Members.

4.2 Term. Each director shall be elected to serve for a term of one (1) year or until his successor shall be elected and

shall qualify, except that directors elected prior to the Unit Owners' Initial Meeting shall serve only until such meeting.

4.3 First Board of Directors. The first Board of Directors shall consist of three (3) persons appointed by Developer, who shall hold office and exercise all powers of the Board at the pleasure of Developer but not later than the Unit Owners' Initial Meeting.

4.4 Vacancy and Replacement. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining directors at a special meeting of directors duly called for this purpose, shall choose a successor or successors or shall hold office for the unexpired term in respect to which such vacancy occurred.

4.5 Election of Directors. Election of Directors for the Board of Directors shall be conducted in the following manner:

4.5.1 Method. The Board of Directors shall be elected by written ballot or voting machine.

4.5.2 Proxies. Proxies shall in no event be used in electing the Board of Directors, either in general elections or elections to fill vacancies caused by recall, resignation or otherwise.

4.5.3 Notice. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another mailing or delivery, to each Unit Owner entitled to vote, a first notice of the date of the election.

Not less than thirty (30) days before the scheduled election, the Association shall mail or deliver to the eligible voters at the addresses listed in the official records a second notice of the election, together with a ballot and any information sheets timely submitted by the candidates as described in Section 4.5.5 below. The second notice and accompanying documents shall not contain any communication by the Board which endorses, disapproves or otherwise comments on any candidate.

4.5.4 Handling of Ballots Accompanying the ballot shall be an outer envelope addressed to the person or entity authorized to receive the ballots and a smaller inner envelope in which the ballot shall be placed. The exterior of the outer envelope shall indicate the name of the voter and the Unit or Unit Numbers being voted, and shall contain a signature space for the voter. Once the ballot is completed the voter shall place completed ballot in the smaller inner envelope and seal the

envelope. The inner envelope shall be placed within the outer larger envelope, and the outer envelope shall than be sealed. Each inner envelope shall contain only one ballot, but if a person is entitled to cast more than one ballot, the separate inner envelopes required may be enclosed within a single outer envelope. The voter shall sign the exterior of the outer envelope in the space provided for such signature. The envelope shall either be mailed or hand delivered to the Association. Upon receipt by the Association, no ballot may be rescinded or changed.

The written ballot shall indicate in alphabetical order by surname, each and every Unit Owner or other eligible person who desires to be a candidate for the Board of Directors and who gave written notice to the Association not less than forty (40) days before a scheduled election, unless such person has prior to the mailing of the ballot, withdrawn his candidacy in writing. No ballot shall indicate which candidates are incumbents on the Board. No write-in candidate shall be permitted. No ballot shall provided a space for the signature of or any other means of identifying a voter. All ballot forms utilized by the Association, both those unfilled to voters or cast in a meeting, shall be in color and appearance.

Any envelopes containing ballots shall be collected by the Association and shall be transported to the location of the duly called meeting of the Unit Owners. The Association shall have made available at the meeting additional blank ballots for distribution to eligible voters who have not cast their votes. Each ballot distributed at the meeting shall be placed in an inner and outer envelope in the manner provided above. Each envelope and ballot shall be handled in the following manner, either by the Board or by a person or persons appointed by the Board. At the meeting, as a first order of business, ballots not yet cast shall be collected. Next the signature and Unit identification on the outer envelope shall be checked against a list of qualified voters, unless previously validated as provided below. Any exterior envelope not signed by the eligible voter shall be marked "disregarded" or with words of similar import and any ballots contained therein shall not be counted. The voter shall be checked off the list as having voted. Then, in the presence of any Unit Owners in attendance, and regardless of whether a quorum is present, all inner envelopes shall first be removed from the outer envelopes and shall be placed into a receptacle. Upon the commencement of the opening of the outer envelopes the polls shall be closed and no more ballots shall be accepted. The inner envelope shall then be opened and the ballots shall be removed and counted in the presence of the Unit Owners. Any envelope containing more than one ballot shall be marked "disregarded" or with words of similar import and any ballots contained therein shall not be counted. All envelopes or ballots whether disregarded or not shall be retained with the official records of the Association.

