

BY-LAWS

June 2, 1996

MOLOKAI CO-OP, INC.
A Florida Nonprofit Corporation

ARTICLE I. GENERAL PROVISIONS

- 1.1 Name. The name of this Corporation shall be MOLOKAI CO-OP, INC.
- 1.2 Principal Office. The principal office of the Corporation shall be located at 1 Hawaiian Way, Leesburg, Florida, 34788 or at such other place as may be subsequently designated by the Board of Directors (hereinafter "Board" and sometimes "Directors" or "Board of Administration").
- 1.3 Definitions. These By-Laws shall govern the operation of the Corporation subsequent to the conversion of Molokai Mobile Home Park (hereinafter "Park") into a Cooperative under the Florida Cooperative Act, Chapter 719, Florida Statutes. Any terms not defined in these By-Laws shall have those definitions established by the applicable Florida Statutes, except that, if any definition in these By-Laws conflicts with a definition in the Florida Statutes, where permissible, the definition in these By-Laws shall prevail.

ARTICLE II. MEMBERSHIP AND VOTING RIGHTS

- 2.1 Membership. Membership in this Corporation shall initially consist of tenants of the Park who have purchased shares in the Corporation. The transferee of a Membership (share), either voluntarily, in accordance with these By-Laws, or by operation of law, shall automatically become a Member of the Corporation if all the requirements for Membership have been met. If the Membership is vested in more than one person, only one of the persons owning the Certificate shall be eligible to hold office, and act as a full Member of the Corporation. The vote of a multiple-owned Membership shall be cast by the "Voting Member" as provided in Article II, Section 2.3 E. herein.
- 2.2 Partial Payment for Membership Certificates. The Corporation, at its option, may allow partial payment for shares. In that event the Certificate shall be subject to a lien for the unpaid amount. No such Certificate shall be transferable by the Member unless and until the purchase price is paid in full or unless the purchaser assumes the obligation to pay the remaining balance.
- 2.3 A. Voting. One vote will be allowed for each share. The person entitled to cast the vote for multiple-owned shares will be determined according to Article II,

Section 2.3 E. herein. If a Member owns more than one share, he shall be entitled to one vote for each share. No share's vote shall be divisible.

B. Quorum. Unless otherwise provided in these By-Laws, the presence, in person or by proxy, of a majority of the designated voting Members shall constitute a quorum. Limited proxies and general proxies may be used to establish a quorum. After a quorum has been established at a Members' meeting, the subsequent withdrawal of Members, so as to reduce the number of Memberships entitled to vote 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.

C. Majority Vote. The acts approved by a majority of the voters, present in person or by proxy at a meeting at which a quorum shall be present, shall be binding upon all Members for all purposes, except where otherwise provided by law, or in the Articles of Incorporation or in these By-Laws; and, as used in these By-Laws and the Articles of Incorporation, the term, "majority of the Members," shall mean those Members having more than fifty percent (50%) of the total authorized votes of all shares present, in person or by proxy, and voting at any meeting of the Members at which a quorum shall be present.

D. Proxies. Votes may be cast in person or by limited proxies substantially conforming to the limited proxy form adopted by the Division of Land Sales, Condominiums, and Mobile Homes of the Department of Business and Professional Regulation of the State of Florida. All proxies shall be in writing and signed by the person entitled to vote; shall be filed with the Secretary of the Corporation prior to or at the meeting at which they are to be used; and shall only be effective for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than 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 Member executing it. Where Membership is owned jointly and no voting Member has been designated, any proxy must be signed by all Members in order to designate a third person as proxy. No person who is not a Member of the Corporation shall be allowed to hold proxies. No one person may be designated to hold more than five (5) proxies for any purpose. The Board may hold and vote proxies without limitation. Limited proxies may be used for votes taken to waive or reduce reserves in accordance with Section 719.106(1)(j), Florida Statutes, for votes taken to amend the Articles of Incorporation or By-Laws and for any other matter for which Section 719.106, Florida Statutes, requires or permits a vote of the Members. No proxy, limited or general, shall be used in the election of Board Members. General proxies may be used for other matters for which limited proxies are not required and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given. Notwithstanding the provisions of this paragraph, Members may vote in person at meetings of the Membership.

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

2.4 Dividends. Under no circumstances shall dividends be paid to or accrue to the benefit of any Member of the Corporation.

