

BYLAWS
OF
CHATEAUX DES LACS HOMEOWNERS' ASSOCIATION, INC.

A corporation not for profit.
Under the Laws of the State of Florida

I

FORMATION AND OPERATION

1.1 Identity. These are the Bylaws of CHATEAUX DES LACS HOMEOWNERS' ASSOCIATION, INC. (the "Association"), a corporation not for profit under the laws of the State of Florida, the Articles of incorporation of which were filed in the office of the Secretary of State on August 13th, A.D. 1986. The Association has been organized for the purpose of administering that certain subdivision or development commonly known as CHATEAUX DES LACS (the "Development"), which is located upon land situate, lying, and being in Pinellas County, Florida.

1.2 Address. The office of the Association shall be at 1410 Lake Tarpon Avenue, Tarpon Springs, Florida 33589.

1.3 Fiscal Year. The Association shall operate upon the calendar year beginning on the 1st day of January and ending on the 31st day of December of each year. The Board of Directors is expressly authorized to change from a calendar year basis to a fiscal year basis whenever deemed expedient and for the best interests of the Association.

1.4 Seal. The seal of the Association shall bear the name of the Association, the word "Florida" and the words "Corporation not for profit" and the year of incorporation, an impression of which is as follows:

II

DEFINITIONS

2.1 All words, phrases, names and terms used in these Bylaws, the Articles of Incorporation of the Association, and the Declaration of Covenants and Restrictions, shall have the same meaning and be used and defined the same as they are in the several respective documents unless the context of said instruments, when read together, otherwise requires.

III

THE ASSOCIATION

3.1 Members. The record owners of lots in the Development shall be the members of this Association.

(a) Any legal entity capable of ownership of real property under the Laws of Florida shall be eligible for membership.

(b) Any legal entity, upon acquiring title to a lot in the Development, shall thereby become a member of the Association; and upon the conveyance or transfer of said ownership, said owner's membership in the Association shall automatically cease.

3.2 Place of Meeting. Meetings of the membership shall be held at the principal office or place of business of the Association, or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

3.3 Annual Meetings. The annual meeting of the Association shall be held at such time and place as may be set by the Board of Directors from time to time, provided there shall be an annual meeting every calendar year and no later than thirteen (13) months from the previous annual meeting. At the annual meeting the members shall elect directors and may transact such business of the Association as may properly come before them.

3.4 Special Meetings. Special meetings of the members may be called by the President and shall be called by the President or Secretary at the request in writing of the Board of Directors or at the request in writing of five (5) of the members. Such requests shall state the purpose or purposes of the proposed meeting.

3.5 Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at this address as, it appears on the membership books of the Association, and if no such address appears, at his last known place of address, at least fourteen (14) days for an annual meeting and five (5) days for a special meeting, prior to such meeting. An officer of the Association shall provide an affidavit to be included in the official records of the Association, confirming that notices of the Association meeting were mailed or hand delivered in accordance with this provision, to each lot owner at the address last furnished to the Association. The mailing or delivery of a notice in the manner provided in this Section shall be considered notice served.

3.6 Minutes. Minutes of all meetings shall be maintained in a businesslike manner and available for inspection by lot owners and members at all reasonable time.

3.7 Majority of Owners. As used in these Bylaws, a "majority of owners" shall consist of that number that shall exceed fifty percent (50.0%) thereof.

3.8 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a "majority of owners" as defined in Section 3.7 of this Article, shall constitute a quorum.

3.9 Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting to a time not later than ten (10) days from the time the original meeting was called, and hold the meeting adjourned, without additional notice, provided that a Quorum can be obtained for such meeting.

3.10 Voting. At every meeting of the members, the owner or owners of each lot, either in person or by proxy, shall have the right to cast one vote as set forth in the Articles of Incorporation of the Association. The vote of the majority of those present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which by express provision of statute, or of the Declaration of Covenants and Restrictions, or of the Articles of Incorporation, or of these Bylaws, a different vote is required, in which case such express

provision shall govern and control. If a lot is owned by a corporation, a partnership, or by a trust, the person entitled to cast the vote for the lot shall be designated by a certificate signed by the president or vice president and attested by the secretary or assistant secretary of the corporation, in the case of a corporation, by the general partner, in the case of a partnership, or by the trustee in the case of a trust, and filed with the Secretary of the Association. Those certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the lot concerned.

3.11 Proxies. A member may appoint any other member, any owner of any lot, the Developer, or the manager, if applicable, as a proxy. Any proxy must be filed with the secretary before the appointed time of each meeting.

