

**VILLA DEL SOL AT MEADOW WOODS
CONDOMINIUM ASSOCIATION, INC. NO. 2**

BY-LAWS

Exhibit "5"

Exhibit 5

Bylaws of Villa del Sol at Meadow Woods Condominium No. 2

Generally.-

The operation of the association shall be governed by the articles of incorporation and the bylaws of the association, which shall be included as exhibits to the recorded declaration.

I Identity

A. These are the Bylaws of Villa del Sol at Meadow Woods Condominium No. 2 Association, Inc. ("the Association"), a Florida corporation not for profit, the Articles of Incorporation ("the Articles") which were filed in the office of the Secretary of the State of Florida on the 27 day of Sept., 2002. The Association has been organized for the purposes of administering the operation and management of the Villa del Sol at Meadow Woods Condominium No. 2 ("the Condominium") to be established in accordance with the Florida Condominium Act ("the Act") upon the land situated in Orange County, Florida.

B. The provision of these Bylaws are applicable to the condominium and are subject to the provision of the Articles, a copy of the Articles and a copy of these Bylaws will be annexed as an exhibit to the Declaration of Condominium ("the Declaration"), which will be recorded in the Public Records of Orange County, Florida. The terms and provisions of the Articles of Declaration shall control wherever the same may be in conflict herewith.

C. All members of the Association and their invitees, including without limitation to, all present or future owners and tenants of dwelling units in the Condominium ("the Units") and other persons using the Condominium or any of the facilities thereof in any manner, are subject to these Bylaws, the Articles and the Declaration.

D. This office of the Association shall be at the site of the premises of the Condominium or at such other place as may be established by resolution of the Board of Administration.

E. The Fiscal year of the Association shall be the calendar year.

F. The seal of the Association shall bear the name of the Association, the word Florida, the words Corporation not for profit and the year of incorporation.

G. The annual meeting of Members shall be held at the office of the Association or such other place in Orange County, Florida, as may be specified in the notice of the meeting, at 7:00 P.M. on the second Tuesday in May of each year for the purposes of electing members of the Board of Administration and transacting any other business authorized to be transacted by the Members. If such date shall be a legal holiday, the annual meeting date shall be the next succeeding regular business day. Written notice shall be given to each unit owner at least 14 days prior to the annual meeting and shall be posted in a conspicuous place on the condominium property at least 14 continuous days prior to the annual meeting.

II Membership, Administration, Quorum, Voting Requirements, Proxies, and Recalls

A. The qualification of Members of the Association ("the Members"), the manner of their admission to membership and termination of such membership and voting by Members shall be as set forth in the Articles, the provisions of which are incorporated herein by reference.

B. The vote of the ownership of a unit owned by more than one natural person, such as tenants in common, joint tenants (except a husband and a wife as tenants in their entirety), a partnership or any other association of natural persons, or by a corporation, a trust, or any other entity shall be cast or otherwise exercised, at a meeting at which members of the Association are entitled to vote or otherwise act by one natural person designated by the owner of such unit as the "Primary Occupant" thereof. In each instance when title to a unit is proposed to be occupied or is

otherwise to become vested in more than one natural person (except a husband and wife as tenants in their entirety), a partnership or any association of natural persons, or by a corporation, a trust, or any other entity, the prospective owner shall, by written instrument acceptable to the Association, designate one natural person as the Primary Occupant. The designated Primary Occupant shall be and remain the Primary Occupant of the Unit until such designation has been revoked by a written instrument executed by the owner of the unit or by lawful conveyance of the unit. The Primary Occupant of the unit shall be the only person entitled to cast, or exercise, in person or by proxy, the vote of the owner of such unit at any meeting of Members or in connection with any action concerning which Members of the Association shall be required or allowed to vote or otherwise act.

C. Quorum. The percentage of voting interests required to constitute a quorum at a meeting of the members shall be a majority of the voting interests. Except as otherwise provided in the declaration, articles of incorporation, or bylaws, decisions shall be made by owners of a majority of the voting interests represented at a meeting at which a quorum is present.

D. Proxy. Except as specifically otherwise provided herein, unit owners may not vote by general proxy, but may vote by limited proxies. Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes taken to waive or reduce reserves for votes taken to waive financial statement requirements; for votes taken to amend the declaration; for votes taken to amend the articles of incorporation or bylaws pursuant to this section. 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 nonsubstantive changes to items for which a limited proxy is required and given. Notwithstanding the provisions of this subparagraph, unit owners may vote in person at unit owner meetings.