ARTICLE III. MEETINGS OF MEMBERSHIP

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

3.2 Notice. The Secretary shall send by regular mail or deliver a written notice of each annual or special meeting to each Member and post a copy of the notice in a conspicuous place on the bulletin boards in the recreation buildings in the Park at least fourteen (14) continuous days preceding the meeting. Notice of any meeting shall list the time, place and an identification of agenda items. All notices shall be mailed or served at the address of the Member as it appears on the books of the Corporation. Proof of posting, delivery or mailing of notice shall be given by the affidavit of the person serving the notice. Notice of annual and special meetings may be waived in writing by Members before or after the meeting. An officer of the Corporation shall provide an Affidavit or United States Postal Service Certificate of Mailing, to be included in the official records of the Corporation confirming that notices of the Corporation Meeting were mailed or hand delivered, in accordance with these By-Laws, to each Member at the address last furnished by the Corporation.

3.3 Annual Meeting. The annual Members meeting for the purpose of electing Directors and the transaction of any other authorized business shall be held on the second Tuesday in February of each year commencing in 1995, or at such other time as shall be selected by the Directors. At the annual meeting, the Members shall elect the Directors by a plurality vote (cumulative voting prohibited) and shall transact such other business as may be properly brought before the meeting.

3.4 Special Meetings. Special meetings of the Members for any purpose, unless otherwise prescribed by Statute, may be called by the Board of Directors or shall be called by the Board at the request, in writing, of voting Members representing ten percent (10%) of the total number of shares outstanding. Such request shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subject stated in the notice of meeting.

3.5 Waiver and Consent. Whenever the vote of the Members at a meeting is required or permitted by a provision of the Statutes, the Articles of Incorporation or of these By-Laws to be taken in connection with any action of the Corporation, the meeting and vote of the Members may be dispensed with if a majority of the Members who would be entitled to vote upon the action of such meeting, if such meeting were held, shall consent in writing to such action being taken. In such event, however, a written notice of such action shall be given to those Members who have not consented with ten (10) business days. Such notices shall fairly summarize the material features of the action so authorized and, if such action results in a merger, consolidation or sale of or exchange of a major portion of the Corporate assets, for which dissenter's rights are provided by law, shall contain a summary of the rights of the dissenting Member. Members may waive the rights of the dissenting Member. Members may waive notice of special meetings and may take action by written agreement without meetings.

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

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

- A. Call to order by President or Chairman;
- B. Calling of the roll, or some other proof of quorum, and certifying of proxies;
- C. Proof of notice of the meeting or waiver of notice;
- D. Reading and disposal of any unapproved minutes;
- E. Reports of officers;
- F. Reports of committees;
- G. Appointment of inspectors at election;
- H. Election of Directors;
- I. Unfinished business;
- J. New business;
- K. Adjournment.

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

ARTICLE IV. DIRECTORS

4.1 Membership. The affairs of the Corporation shall be managed initially by a Board of nine (9), the exact number of Directors to be determined, from time to time, by a majority vote of the Members. All Directors shall be holders of a Certificate. No Director shall continue to serve on the Board after he ceases to be a holder of a Certificate in the Corporation.

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

A. The election of Directors shall be held at the annual meeting of the Members.

B. A Search Committee of three (3) Members, two (2) of whom may be on the Board of Directors shall be appointed by the Board of Directors not less than ninety (90) days prior to the annual meeting of the Members. The Search Committee shall attempt to encourage at least one (1) person for each vacancy to give written notice to the Secretary of the Association of their respective candidacies for the Board of Directors not less than forty (40) days before the scheduled election.

C. The election of Directors shall be by written ballot or voting machine and by plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled (there shall be no cumulative voting). Proxies shall not be used in electing the Board of Directors, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise. There shall be no quorum requirement. However, at least twenty (20%) percent of the eligible voters must cast a ballot in order to have a valid election of members of the Board of Directors. No Member shall permit any other person to vote his or her ballot, and any such ballots improperly cast shall be deemed invalid. A Member who needs assistance in casting the ballot for the reasons set forth in Section 101.051, Florida Statutes, may obtain assistance in casting the ballot.

D. At any time after a majority of the Board is elected any one or more of the Directors may be recalled and removed from office, with or without cause, pursuant to the procedures of Section 719.106(1)(f), Florida Statutes.

E. If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification or removal from office, a majority of the remaining Directors, though less than a quorum, shall choose a successor who shall hold office until the next annual election.

F. Any Director may resign at any time by sending written notice of such resignation to the office of the Corporation, which resignation shall take effect

immediately unless a later date is specified therein. Any Director shall become disqualified to hold office upon the transfer of his Membership in the Corporation.

G. The current Board of Directors shall serve as Directors until the first annual meeting of the Members or until a special meeting is held for the purpose of electing new directors, whichever first occurs.