3.12 Order of Business. The order of business at all annual or special meetings of the members shall be as follows:

- a. Roll call.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of the minutes of preceding meeting.
- d. Reports of officers.
- e. Reports of committees.
- f. Election of officers (if election is to be held).
- g. Unfinished business.
- h. New business.

IV

ADMINISTRATION

4.1 Directors.

(a) Number and Qualification. The affairs of the Association shall be governed by a Board of Directors. The number of directors which shall constitute the Board shall be not less than three (3) nor more than nine (9). The Board of Directors may from time to time increase or decrease the number of persons to serve on the Board, provided there is always an odd number of members and there is never less than three (3) nor more than nine (9) members. Any increase or decrease in the number of members shall be effectuated prior to the notice of the next annual meeting, and such change in numbers shall be effective as of the date of the regular election at such annual meeting. The Directors shall be elected at the annual meeting of the owners by a majority vote and each Director shall serve for a term of one year or until his successor shall be elected and duly qualified, except that the initial Directors shall serve until their resignation or relinquishment of control of the Association by the Developer pursuant to Article V of the Articles of Incorporation. The Developer reserves the right, in its sole discretion, to remove and replace any of its initial Directors or its replacement of initial Directors.

(b) Removal. Directors, other than those appointed by the Developer, may be removed, with or without cause, by an affirmative vote by the majority of the owners. The vacancy so created shall be filled by the members of the Association. No Director, other than the initial Directors named in the Articles of Incorporation, or their duly appointed replacements, shall continue to serve on the Board if, during his term of office, his membership in the Association shall be terminated for any reason whatsoever.

(c) Vacancies. Except as to vacancies provided by the removal of Directors by members or a vacancy created by the removal or resignation of the Developer's representative on the Board, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

4.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by the Declaration of Covenants and Restrictions, the Articles of Incorporation, or these Bylaws directed to be exercised and done by the members or officers or the Statutes of the State of Florida. The powers of the Board shall include, but not be limited to the following:

(a) All powers and duties of the Association as set forth in Chapter 617, Florida Statutes and in Articles of Incorporation of the Association, except as limited as above provided.

(b) To prepare and adopt an annual operating budget, which budget shall be sufficient in amount to pay for all necessary expenses and expenditures to be shared in common by the respective owners of all lots and the respective holders of slip usage rights, and including a reasonable reserve for repairs, upkeep and replacement of the common areas and for contingencies associated with each category.

(c) To prepare a report of the acts previous year, and present same at the annual meeting of members.

(d) To determine who shall function as legal counsel for the Association whenever necessary.

(e) To determine the depository for the funds of the Association.

(f) To retain the necessary services required for the maintenance, care, and upkeep of the common areas, and to establish the payment schedule associated thereto.

(g) To assess and collect all assessments pursuant to the Articles of Incorporation, these Bylaws, and the Declaration of Covenants and Restrictions.

(h) To establish reserves or to make assessments for betterments to the property of the Development.

(i) Within sixty (60) days following the end of the fiscal year or calendar year of the Association, the Board of Directors shall mail or furnish by personal delivery to each lot owner a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amounts 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:

- (1) Cost for security;
- (2) Professional and management fees and expenses;
- (3) Taxes;
- (4) Cost for recreation facilities;
- (5) Expenses for refuse collection and utility services;
- (6) Expenses for lawn care;

- (7) Insurance costs;
- (8) Administrative and salary expenses; and
- (9) General reserves, maintenance reserves and depreciation reserves.

4.3 Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board for the management and maintenance of the property of the Development and authorize the management agent to assist the Association in carrying out its powers by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the common areas with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Articles of Incorporation, these Bylaws, and the Declaration of Covenants and Restrictions, including but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the Association.

4.4 Compensation. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid a director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

4.5 Organization Meeting. The first meeting of the Board of Directors shall be held within ten (10) days after the annual members' meeting, at such place as shall be fixed by the Board and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, provided all of the Board of Directors shall be present.

4.6 Regular Meetings. Regular meetings of the directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

4.7 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President and Secretary, in like manner and like notice, on the written request of at least two (2) directors.

4.8 Notice of Meetings to Unit Owners. Meetings of the Board of Directors shall be open to all lot owners and notices of the meetings shall be posted conspicuously forty-eight (48) hours in advance for the attention of lot owners, except in an emergency. Notice of any meeting where assessments against lot owners are to be considered for any reason, shall specifically contain a statement that assessments will be considered and the nature of such assessments.

4.9 Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

4.10 Minutes. Minutes of all meetings of the Board of Directors and of the lot owners shall be kept in businesslike manner and available for inspection by lot owners and Board members at all reasonable times.