If the Association should desire to verify the outer envelope information in advance of the meeting they may do so at a meeting noticed in the manner required for the noticing of Board Meetings, which shall be open to all Unit Owners and which shall be held on the date of the election. An impartial committee designated by the Board may verify the signature and Unit identification on the outer envelope and check the same against the list of qualified voters. These voters shall be checked of the list as having voted. Any exterior envelope not signed by the eligible voter shall be marked "disregarded" or with words of similar import and any ballots contained therein shall not be counted.

4.5.5 Candidacy. The Board shall hold a meeting within five (5) days after the deadline for a candidate to provide notice to the Association of intent to run. At this meeting the Board shall accept additional nominations. Any Unit Owner or other eligible person may nominate themselves or any other Unit owner or eligible person. If a Unit Owner or eligible person seeks to nominate another Unit Owner or eligible person, the person making the nomination must have from the person being nominated written permission to make the nomination.

Any Unit Owner or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the secretary of the Association not less than forty (40) days before a scheduled election. Written notice shall be effective when received by the Association. Written notice shall be accomplished in accordance with one or more of the following methods: (a) by certified mail, return receipt requested, directed to the Association; or (b) by personal delivery to the Association; or (c) by regular U.S. Mail, facsimile, telegram or other method of delivery to the Association.

(1) Upon receipt by the Association of any timely submitted written notice by personal delivery that a Unit Owner or other eligible person desires to be a candidate for the Board of Directors, the Association shall issue a written receipt acknowledging delivery of the written notice.

(2) Not less than thirty (30) days before the election meeting the Association shall then mail or deliver a second notice of the meeting to all Unit Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon the request of a candidate, the Association shall include an information sheet, no larger than 8 1/2" x 11" furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing and copying to be born by the Association. Any candidate desiring the Association to mail or personally deliver copies of an information sheet tot he eligible voters must furnish the information sheet to the Association not less than thirty-five (35) days before the election. The Association shall not edit,

alter or otherwise modify the content of the information sheet provided by a candidate. However, if consented to in writing by the candidates involved, two or more candidate information sheets may be consolidated into a single page. The original copy provided by the candidate shall become a part of the official records of the Association.

4.5.6 Quorum. There is no quorum requirement or minimum number of votes necessary for election of the members of the Board of Directors.

4.5.7 No Unit Owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. Any Unit Owner violating this provision may be fined by the Association.

4.5.8 Date of the Election. The regular election shall occur on the date of the annual meeting of the Association.

4.5.9 Interim Vacancies. Any vacancy occurring on the Board prior to the expiration of a term except in the case of a vacancy caused by recall, may be filled by the affirmative vote of the majority of the Board of Directors, even if the remaining directors constitute less than a quorum or by the sole remaining director. In the alternative, a Board may in its discretion hold an election to fill the vacancy in which case the election procedures must conform to the requirements set herein. Balloting is not necessary to fill any vacancy unless there are two or more eligible candidates for that vacancy. A board member appointed or elected pursuant to a vacancy shall fill that vacancy until the next regularly scheduled election for any position, regardless of whether the Board Seat to which the member was elected or appointed is scheduled to be filled at that election. If, however, upon appointment, the Association has already mailed or delivered the first notice of election pursuant to this section, the board member appointed or elected as provided herein shall serve until the next election scheduled in the future for any position.

A regular or general election shall be an election to fill a vacancy caused by expiration of a term in office. A regular or general election shall occur at the time and place at which the annual meeting is scheduled to occur, regardless of whether a quorum is present.

4.5.10 Nominating Committees. The Board of Directors shall not create or appoint any committee for the purpose of nominating a candidate or candidates for election to the Board. The Board may create or appoint a search committee which shall not have the authority to nominate any candidate, but may encourage qualify persons to become candidates for the Board.

4.5.11 Tie Votes. If two or more candidates for the same position receive the same number of votes, which would result in one or more candidates not serving or serving a lesser period of time, the Association shall conduct a run-off election in accordance with the procedures set forth herein. Within seven (7) days of the date of the election at which the tie vote occurred, the vote shall mail or personally deliver to the voters a notice of a run-off election. The only candidates eligible for the run-off election to the Board position are the run-off candidates who received the tie vote at the previous election. The notice shall inform the voters of the date scheduled for the run-off election to occur, shall include a ballot conforming to the requirements of this rule, and shall include copies of any candidate information sheets previously submitted by those candidates to the Association. The run-off election must be held not less than twenty-one (21) days nor more than thirty (30) days after the date of election at which the tie vote occurred.