4.3 Notice of Election/Ballot. Not less than sixty (60) days before a scheduled election, the Corporation shall mail or deliver to each Member entitled to vote a First Notice of the Date of Election of Members of the Board of Directors. The First Notice of the Date of Election may be by separate mailing or included in another corporate mailing or delivery including the Corporation's regularly published newsletters. Any Member desiring to be a candidate for the Board of Directors shall give written notice to the Secretary of the Corporation not less than forty (40) days before a scheduled election. Together with the written notice and agenda, the Corporation shall mail a Second Notice of the Election to all Members entitled to vote, together with a ballot which shall list all candidates. Upon request of a candidate, the Corporation shall include an information sheet, no larger than 8 ½ inches by 11 inches furnished by the candidate not less than thirty-five (35) days prior to the election, which information sheet shall be included with the mailing of the ballot. The cost of mailing or delivery and copying of the ballot and enclosures shall be borne by the Corporation. The Association has no liability for the contents of the information sheets provided by the candidates. In order to reduce costs, the corporation may print or duplicate the information sheets on both sides of the paper. Notwithstanding the provisions of this section and Section 4.2 above, an election and balloting are not required unless more candidates file a notice of intent to run or are nominated than vacancies exist on the Board.

4.4 Terms of Directors. The terms of the Board of Directors shall be for a period of two (2) years. A bare majority of Directors shall be elected on even-numbered years and a minority of Directors shall be elected on odd-numbered years. The purpose of the foregoing is to stagger the terms of the Directors and provide continuity to the Board. At the first annual meeting of the Corporation, operating as a Cooperative, the Membership shall elect the nine (9) members of the Board of Directors of which the five (5) members receiving the highest number of votes shall be elected for a two-year term and the four (4) remaining members shall be elected to serve a one-year term.

4.5 Organizational Meeting. An organizational meeting of the Board of Directors shall be held immediately after their selection at the annual meeting and no further notice of the organizational meeting shall be necessary. The Board of Directors shall, at the organizational meeting, designate a temporary Chairman and proceed to elect the officers of the Corporation at that time or, at the latest, within seven (7) days thereafter.

4.6 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. All meetings of the Board of Directors shall be open to all Members. Notice of the meetings shall be posted in a conspicuous place, i.e., the bulletin boards in the

recreation buildings in the Park, at least forty-eight (48) continuous hours in advance of any such meeting, except in the event of an emergency. Notice of any meeting in which regular assessments against Members are to be considered, for any reason, shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Notice of any meeting at which non-emergency special assessments or at which amendments to rules regarding Unit use will be proposed, discussed, or approved, shall be mailed or delivered to the Unit Owners/Members and posted in a conspicuous place upon the bulletin boards in recreation buildings in the Park not less than fourteen (14) days prior to the meeting. The Secretary of the Corporation shall prepare and complete an Affidavit evidencing compliance with this fourteen (14) day notice, which Affidavit shall be filed among the official records of the Corporation.

4.7 Special Meeting. Special meetings of the Directors may be called by the President or, in his absence, by the Vice-President and must be called by the President or Secretary upon receipt of the written request of one-third (1/3) of the members of the Board. Special meetings of the Board of Directors shall be open to all Members, and notice of such meetings shall be posted in a conspicuous place upon the bulletin boards in the recreation buildings at least forty-eight (48) continuous hours in advance of such meeting, except in the event of an emergency. Notice of such special meeting shall give the time, place and purpose of the meeting and shall be transmitted to each Director at least forty-eight (48) hours prior to the meeting.

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

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

4.10 Adjourned Meetings. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business may be transacted that might have transacted at the meeting as originally called.

4.11 Chairman of the Board. The presiding officer of the Board shall be the President of the Corporation who shall also be the Chairman of the Board and, in the absence of the Chairman of the Board, the Vice-President shall preside.

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

- A. Roll call;
- B. Reading of minutes of the last meeting;
- C. Consideration of communications;
- D. Resignations and elections;

- E. Reports of officers and employees;
- F. Reports of committees;
- G. Unfinished business;
- H. Original resolutions and new business;
- I. Adjournment.

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

4.14 Executive Committee. The duly elected officers of the Cooperative shall constitute the Executive Committee of the Board of Directors in management of the business and affairs of the Cooperative during the intervals between the meetings of the Board of Directors, insofar as may be permitted by law, except that the Executive Committee shall not have the power to establish the budget of the Cooperative, or to determine the cash requirements or assessments payable by the Members to meet the common expenses of the Cooperative, to amend or adopt rules governing the details of the operation and use of the Cooperative property.