Any proxy given shall be effective only 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 90 days after the date of the first meeting for which it was given. Every proxy is revocable at any time at the pleasure of the unit owner executing it.

E. Board of administration meetings. Meetings of the board of administration at which a quorum of the members is present shall be open to all unit owners. Any unit owner may tape record or videotape meetings of the board of administration. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items. The Board shall adopt reasonable rules governing the tape recording and videotaping of the meeting. The association may adopt written reasonable rules governing the frequency, duration, and manner of unit owner statements. Adequate notice of all 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 except in an emergency. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one of the members of the board. Such emergency action shall be noticed and ratified at the next regular meeting of the board. However, written notice of any meeting at which nonemergency special assessments, or at which amendment to rules regarding unit use, will be considered shall be mailed or delivered to the unit owners and posted conspicuously on the condominium property not less than 14 days prior to the meeting. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the person providing the notice and filed among the official records of the association. Upon notice to the unit owners, the board shall by duly adopted rule designate a specific location on the condominium property or association property upon which all notices of board meetings shall be posted. If there is no condominium property or association property upon which notices can be posted, notices of board meetings shall be mailed or delivered at least 14 days before the meeting to the owner of each unit. Notice of any meeting in which regular assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Meetings of a committee to take final action on behalf of the board or make recommendations to the board regarding the association budget are subject to the provisions of this paragraph. Meetings of a committee that does not take final action on behalf of the board or make recommendations to the board regarding the association budget are subject to the provisions of this section, unless those meetings are exempted from this section by the bylaws of the association. Notwithstanding any other law, the requirement that board meetings and committee meetings be open to the unit owners is inapplicable to meetings between the board or a

committee and the association's attorney, with respect to proposed or pending litigation, when the meeting is held for the purpose of seeking or rendering legal advice.

A member of the board of administration or a committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

When any of the board or committee members meet by telephone conference, those board or committee members attending by telephone conference may be counted toward obtaining a quorum and may vote by telephone. A telephone speaker must be used so that the conversation of those board or committee members attending by telephone may be heard by the board or committee members attending in person as well as by any unit owners present at a meeting.

F. Special meetings. A special meeting of Members shall be held whenever called by the President, Vice-President, or by a majority of the Board of Administration, and must be called by such officer, upon receipt of a written request from members owning a majority of the units.

G. Budget meeting.

1. Any meeting at which a proposed annual budget of an association will be considered by the board or unit owners shall be open to all unit owners. At least 14 days prior to such a meeting, the board shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished to the association by the unit owner, a notice of such meeting and a copy of the proposed annual budget. An officer or manager of the association, or other person providing notice of such meeting, shall execute an affidavit evidencing compliance with such notice requirement and such affidavit shall be filed among the official records of the association.

2. a. If a board adopts in any fiscal year an annual budget which requires assessments against unit owners which exceed 115 percent of assessments for the preceding fiscal year, the board shall conduct a special meeting of the unit owners to consider a substitute budget if the board receives, within 21 days after adoption of the annual budget, a written request for a special meeting from at least 10 percent of all voting interests. The special meeting shall be conducted within 60 days after adoption of the annual budget. At least 14 days prior to such special meeting, the board shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished to the association, a notice of the meeting. An officer or manager of the association, or other person providing notice of such meeting shall execute an affidavit evidencing compliance with this notice requirement and such affidavit shall be filed among the official records of the association. Unit owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of all voting interests. If there is not a quorum at the special meeting or a substitute budget is not adopted, the annual budget previously adopted by the board shall take effect as scheduled.

b. Any determination of whether assessments exceed 115 percent of assessments for the prior fiscal year shall exclude any authorized provision for reasonable reserves for repair or replacement of the condominium property, anticipated expenses of the association which the board does not expect to be incurred on a regular or annual basis, or assessments for betterments to the condominium property.

c. If the developer controls the board, assessments shall not exceed 115 percent of assessments for the prior fiscal year unless approved by a majority of all voting interests.

H. Annual budget.

1. The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to, those expenses listed in Section 718.504(21), Florida Statutes.

2. In addition to annual operating expenses, the budget shall include reserve

accounts for capital expenditures and deferred maintenance. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000. The amount to be reserved shall be computed by means of a formula, which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. This subsection does not apply to an adopted budget in which the members of an association have determined, by a majority vote at a duly called meeting of the association, to provide no reserves or less reserves than required by this subsection. However, prior to turnover of control of an association by a developer to unit owners other than a developer pursuant to Section 718.301, Florida Statutes, the developer may vote to waive the reserves or reduce the funding of reserves for the first 2 fiscal years of the association's operation, beginning with the fiscal year in which the initial declaration is recorded, after which time reserves may be waived or reduced only upon the vote of a majority of all nondeveloper voting interests voting in person or by limited proxy at a duly called meeting of the association. If a meeting of the unit owners has been called to determine whether to waive or reduce the funding of reserves, and no such result is achieved or a quorum is not attained, the reserves as included in the budget shall go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves.

3. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a duly called meeting of the association. Prior to turnover of control of an association by a developer to unit owners other than the developer pursuant to Section 718.301, Florida Statutes, the developer-controlled association shall not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all nondeveloper voting interests, voting in person or by limited proxy at a duly called meeting of the association.

When a unit owner files a written inquiry by certified mail with the board of administration, the board shall respond in writing to the unit owner within 30 days of receipt of the inquiry. The board's response shall either give a substantive response to the inquirer, notify the inquirer that a legal opinion has been requested, or notify the inquirer that advice has been requested from the division. If the board requests advice from the division, the board shall, within 10 days of its receipt of the advice, provide in writing a substantive response to the inquirer. If a legal opinion is requested, the board shall, within 60 days after the receipt of the inquiry, provide in writing a substantive response to the inquiry. The failure to provide a substantive response to the inquiry as provided herein precludes the board from recovering attorney's fees and costs in any subsequent litigation, administrative proceeding or arbitration arising out of the inquiry. The association may through its board of administration adopt reasonable rules and regulations regarding the frequency and manner of responding to unit owner inquiries, one of which may be that the association is only obligated to respond to one written inquiry per unit in any given 30-day period. In such a case, any additional inquiry or inquiries must be responded to in the subsequent 30-day period, or periods, as applicable.

I. Transfer fees. The association may charge a fee of no higher than \$50.00, in connection with the sale, mortgage, lease, sublease, or other transfer of a unit. However, if the lease or sublease is a renewal of a lease or sublease with the same lessee or sublessee, no charge shall be made. The association may require that a prospective lessee place a security deposit, in an amount not to exceed the equivalent of 1 month's rent, into an escrow account maintained by the association. The security deposit shall protect against damages to the common elements or association property. Payment of interest, claims against the deposit, refunds, and disputes under this paragraph shall be handled in the same fashion as provided in Part II of Chapter 83.

J. Recall of board members. Subject to the provisions of Section 718.301, Florida Statutes, any member of the board of administration may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the unit owners to recall a member or members of the board of administration may be called by 10 percent 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.

1. If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall will be effective as provided herein. The board shall duly notice and hold a board meeting within 5 full business days of the adjournment of the unit owner meeting to recall one or more board members. At the meeting, the board shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the board within 5 full business days any and all records and property of the association in their possession, or shall proceed as set forth in subparagraph 3.

2. If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing or a copy thereof shall be served on the association by certified mail or by personal service in the manner authorized by Chapter 48 and the Florida Rules of Civil Procedure. The board of administration shall duly notice and hold a meeting of the board within 5 full business days after receipt of the agreement in writing. At the meeting, the board shall either certify the written agreement to recall a member or members of the board, in which case such member or members shall be recalled effective immediately and shall turn over to the board within 5 full business days any and all records and property of the association in their possession, or proceed as described in subparagraph 3.

3. If the board determines not to certify the written agreement to recall a member or members of the board, or does not certify the recall by a vote at a meeting, the board shall, within 5 full business days after the meeting, file with the division a petition for arbitration pursuant to the procedures in Section 718.1255, Florida Statutes. For the purposes of this section, the unit owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the board, the recall will be effective upon mailing of the final order of arbitration to the association. If the association fails to comply with the order of the arbitrator, the division may take action pursuant to Section 718.501, Florida Statutes. Any member or members so recalled shall deliver to the board any and all records of the association in their possession within 5 full business days of the effective date of the recall.

4. If the board fails to duly notice and hold a board meeting within 5 full business days of service of an agreement in writing or within 5 full business days of the adjournment of the unit owner recall meeting, the recall shall be deemed effective and the board members so recalled shall immediately turn over to the board any and all records and property of the association.

5. If a vacancy occurs on the board as a result of a recall and less than a majority of the board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, notwithstanding any provision to the contrary contained in this subsection. If vacancies occur on the board as a result of a recall and a majority or more of the board members are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the division.

K. Common elements; limited power to convey.

The association has a limited power to convey a portion of the common elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion or other public purposes, whether negotiated or as a result of eminent domain proceedings.