4.5.12 Any voter who requires assistance to vote by reason of blindness, disability or inability to read or write, may request the assistance of a member of the Board of Directors or other Unit Owner to assist in casting his vote. If the election is by voting machine, any such voter, before retiring to the voting booth may have a member of the Board of Directors or other Unit Owner or representative without suggestion or interference, identify the specific vacancy or vacancies and the candidates for each. If a voter requests the aide of any such individual, the two shall retire to the voting booth for the purpose of casting the vote according to the voter's choice. All voting machines shall meet the requirements set forth in Rule 61B-23.0021(12) Florida Administrative Code.

4.6 Removal. Directors may be removed with or without cause by an affirmative vote or a majority of the Voting Members. A special meeting of the Voting Members may be called for this purpose by 10% of such members upon giving notice of such meeting to all Voting Members as provided in Section 3.5 hereof, such notice to state the purpose of the special meeting. No director shall continue to serve on the Board, if, during his term of office, his membership in the Association is terminated for any reason.

4.7 Powers and Duties of Board of Directors. All of the powers and duties of the Association under the Condominium Act and the Condominium Documents shall be exercised by the Board of Directors, or its delegate, meeting at which they were elected or as soon thereafter as may be practicable. The Annual meeting of the Board shall be held at the same place as the Voting Members meeting.

4.7.1 Assessments. To make and collect assessments against members to pay the Common Expenses and the expenses

incurred by the Association and the power to make and assess members for capital improvements and replacements.

4.7.2 Disburse. To use the proceeds of assessments in the exercise of its powers and duties.

4.7.3 Maintain. To maintain, repair, replace and operate the Condominium Property in the manner provided by the Declaration of Condominium Ownership.

4.7.4 Purchase. To purchase the necessary equipment and tools required for the maintenance, care and preservation referred to above.

4.7.5 Insure. To insure and keep insured the Condominium Property in the manner set forth in the Declaration of Condominium Ownership and to purchase such other insurance as the Board may deem advisable, including officers and directors liability insurance.

4.7.6 Enforce. To enjoin or seek damages from any Unit Owner for violation of these By-Laws and the terms and conditions of the Declaration of Condominium Ownership.

4.7.7 Employ. To employ and contract with a maintenance service contractor or manager, or either of them, for the maintenance, service and management of the Common Elements and to authorize such contractor and manager or either of them to use or exercise any of the powers it possesses; provided, however, the Association shall retain at all times the powers and duties granted to it by the Condominium Act.

4.7.8 Regulate. To make reasonable rules and regulations concerning the use and occupancy of the Condominium Parcels consistent with the Condominium Documents.

4.8 Annual Statement. The Board will present a full and clear statement of the business and condition of the corporation at the annual meeting of the members.

4.9 Compensation. The directors shall not be entitled to any compensation for service as directors.

SECTION 5. DIRECTORS MEETINGS.

5.1 Organizational Meetings. The first meeting of each new Board elected by the members shall be held immediately upon adjournment of the meeting at which they were elected or as soon thereafter as may be practicable. The Annual meeting of the Board shall be held at the same place as the Voting Members meeting.

5.2 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of all regular meetings shall be given to each director, personally or by mail, telephone or telegraph, at least 48 hours in advance to the time named for such meeting. Adequate notice of all regular meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously on the condominium property at least 48 continuous hours preceding the meeting for the attention of the Unit Owners except in an emergency.

5.3 Special Meetings. Special meetings of the Board may be called by the President on 48 hours notice to each director. Special meetings shall be called by the President or Secretary in like manner and on like notice upon the written request of two (2) directors.

5.4 Waiver of Notice. No notice of a Board meeting shall be required if the directors meet by unanimous written consent. The directors may, by resolution duly adopted, establish regular monthly, quarter-annual or semi-annual meetings. If such resolution is adopted, no notice of such regular meetings of the Board shall be required.

5.5 Adjourned Meetings. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

5.6 Quorum. A quorum at a directors' meeting shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present, shall constitute the act of a Board, except when approval by a greater number of directors is required by the Condominium Documents.

5.7 Joinder in Meeting by Approval of Minutes. The joinder of a director in any action taken at a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such director except for the purpose of determining a quorum.

5.8 Presiding Officer. The presiding officer of a directors' meeting shall be the President of the Association. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

SECTION 6. OFFICERS.