4.15 Compensation. Members of the Board may be compensated in an amount recommended by the Board and approved by the Members.

4.16 Recall. Subject to the provisions of Chapter 719, Florida Statutes, any member of the Board of Directors may be recalled and removed from office, with or without cause, by the vote or agreement in writing by a majority of all of the voting Members. A special meeting of the Members to recall any member of the Board of Directors may be called by ten per cent (10%) of the Members giving notice of the meeting as required for a Membership meeting, and the notice of the meeting shall state the purpose of the meeting.

ARTICLE V. POWERS AND DUTIES OF THE DIRECTORS

5.1 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Corporation and may do all acts except such acts which by law or by these By-Laws may not be delegated to the Board of Directors by the Members. The Board of Directors shall have the power and duty to: operate, care for and maintain the common areas; determine the expenses required for the operation of the Corporation; employ personnel necessary for the operation of the common areas; employ Park manager; designate Standing Committees of the Corporation including the appointment of Members as chairpersons and co-chairpersons; to assist in managing the day-to-day operation of the Park and preparation of Park budgets; adopt rules and regulations covering the details of the operation of the Park; maintain bank accounts, purchase, finance or refinance, lease equipment or acquire Certificates in the name of the Corporation; sell, sublet, transfer,

mortgage or otherwise deal with the corporate assets; obtain insurance, borrow money on behalf of the Corporation when required in connection with capital improvements; exercise all of the powers specifically set forth in the Articles of Incorporation, these By-Laws, and the laws of Florida; impose a fee not in excess of One Hundred (\$100.00) Dollars for the reasonable expense required for the transfer or sale of a Certificate; collect delinquent assessments by suit or otherwise; abate nuisances; enjoin or seek damages from Members for violation of these By-Laws and the terms and conditions of any Proprietary Lease; and exercise such other powers and duties as may be necessary or appropriate to administer the offices of the Corporation.

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

5.3 Committees of the Board. Meetings of Committees of the Board at which a quorum is present shall be open to the public.

ARTICLE VI. OFFICERS

6.1 President. The President shall be the Chief Executive Officer of the Corporation and Chairman of the Board of Directors. The President shall preside at all meetings of the Members. The President shall have general supervision over the affairs of the Corporation and other officers. The President shall sign all written contracts and perform all of the duties incident to his office and such duties as may be delegated to him from time to time by the Board.

6.2 Vice-President. The Vice-President shall perform the duties of the President in the absence or disability of the President, and shall act as the liaison with committees appointed by the Board of Directors.

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

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

6.5 Initial Officers. The initial officers of the Corporation shall hold office and serve until the first election of officers by the Board of Directors of the Corporation following the first meeting of the Members as set forth in the Articles of Incorporation. No person shall be qualified for election or service as President or Secretary of the Corporation unless they are full time residents of the Park for a period of no less than nine (9) months each year.

6.6 Compensation. Compensation of the officers shall be determined by the Board of Directors and approved by the Members.

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

ARTICLE VII. CORPORATE FUNDS

7.1 Depositories. The funds of the Corporation shall be deposited in such depository financial institutions as may be determined and approved by resolutions of the Board. Funds shall be withdrawn only upon drafts and demands for money signed by such officer or officers as may be designated by the Board.

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

7.3 Cash Requirements. Each holder of a Certificate shall be liable for a 1/270th portion of the common expense.

7.4 Assessments. Common expense assessments and the budget, which is the base for the assessments, shall be in accordance with law. If the annual assessment proves to be insufficient it may be amended at any time by an action of a majority of the Board of Directors of the Corporation, subject to the provisions of Section 719.106, Florida Statutes. The unpaid assessments for the remaining portion of the year shall be due in equal monthly installments on the first day of each subsequent month during the year for which the assessment is made. If any annual assessment is not made or required, a payment in the amount required by the last prior assessment shall be due upon each assessment payment date until changed by a new assessment. Assessments shall be made in amounts not less than are required to provide funds in advance for the payment of all of the anticipated current operation costs and/or expenses, for all unpaid operation expenses previously incurred by the Corporation and, if necessary, assessments shall be made to provide sufficient funds for payment of debt service.