III Board of Administration and Meeting of Membership

A. At the meeting of Members, the Chairman of the Board or in his absence, the President, shall preside or in the absence of both, the Members present shall select a chairman of the meeting.

B. The order of business at the annual meeting of Members, and as far as practical at other meetings of Members shall be:

1. Calling of the roll and certifying of proxies.
2. Proof of notice of meeting or waiver of notice.
3. Reading or waiver of reading of the minutes of previous meeting.
4. Reports of the Officers.
5. Reports of Committees.
6. Appointments by Chairman of inspectors of election.
7. Election of Members of the Board of Administration.
8. Unfinished business.
9. New business.
10. Adjournment.

C. Directors shall be elected in the following manner:

1. Commencing with the election of the first Board to succeed the Board comprised of the subscribers of the Articles, Developer shall designate the number and the identity of the members of the Board which it shall be entitled to designate in accordance with the Articles and these Bylaws and upon such designation by Developer by written instrument presented to the meeting at which such election is held, the persons so designated by Developer shall be deemed and considered for all purposes members of the Board and shall thenceforth hold the offices and perform the duties of such offices until their successors shall have been elected or designated as the case may be and qualified in accordance with the provision of these bylaws.

2. All members of the Board whom Developer shall not be entitled to designate under these Bylaws shall be elected pursuant to the Florida Statute, Section 718.112(2)(d)3.

3. Vacancies of the Board may be filled on the date of the next annual meeting by the remaining members, except that, should any vacancy in the Board be created in any membership previously filled by any person designated by Developer, such vacancy shall be filled by the Developer designating, by written instrument delivered to any officer of the Association, the successor member of the Board who shall fill the vacated membership for the unexpired term thereof.

4. If, at the time of the first annual meeting of the members unit owners other than the Developer are entitled to elect some or all of the members of the Board, the terms of office of such members shall be one year. The term of office of all members of the Board designated by the Developer shall also be for one year. Members of the Board shall hold office for the terms, which were elected or designated and thereafter until their successor are duly elected, designated by Developer and qualified or until removed in the manner elsewhere herein provided for or as provided by law.

5. In the event that Developer selects any person or persons to serve on any Board, Developer shall have the absolute right at any time in its sole discretion to replace any such person or persons with another person or persons to serve on the Board. Replacement of any person or persons designated by Developer to serve on any board shall be made by written instrument delivered to any officer of the Association which instrument shall specify the name or names of the person or persons designated as successor or successors to the person so removed from the Board. The removal of any member and designation of his successors shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

D. The organization meeting of a newly elected or designated Board shall be held immediately following the adjournment of the membership meeting at which they were elected, if

notification to the unit owners is posted conspicuously on the condominium property at least 48 continuous hours preceding the meeting.

E. The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, assistant secretaries and assistant treasurers as the Board shall deem advisable from time to time. The president shall be elected from the membership of the Board, but no other officer need be a member of the Board. The same person may hold two offices, the duties of which are not incompatible. The Board may from time to time elect such other officers and designate their powers and duties as the Board may deem necessary properly to manage the affairs of the Association. Officer may be removed from office by the Board.

F. The President shall be the chief executive officer of the Association. He shall have all of the power and duties which are usually vested in the office of President of a corporation not for profit, including but not limited to the power to appoint committees among the members from time to time as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall have such additional powers as the Board may designate.

G. The Vice President shall in the absence of disability of the President exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other duties as shall be prescribed by the Board.

H. The Secretary shall keep the minutes of all proceedings of the Board and the members. He shall attend to the giving and serving of all notices to the members of the board and such other notices as may be required by law. He shall have custody of the seal of the association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association except those of the Treasurer and shall perform all other duties incident to the office of Secretary of a corporation not for profit and as may be required by the Board and the President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

I. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidence of indebtedness. He shall keep the assessment rolls and account of the members; he shall keep the books of the association in accordance with good accounting practices and he shall perform all other duties incident to the office of Treasurer.

J. The officers shall serve without compensation and at the pleasure of the Board of Administration. This provision shall not preclude the Board from employing a member of the Board as an employee of the Association, nor preclude contracting with a member of the Board for the management of the condominium.

K. Transfer of Control by Developer

1. The affairs of the Association shall be managed by the Board of Administration. The Board of Administration shall be comprised of three persons appointed by the Developer until such time as the Developer is transferred to the Association pursuant to Florida Statute 718.301. After such event occurs, the Board of Administration shall be comprised of five persons.