6.1 Officers. The executive officers of the Association shall be a President, Vice President, Treasurer, and Secretary, each of whom shall be elected at the annual meeting of the Board of Directors. Any two of said officers may be held by one person

except that the President shall not also be the Secretary or an Assistant Secretary of the corporation. The Board may elect more than one Vice President. The Board may appoint such other officers and agents that it may deem necessary, who shall hold office at the pleasure of the Board and have such authority and perform such duties as from time to time may be prescribed by said Board.

6.2 Qualification. No person shall be entitled to hold office except a Voting Member or an officer of a corporate Voting Member. No officer except the President need be a member of the Board.

6.3 Term. The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of three-fourths (3/4) of the Voting Members of the Association.

6.4 The President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and directors; shall be an ex-officio member of all standing committees; shall have general management of the business of the corporation, and shall see that all orders and resolutions of the Board are carried into effect.

6.5 The Secretary.

6.5.1 The Secretary shall keep the minutes of the members' meetings and of the Board of Directors' meetings in one or more books provided for that purpose.

6.5.2 He shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law.

6.5.3 He shall be custodian of the corporate records and of the seal of the corporation.

6.5.4 He shall keep a register of the name and post office address of each member and each Voting Member.

6.5.5 In general, he shall perform all duties incident to the office of the Secretary and such other duties as may be assigned to him by the President or by the Board of Directors.

6.6 The Vice President. The Vice President shall have all the duties of the President in his absence, and such other duties as may be prescribed by the Board of Directors.

6.7 The Treasurer.

6.7.1 The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall deposit all monies and other valuable effects in the name of and to the credit of the corporation in such depositories as may be designated by the Board of Directors or these By-Laws.

6.7.2 He shall disburse the funds of the corporation as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors at the regular meetings of the Board an account of all his transactions as Treasurer, and of the financial condition of the corporation.

6.8 Vacancies. If any office becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining directors by a majority vote may choose a successor or successors who shall hold office for the unexpired term.

6.9 Resignations. Any director or other officer may resign his office at any time. Such resignation shall be in writing, and shall take effect at the time of its receipt by the corporation, unless some time be fixed in the resignation, and then from the date so fixed. The acceptance of a resignation shall not be required to make it effective.

SECTION 7. APPROVAL BY VOTING MEMBERS.

7.1 The Association shall act through its Board of Directors and only the following matters shall require an affirmative vote of the Voting Members of the Association:

<u>Matter to be approved</u>	<u>Approval Required</u>
(1) In the absence of casualty reconstruction, alteration, additions to the Common Elements, exclusive of the Limited Common Elements.	3/4 of the Voting Members owning Units in the Condominium.
(2) Alteration, improvements or additions to the Limited Common Elements.	A majority of the Voting Members representing Units entitled to use such Limited Common Elements with the concurrence of a majority of the Board.
(3) Termination of the Project when 90% of the value of the Condominium Property is destroyed.	1/4 of the Voting Members in the Condominium to be terminated.
(4) Approval of changes in	3/4 of the Voting Members owning

building plans for reconstruction after casualty.

Units in the affected Condominium; and all of the Voting Members in the affected units.

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| (5) Amendment of By-Laws and Articles of Incorporation. | 3/4 of the Voting Members. |
| (6) Amendment of the Declaration | 3/4 of the Voting Members owning Units in the Condominium the Declaration of which is to be amended. |
| (7) Termination of Condominium | 4/5 of the Voting Members owning Units in the Condominium which is to be terminated except as provided in item (3) of this Section 7.1. |
| (8) Election of Directors and Officers. | Plurality of Voting Members. |
| (9) Removal of Directors and Officers. | A majority of the Voting Members. |
| (10) Making Agreements of Use of Off-Site Recreational Facilities. | A majority of the Voting Members. |
| (11) Approval of the Purchase of a Condominium Parcel by the Association. | 3/4 of the Voting Members. |

SECTION 8. CONDUCT OF MEETING.

All meetings of the members and of the Board shall be governed by Robert's Rules of Order.

SECTION 9. FISCAL MANAGEMENT.

The provisions for fiscal management of COLONY AT PONTE VEDRA IV, A CONDOMINIUM, and other condominiums managed and operated by the Association, as set forth in the Declaration of Condominium Ownership, are supplemented by the following provisions:

9.1 Accounts. The funds and expenditures of the Association shall be credited and charged to the appropriate account as set forth below.