4.11 Quorum. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.12 Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association who control or disburse Association funds to furnish adequate fidelity bonds, with the premiums for such bonds to be paid by the Association.

4.13 Designation of Officer. The principal officers of the Association shall be President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. An individual may hold more than one (1) office in the Association, with the exception that the same individual shall not simultaneously hold the offices of both President and Secretary. The Board of Directors may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in their judgment, may be necessary.

4.14 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board, and shall hold office at the pleasure of the Board.

4.15 Removal of Officers. Upon an affirmative vote of the majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

4.16 President. The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of the Association.

4.17 Vice President. The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

4.18 Secretary. The secretary shall keep the minutes of all meetings of the Board of Directors, and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary.

4.19 Treasurer. The treasurer shall have responsibility for Association funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and

other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

V

ASSESSMENT AND COLLECTION OF COMMON EXPENSES

5.1 Each lot owner shall share that percentage of the common expenses, and own that percentage of the common surplus, in direct relationship to the percentage of the total number of lots owned by said lot owner. Assessments for the common expenses, including those required under any Management Contract, including reasonable attorneys' fees and other costs of collecting any assessments, shall be secured by a lien against the lots against which it is made and such lien shall arise in favor of the Association and shall come into effect upon recordation of the Declaration of Covenants and Restrictions. Said lien shall date back to the date of said Declaration and shall be prior to the creation of any homestead status or any subsequent lien or encumbrance, except that said lien shall be subordinate and inferior to that of any institutional first mortgage. Assessments shall be made not less frequent than quarterly in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred.

VI

ANNUAL BUDGET

6.1 Operating Expenses. Pursuant to Article IV, Section 4.2, paragraph (b) of these Bylaws, the Board of Directors shall have the power and duty of preparing and adapting an annual operating budget for the Association. The Board of Directors shall mail a meeting notice and copies of the proposed annual budget of common expenses and dock expenses to the lot owners not less than fourteen (14) days prior to the meeting at which the budget will be considered. The meeting shall be open to all lot owners and in the event of an adopted budget for common areas or docks requires assessment against the respective owners of lots and slip occupancy rights in any fiscal or calendar year exceeding one hundred fifteen percent (115.0%) of the assessments for the preceding year, the Board, upon written application of ten percent (10.0%) of the affected lot owners to the Board, shall call a special meeting of the affected lot owners within thirty (30) days, upon not less than ten (10) days' written notice to each affected lot owner. At the special meeting, lot owners shall consider and enact a budget, and the adoption of such budget shall require a vote of not less than a majority of all affected lot owners. The Board may propose a budget to lot owners at a meeting of members or in writing, and in the event that the budget or proposed budget is approved by the affected lot owners at the meeting or by a majority of all affected lot owners in writing, the budget shall be adopted. In determining whether assessments exceed one hundred fifteen percent (115.0%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the common property or docks, anticipated expenses by the Association relative to common property or docks which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the common property or docks, shall be excluded from the computation.

6.2 Reserves. The proposed annual budget of common and dock-related expenses shall be detailed and shall show the amounts budgeted by accounts and expenses classifications. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof

replacement, security system, replacement, building, painting, and pavement resurfacing. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item. These provisions shall not apply to budgets in which the members of the Association have, by a vote of the majority of those present at a duly called meeting of the Association, determined for a fiscal year to provide no reserve or reserves less adequate than required by this Section.

VII

AMENDMENT OF BYLAWS

7.1 The Bylaws of the Association may be modified, amended or revoked, unless specifically prohibited elsewhere herein, at any regular or special meeting of the members of the Association by not less than seventy-five percent (75.0%) of the votes of the entire membership of the Association, provided that not less than fourteen (14) days' notice of said meeting has been given to the members of the Association, which notice contained a full statement of the proposed modification, change or revocation.

VIII

ARBITRATION OF INTERNAL DISPUTES

8.1 Internal disputes arising from the operation of the Association among the lot owners, this Association, and their agents and assigns, or any of them, may be submitted to binding arbitration in the manner provided by law and under the rules of the American Arbitration Association or such other rules as the disputing parties shall mutually agree to. No matter shall be submitted to arbitration hereunder without the consent in writing of all the disputing parties, except that if a matter shall be submitted to arbitration by some of the disputing parties, arbitration may proceed with respect to them and the disputes among them, but any decisions thereunder shall not be binding upon the nonconsenting parties.

The foregoing were adopted as the Bylaws of CHATEAUX DES LACS HOMEOWNERS' ASSOCIATION, INC., a corporation not for profit under the Laws of the State of Florida, at the first meeting of the Board of Directors on January 26, 1987.