7.5 Determination of Budget and Assessments.

A. The Directors shall fix and determine the sum or sums necessary and adequate to assess Members for their Membership of the common expenses by virtue of a budget to be adopted by the Board of Directors. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the Cooperative property; costs of carrying out the powers and duties of the Corporation; all insurance coverage carried by the Corporation; and any other expenses designated as common expenses by Statute or by the Directors under the Proprietary Lease. Funds for the payment of common expenses shall be collected by assessments against Members in the proportions, percentages or fractions of sharing common expenses provided in the By-Laws and the Proprietary Lease. Assessments shall be payable monthly in advance and shall be due on the first day of each month unless otherwise ordered by the Directors. Assessments shall be made against Members monthly, as aforesaid, in an amount required to provide funds in advance for payment of the anticipated current operation expenses and for unpaid operating expenses previously incurred. Special assessments, if necessary, shall be levied in the same manner as regular assessments and shall be payable in the manner determined by the Directors.

B. A copy of the proposed budget shall be mailed to the Members no less than thirty (30) days prior to the board meeting at which the budget will be considered, together with a notice of the meeting. The Director's meeting at which the budget shall be considered shall be open to all of the Members.

C. If an adopted budget requires an assessment against the Members, in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of the assessment for the preceding year, the Directors, upon written application of ten percent (10%) of the Members, shall call a special meeting of the Members within thirty (30) days upon not less than ten (10) days' written notice. At the special meeting Members shall consider and enact a budget and take such action as may be permitted under Section 719.106 of the Florida Statutes. If the adoption of the budget, or proposed budget, is approved by the Members at the meeting or by vote of at least a majority of all Members in writing, the budget shall be adopted. If a meeting of the Members has been called and a quorum is not attained or a substituted budget is not adopted by the Members, the budget adopted by the Board of Directors shall go into effect as scheduled. In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the Cooperative property; anticipated expenses by the Corporation which are not anticipated to be incurred on a regular or annual basis; or assessments for betterments to the Cooperative property shall be excluded from the computation.

D. The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expenses, including, if

applicable, but not limited to, those expenses listed in Section 719.504(20), Florida Statutes. In addition to annual operation expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof replacements; building painting and pavement resurfacing. The amount to be reserved, if any, shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost of each item. The immediate foregoing shall not apply to budgets in which the Members have, by the affirmative vote of the majority of the total voting interests voting in person or by limited proxy, at a duly called Members' meeting, determined not to provide for reserves, or for reserves less adequate than required by the foregoing.

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

7.6 Maintenance Fee/Rent. The Directors shall determine annually the assessment to be charged for the ensuing year in accordance with the terms of the Proprietary Lease and, if applicable, and except as to the Developer, determine the rent to be paid by lessees of Corporate property who do not own shares.

7.7 Application of Payments and Commingling of Funds. All sums collected by the Corporation from common expense assessments, rent and other charges and income shall be maintained separately in the corporation's name. Reserve and operating funds of the corporation shall not be commingled. Any delinquent payment by a Member or renter shall be applied first to interest, costs, attorney's fees, other charges, expenses, advances and general or special assessments, in such manner and amounts as the Directors may determine, and collectible as provided for in Section 719.108, Florida Statutes. Such delinquent assessment shall bear interest at the maximum lawful rate.

7.8 Fidelity Bonds. Fidelity bonding shall be obtained for all officers, Directors, or other employees of the Corporation who control or disburse funds of the Corporation in the principal sum of not less than Fifty Thousand Dollars (\$50,000.00) for each such person. The Corporation shall bear the cost of any such bonding.

7.9 Financial Report. Within 60 days following the end of the fiscal year the Board shall mail or furnish by personal delivery to each Member a complete financial report of actual receipts and expenditures for the previous twelve months, or a complete set of financial statements for the preceding fiscal year prepared in accordance with generally accepted accounting procedures. 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:

A. Cost for security;

- B. Professional and management fees and expenses;
- C. Taxes;
- D. Costs for recreation facilities;
- E. Expenses for refuse collection and utility services;
- F. Expenses for lawn care;
- G. Costs for building maintenance and repair;
- H. Insurance costs;
- I. Administrative and salary expenses;
- J. Reserves for capital expenditures, deferred maintenance, and any other category for which the association maintains a reserve account or accounts.

7.10 Accounting Records and Reports. The Corporation shall maintain accounting records according to generally accepted accounting practices and the same shall be open to inspection by Members, or their authorized representatives, at reasonable times. The records shall include, but not be limited to (a) a record of all receipts and expenditures and (b) an account for each Certificate designating the name and current mailing address of the Member, the amount of each assessment, the dates and amounts in which the assessments come due, the amounts paid upon the accounts, and the balance due.

7.11 Tax Deduction Statement. If applicable, the Corporation may, on or before March 15 following the close of a fiscal year, send to each Member listed on the books of the Corporation for the prior fiscal year a statement setting forth the amount per Certificate of that portion of the assessment paid by such Member under his Proprietary Lease during such year which has been used by the Corporation for payment of taxes and interest on mortgage or other indebtedness paid by the Corporation with respect to property owned by it.