9.1.1 Current Expenses. All funds to be expended during the year for the maintenance of the Common Elements and for the operation and working capital of the Association shall be held in the Current Expense Account. Any balance in this fund at the end of each year may be used to pay Common Expenses incurred in any

successive year or may be placed in the Reserve Fund Account. Each Unit Owner except Developer shall upon becoming a member of the Association contribute to the Current Expense Account a sum equal to 1/12 of the annual assessment with respect to his Unit.

9.1.2 Reserve Fund Account. All funds to be expended for replacement, acquisition, and repair of capital improvements which are a part of the Common Elements or Limited Common Elements shall be held in the Reserve Fund Account.

9.2 (a) Budget. The Board of Directors shall adopt a detailed budget for each calendar year which budget will include the estimated funds required to pay the Common Expenses and provide and maintain funds for the foregoing accounts according to good accounting practices and as may be required by the Condominium Act. If an adopted budget requires assessment against the Unit Owners in any year of an amount exceeding 115% of the assessments for the preceding year, and if 10% of the Unit Owners file objections to the budget within thirty (30) days after the date of adoption thereof, the Board of Directors shall call a special meeting of the Unit Owners and a majority vote of the Unit Owners shall be required to ratify the budget. If not ratified, the budget shall be revised so as to provide for assessment of not more than 115% of the prior year's assessments.

(b) In determining whether the assessment exceeds 115% of similar assessments in a prior year reasonable reserves for repairs or replacements, expenses which cannot be reasonably anticipated to be incurred on a regular or annual basis, and assessments for betterments shall not be considered in the computation.

(c) The Estimated Operating Budget attached as Exhibit "C" to the Declaration is the budget the Developer intends to adopt as the formal budget for the Condominium. The owners of Units that have been sold by the Developer will be assessed for Common Expenses at the rates as stated in said budget and the Developer will be assessed for the amounts by which the Common Expenses exceed the amounts assessed against the owners of Units sold by the Developer. During this period, no provisions will be made for capital improvements or replacements, or for Reserve Funds other than the \$200 Working Capital Contribution paid by each Unit at the time of its respective sale by the Developer, provided a majority of the members vote for no reserves or any other expenses, other than current expenses. It is further understood and agreed that the Developer's liability for current expenses as specified herein shall be limited to that necessary to maintain the Condominium in reasonably good condition, normal wear and tear excepted, expressly recognizing that such normal wear and tear will occur. It is further and specifically understood and agreed that incident to such normal wear and tear the Condominium will not remain in its original new unused condition and Developer expressly and specifically shall be under no duty or obligation to maintain it in such condition and shall have no duty or obligation to replace or refurbish the Condominium, or any portion thereof, except as

included in the aforesaid duty to maintain the Condominium in reasonably good condition, normal wear and tear excepted.

9.3 Assessments. Assessments against individual Unit Owners for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments shall be payable in twelve (12) equal monthly installments on the first day of each month of the year for which the assessments are made. The Board of Directors shall annually adopt a budget for use during that year. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly payments thereon shall be due upon the first day of each month until changed by an amended assessment. The budget and assessments therefor may be amended at any time by the Board of Directors.

9.4 Depository. The funds of the Association will be deposited in such banks or savings and loan associations as shall be designated from time to time by the Board of Directors. Withdrawals of funds from such accounts shall be only by checks signed by such persons as authorized by the Board.

9.5 Fidelity Bonds. The Association shall obtain and maintain adequate fidelity bonding of all persons who control or disburse funds of the Association. As used in this section, the term "persons who control or disburse funds of the Association" means those individuals authorized to sign checks, and the President, Secretary, and Treasurer of the Association. If the Association's annual gross receipts do not exceed \$100,000, the bond shall be in the principal sum of not less than \$10,000 for each such person. If the Association's annual gross receipts exceed \$100,000 but do not exceed \$300,000, the bond shall be in the principal sum of not less than \$30,000 for each such person. If the Association's annual gross receipts exceed \$300,000, the bond shall be in the principal sum of not less than \$50,000 for each such person. The Association shall bear the cost of bonding.

SECTION 10. RULES AND REGULATIONS.

10.1 As to Common Elements. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing the operation, use, maintenance, management and control of the Common Elements. The Secretary shall from time to time post in a conspicuous place on the Condominium Property, a copy of such rules and regulations. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

10.2 As to Condominium Units. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing and restricting the use and maintenance of the Condominium Units, provided, however, that copies of such rules and regulations are furnished to each Unit Owner prior to the time the same shall become effective. Where applicable or desirable, a

copy thereof shall be posted in a conspicuous place on the Condominium Property, and shall be delivered to each Unit. Any rules and regulations adopted pursuant hereto shall be reasonable and non-discriminatory.

10.3 A copy of the initial rules and regulations for the Condominium Property is attached hereto as Annex I.

10.4 Fines. Upon reasonable notice and an opportunity for hearing the Association may levy a fine against the Unit Owner of a Unit or its occupant, licensee, or invitee, for failure to abide by any provision of the Declaration, the Association By-Laws, or Rules of the Association. This section does not apply to unoccupied Units.

10.4.1 No fine shall become a lien against a Unit.

10.4.2 No fine shall exceed \$100.00 per violation. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing (as set forth below), provided that no such fine may exceed an aggregate amount of \$1,000.00.

10.4.3 Prior to the levying of such a fine, the Unit Owner and, if applicable, any licensee or invitee must be given reasonable notice of at least fourteen (14) days and an opportunity for hearing. The notice shall include:

(1) A statement of the date, time and place of the hearing;

(2) A statement of the provisions of the Declaration, Association By-Laws, or Association Rules which have allegedly been violated; and

(3) A short and plain statement of the matters asserted by the Association.

10.4.4 A party against whom the Association seeks to levy a fine is entitled to a hearing held before a committee of other Unit Owners. Said party shall have the opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. If the committee of other Unit Owners does not agree with the fine, it shall not be levied.

SECTION 11. DEFAULT.

11.1 Foreclosure. In the event a Unit Owner does not pay any assessments required to be paid to the Association within thirty (30) days from the due date, the Association, acting in its own behalf or through the Manager acting on behalf of the Association may foreclose the lien encumbering said Unit Owner's Parcel created by non-payment of the required monies in the same

manner as mortgage liens are foreclosed. The Association shall be entitled to the appointment of a receiver if it so requires. The Association shall have the right to bid on the Condominium Parcel at a foreclosure sale and to acquire, hold, mortgage and convey the same and in so doing shall not be subject to the restriction in Section 7.1(11) of these By-Laws unless the price bid exceeds the amount of the judgment held by the Association. In lieu of foreclosing its lien, or in addition thereto, the Association may bring suit to recover a money judgment for assessments required to be paid to the Association against a Unit Owner, and the Association shall be entitled to recover the costs thereof, together with a reasonable attorney's fee.

11.2 Association Expenses. If the Association becomes the owner of a Condominium Parcel by reason of foreclosure, it may offer said Parcel for sale and, when the sale is consummated, it shall deduct from such proceeds all sums of money due it from monthly assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and any and all expenses incurred in the resale of the Condominium Parcel, which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the Unit in question. All monies remaining after deducting the foregoing items of expenses shall be added to Common Surplus.

11.3 Enforcement. In the event of violation of the provisions of the Condominium Documents as the same are now or may hereafter be constituted, the Association, on its own behalf, may bring appropriate action to enjoin such violation, to enforce the provisions of the Condominium Documents, to sue for damages, or take all such courses of action at the same time, or such other legal remedy it may deem appropriate.

11.4 Consent to the Foregoing Provisions. Each Unit Owner for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and injunctive relief, regardless of the harshness of the remedy available to the Association, and regardless of the availability of other equally adequate legal procedures. It is the intent of all Unit Owners to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from Unit Owners and to preserve each Unit Owner's right to enjoy his Condominium Parcel free from unreasonable restraint and nuisance.

SECTION 12. MORTGAGE OF UNIT.

12.1 The Association shall maintain a suitable register for the recording of the name and address of mortgagees of Condominium Parcels. Any mortgagee of a Condominium Parcel, may, but is not obligated to, notify the Association in writing, of its mortgage, in which case its name and address will be entered in the register. If notice of default is thereafter given any member, under any

applicable provision of the Condominium Documents, a copy of such notice shall be mailed to the mortgagee named in the register.

SECTION 13.' AMENDMENT OF BY-LAWS.

13.1 By-Laws. The By-Laws of the corporation may be altered, amended or repealed, unless specifically prohibited herein, at any regular or special meeting of the members by a three-fourths (3/4) vote of the Voting Members of the Association. No modification or amendment to the By-Laws shall be valid unless set forth or annexed to a duly recorded amendment to the Declaration of Condominium Ownership.

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