7.12 Application of Payment. All payments by a Member shall be applied as provided herein and the Proprietary Least for his Unit.

7.13 Transfers and Fees. The assignment or lease of Units is subject to the approval of the Directors pursuant to these By-Laws and the Proprietary Lease. The Directors may impose a fee in connection with the approval of the assignment or lease of Units; provided however, that no fee shall be charged in connection with an assignment or lease or approval in excess of the expenditures reasonably required for the transfer, and this expense shall not exceed One Hundred (\$100.00) Dollars. No charge shall be made in connection with an extension or renewal of a lease or to the Developer.

7.14 Charges Other than Common Expenses. Certain of the Units in the Park are owned by the Corporation or leased by Members who have not paid the entire sum due for the Certificate which they hold. The expenses of financing these Units are not common expenses, as the common expenses are assessed equally among the total number of units in the cooperative, two hundred seventy (270), regardless of whether the units have been paid in full. In the event the number of Units in the Park are

increased, the common expenses will be assessed as though the total number of lots or Units in the Park have been sold and paid in full. The Directors shall establish a special levy against those Units leased by persons holding Certificates in the Corporation which have not been fully paid so that the interest expense of the Corporation on the unpaid balance of the Certificate and the pro rata principal payment, if any, is passed on to the Member holding the Certificate on that particular Unit. The Directors shall also establish and collect rent on all those Units which the Corporation holds the Certificate that contain a mobile home Unit so that the expense to the Corporation in the form of interest and principal payments on such unsold Certificates shall be allocated pro rata to each of such Units. The Corporation intends to add the cost of carrying those Units that do not contain a mobile home Unit, on the date of recordation hereof, to the cost of the Certificate and Proprietary Lease for that Unit. Interest and principal expenses shall only be common expenses to the extent that the Corporation fails or is unable to collect revenue sufficient from the above special levies and rents to meet the mortgage expense to the Corporation on all of such units.

ARTICLE VIII. ROSTER OF MEMBERS AND MORTGAGES

The Corporation shall maintain records entitled "Members." A Member who mortgages his Unit shall notify the Corporation of the name and address of his mortgagee and shall file a copy of the mortgage documents with the Corporation. A Member who satisfies a mortgage covering a Unit shall also notify the Corporation thereof and file a copy of the Satisfaction of Mortgage with the Corporation.

ARTICLE IX. PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of the Corporation meetings when not in conflict with the Proprietary Lease, the Articles and these By-Laws.

ARTICLE X. AMENDMENTS

10.1 Amendments of the Articles of Incorporation. Amendments to the Articles of Incorporation shall be made in the following manner:

- A. The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of Members, which may be either the annual or a special meeting.
- B. Written notice of the proposed amendment shall be given to each Member at least fourteen (14) days prior to the meeting at which it is to be considered. Said notice shall set forth the proposed amendment or give a summary of the changes to be affected thereby.

C. At such meeting, a vote of the Members shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the voters present, in person or by proxy, at a meeting at which a quorum shall be present.

D. In any event, the Members may amend the Articles of Incorporation without an act of the Directors at a meeting for which notice of the changes to be made is given.

10.2 Amendments to the By-Laws. Except as otherwise provided elsewhere, these By-Laws shall be amended in the following manner:

A. Resolution. A resolution for the adoption of a proposed amendment may be proposed by either a majority of the Directors or by not less than one-third (1/3) of the Members.

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

C. Vote. An affirmative vote of a majority of the voters present, in person or by proxy, at a meeting at which a quorum is present shall be required.

D. Consent to Amendments. No amendment to the By-Laws that changes the configuration or size of any Unit in any material fashion, or that materially alters or modifies the appurtenances of the Unit changes the proportion, percentage of fraction by which the holder of the Certificate shares the common expenses or owns the common surplus or equity in the Corporation, or changes or modifies the voting rights, or location of a Member's Unit, shall be valid without the written consent of not less than seventy-five (75%) percent of the Corporation affected by that amendment.

E. Execution. A copy of each amendment shall be attached to a Certificate certifying that the amendment was duly adopted as an amendment of these By-Laws, which Certificate shall be executed by the President or a Vice-President and attested by the Secretary or Assistant Secretary of the Corporation.

10.3 Errors and Omissions. In the event it shall appear that there is an error or omission in these By-Laws, or exhibits thereto, or any Cooperative document, or any other document required by law to establish the Cooperative then, and in that event, the Corporation may correct such error and/or omission by an amendment to the Cooperative document or to the Cooperative documents, in the manner hereinafter described, to effectuate an amendment for the purpose of curing defects, errors or omissions. Such an amendment shall not require a vote of approval as provided in Paragraph 10.2 C. above, but shall require a vote in the following manner:

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

B. A resolution for the adoption of such a proposed amendment may be proposed by either the Directors or by the Members of the Corporation. Except as elsewhere provided, such approvals must be either by:

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

2. Not less than twenty-five percent (25%) of the votes of the entire Members of the Corporation; or

3. In the alternative, an amendment may be made by an agreement signed and acknowledged by all Members.

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

D. The amendment made pursuant to this paragraph need only be executed and acknowledged by the Corporation and by no other parties whatsoever.

10.4 Proviso. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges, or priorities granted or reserved to mortgagees of Units without the consent of the mortgagees in each instance. No amendment shall be made that is in conflict with the Articles or the Proprietary Lease.

ARTICLE XI. COMPLIANCE AND DEFAULT

11.1 Violations. In the event of a violation (other than non-payment of an assessment) by a Member, or occupant of a Unit, of any of the provisions of these By-Laws, the Master Proprietary Lease or other lease of a Unit, or of Chapter 719, Florida Statutes, the Corporation, by direction of its Directors, shall notify the Member, or occupant of said breach by written notice, transmitted to the Member or occupant at his Unit by certified mail. If such violation shall continue for a period of thirty (30) days from the date of mailing of the notice, the Corporation shall have the right to treat such violations as an intentional, material breach of the By-Laws, the Proprietary Lease, or other lease of a Unit, or of Chapter 719, Florida Statutes, and the Corporation shall then, at its option, have the following remedies:

- A. To commence an action in equity to enforce the performance on the part of the Member or occupant;
- B. To commence an action at law to recover its damages; or
- C. To commence an action in equity for such equitable relief as may be necessary under the circumstances including injunctive relief

Upon finding by a court that the Member or occupant was in violation of any of the provisions of the above-mentioned documents, the Member or occupant shall reimburse the Corporation for reasonable attorney's fees incurred in bringing such action. The prevailing party in any action brought by the Corporation, or by a Member against the Corporation; a Member; Directors designated by the developer for action by them prior to the time of control of the Corporation by members other than the developer; or any Director who willfully or knowingly fails to comply with the provisions of Chapter 719, F.S., the cooperative documents, the documents creating the Corporation, and Corporation By-Laws, is entitled to recover reasonable attorney's fees.

11.2 Defaults. In the event a Member does not pay any assessments required to be paid to the Corporation under these By-Laws or a Proprietary Lease within thirty (30) days from the due date, the Corporation, acting on its own behalf or through its Directors or manager acting on behalf of the Corporation, may foreclose the lien encumbering the Unit created by non-payment of the required monies in the same fashion as mortgage liens are foreclosed pursuant to Section 719.108, Florida Statutes. The Corporation shall be entitled to the appointment of a receiver if it so requests. The Corporation shall have the right to bid-in the Unit at a foreclosure sale and to acquire, hold, sublet, mortgage and convey the same. In lieu of foreclosing its lien, the Corporation may through its Directors, bring suit to recover a money judgment for any sums, charges or assessments required to be paid to the Corporation without waiving its lien securing same. In any action either to foreclose its lien or to recover a money judgment, brought by or on behalf of the Corporation against a Member, the losing party shall pay the costs thereof, together with a reasonable attorney's fee.

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

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

ARTICLE XII. INDEMNIFICATION

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

ARTICLE XIII. LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

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

ARTICLE XIV. LIMITATION OF LIABILITY

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

ARTICLE XV. LIENS

In order to protect the Cooperative property, all liens against a Unit, other than the purchase money mortgage or other permitted mortgages, taxes, or special assessments, shall be satisfied or otherwise removed within thirty (30) days of the date the lien attaches. All taxes and special assessments shall be paid before becoming delinquent or as provided in the Cooperative documents or By-Laws, whichever is sooner.

ARTICLE XVI. SEAL

The seal of the Corporation shall have inscribed thereon the name of the Corporation. Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise utilized.

ARTICLE XVII. PROPRIETARY LEASE AND MEMBER CERTIFICATES

17.1 Issuance. Not less than two hundred seventy (270), not more than two hundred ninety (290) Membership Certificates shall be issued by the Corporation. One (1) Proprietary Lease and one (1) Membership Certificate shall be issued to the owners of each Unit in the Cooperative.

17.2 Execution. All Proprietary Leases shall be signed by the President or Vice-President and shall have the Corporate seal affixed thereto. Certificates shall be signed by the President and Secretary and shall have the Corporate seal affixed thereto.

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

17.4 Form of Membership Certificate. The form of Membership Certificate shall be as determined by the Directors.

17.5 Transfers. Transfers of Proprietary Leases and Membership Certificates shall be made only on the books of the Corporation. The old Proprietary Lease (or Memorandum thereof) and the Membership Certificate properly endorsed shall be surrendered and canceled before a new Proprietary Lease and Membership Certificate is issued. All transfers are subject to the By-Laws and the Master Form Proprietary Lease.

17.6 Votes. The holder(s) of a Certificate and Proprietary Lease shall be entitled to one vote in the meetings of the Corporation. There are presently a total of two hundred seventy (270) votes. In the event that the number of lots or Units in the Park are increased, there shall be a total number of votes equal to the total number of lots or Units in the Park.

17.7 Liens. The Corporation shall have a lien on all of the individual Proprietary Leases and Certificates in the name of each Member for debts due the Corporation by such Member.

17.8 Memorandum of Proprietary Lease. In lieu of recording a complete and full Proprietary Lease, a Memorandum of Proprietary Lease may be recorded.

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

“This certificate is issued by the corporation and accepted by the holder as being subject to the provisions of the Articles of Incorporation and By-Laws of the corporation and the terms and conditions of the Master Form Proprietary Lease, which Lease limits and restricts the title and rights of any transferee of this certificate and imposes a lien on this certificate to secure payment of assessments, common expenses and other sums which may be due or become due to the corporation from the holder hereof.”

ARTICLE XVIII. EASEMENTS

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

18.1 Utility Services: Drainage. Easements are reserved under, through and over the Cooperative property as may be required for utility services and drainage in order to serve the Cooperative. A Member shall do nothing on or under the Unit that interferes with or impairs the utility services using these easements. The Association shall have a right of access to each Unit from time to time during reasonable hours when necessary to maintain, repair or replace structural components of the building or of any mechanical, electrical, or plumbing elements necessary to prevent damage to the building or another unit.

18.2 Traffic. An easement shall exist for pedestrian traffic over, through and across sidewalks, paths, walks and other portions of the common areas as may be from time to time intended and designated for such purpose and use; and for vehicular and pedestrian traffic over, through and across such portions of the common areas as such easements shall be for the use and benefit of Members, Institutional mortgagees or tenants, and those claiming by, through or under them.

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

ARTICLE XIX. APPROVAL AND RATIFICATION

The Corporation, by its adoption of these By-Laws, approves and ratifies all of the covenants, terms and conditions, duties and obligations of these By-Laws and any exhibits attached hereto. The Members, by virtue of their acceptance of the Proprietary Lease and appurtenant Certificate as to their Unit, hereby approve and ratify all of the terms and conditions, duties and obligations of these By-Laws and any exhibits attached hereto.

ARTICLE XX. RULES AND REGULATIONS

Rules and regulations may be adopted and amended from time to time and shall be deemed in effect until amended by the Directors and shall apply to and be binding upon all Members. The Members shall, at all times, obey these rules and regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees and persons over whom they exercise control or supervision. In order to change, amend or vary old or present rules and regulations, the same shall be duly passed by at least fifty-one percent (51%) majority vote or consent of the Directors. No vote of the Members shall be required. A change, amendment or adoption of a rule and regulation does not require an amendment to the By-Laws.

ARTICLE XXI. CONSTRUCTION

Whenever the masculine singular form of the pronoun is used in these By-Laws it shall be construed to mean the masculine feminine or neuter, singular or plural, wherever the context so requires or permits. The words "Member" and "Shareholder" are interchangeable and mean the same persons. The words "Corporation" and "Cooperative" are interchangeable and mean the same entity.

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

ARTICLE XXII. CONFLICT

If any irreconcilable conflict should exist, or thereafter arise, with respect to the interpretation of these By-Laws and the Proprietary Lease, the provisions of the Proprietary Lease shall prevail.

ARTICLE XXIII. ALTERNATIVE RESOLUTION OF DISPUTES

In the event of a dispute as defined in Section 718.1255(1), Florida Statutes, the parties to that dispute shall, prior to the institution of Court litigation, petition the Division of Florida Land Sales, Condominiums and Mobile Homes of the Department of Business and Professional Regulation, for mandatory nonbinding arbitration in accordance with Chapter 61B-45, Florida Administrative Code, and Chapter 719.1255, Florida Statutes.

PASSED and duly adopted this 11 day of November, 1996.

Secretary

President