When unit owners other than the developer own 15 percent or more of the units in a condominium that will be operated ultimately by an association, the unit owners other than the developer shall be entitled to elect no less than one-third of the members of the board of administration 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 administration of an association:

a. Three years after 50 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;

b. Three months after 90 percent of the units that will be operated ultimately by the association have been conveyed to purchasers;

c. When all the units that will be operated 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 years after recordation of the declaration of condominium; or, in the case of an association which may ultimately operate more than one condominium, 7 years after recordation of the declaration for the first condominium it operates; or, in the case of an association operating a phase condominium created pursuant to Section 718.403, Florida Statutes, 7 years after recordation of the declaration creating the initial phase, whichever occurs first. The developer is entitled to elect at least one member of the board of administration of an association as long as the developer holds for sale in the ordinary course of business at least 5 percent, in condominiums with fewer than 500 units, and 2 percent, in condominiums with more than 500 units, of the units in a 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 purposes of reacquiring control of the association or selecting the majority members of the board of administration.

2. Within 75 days after the unit owners other than the developer are entitled to elect a member or members of the board of administration of an association, the association shall call, and give not less than 60 days' notice of an election for the members of the board of administration. The election shall proceed as provided in Section 718.112(2)(d), Florida Statutes. The notice may be given by any unit owner if the association fails to do so. Upon election of the first unit owner other than the developer to the board of administration, the developer shall forward to the division the name and mailing address of the unit owner board member.

3. If a developer holds units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the developer:

a. Assessment of the developer as a unit owner for capital improvements.

b. Any action by the association that would be detrimental to the sales of units by the developer. However, an increase in assessments for common expenses without discrimination against the developer shall not be deemed to be detrimental to the sales of units.

4. At the time that unit owners other than the developer elect a majority of the members of the board of administration of an association, the developer shall relinquish control of the association, and the unit owners shall accept control. Simultaneously, or for the purposes of paragraph (c) not more than 90 days thereafter, the developer shall deliver to the association, at the developer's expense, all property of the unit owners and of the association, which is held or controlled by the developer, including, but not limited to, the following items, if applicable, as to each condominium operated by the association:

a. The original or a photocopy of the recorded declaration of condominium and all amendments thereto. If a photocopy is provided, it shall be certified by affidavit of the developer or an officer or agent of the developer as being a complete copy of the actual recorded declaration.

b. A certified copy of the articles of incorporation of the association or, if the association was created prior to the effective date of this act and it is not incorporated, copies of the documents creating the association.

c. A copy of the bylaws.

d. The minute books, including all minutes and other books and records of the association, if any.

- e. Any house rules and regulations, which have been promulgated.
- f. Resignations of officers and members of the board of administration who are required to resign because the developer is required to relinquish control of the association.
- g. The financial records, including financial statements of the association and source documents from the incorporation of the association through the date of turnover. The records shall be audited for the period from the incorporation of the association or from the period covered by the last audit, if an audit has been performed for each fiscal year since incorporation, by an independent certified public accountant. All financial statements shall be prepared in accordance with generally accepted accounting principles and shall be audited in accordance with generally accepted auditing standards, as prescribed by the Florida Board of Accountancy, pursuant to Chapter 473. The accountant performing the audit shall examine to the extent necessary supporting documents and records, including the cash disbursements and related paid invoices to determine if expenditures were for association purposes and the billings, cash receipts and related records to determine that the developer was charged and paid the proper amounts of assessments.
- h. Association funds or control thereof.
- i. All tangible personal property that is property of the association, which is represented by the developer to be part of the common elements or which is ostensibly part of the common elements, and an inventory of that property.
- j. A copy of the plans and specifications utilized in the construction or remodeling of improvements, the supplying of equipment to the condominium and in the construction and installation of all mechanical components serving the improvements and the site with a certificate in affidavit form of the developer or the developer's agent or an architect or engineer authorized to practice in this state that such plans and specifications represent, to the best of his or her knowledge and belief, the actual plans and specifications utilized in the construction and improvement of the condominium property and for the construction and installation of the mechanical components serving the improvements. If the condominium property has been declared a condominium more than 3 years after the completion of construction or remodeling of the improvements, the requirements of this paragraph do not apply.
- k. A list of the names and addresses, of which the developer had knowledge at any time in the development of the condominium, of all contractors, subcontractors and suppliers utilized in the construction or remodeling of the improvements and in the landscaping of the condominium or association property.
- l. Insurance policies. Copies of any certificates of occupancy, which may have been issued for the condominium property.
- m. Any other permits applicable to the condominium property which have been issued by governmental bodies and are in force or were issued within 1 year prior to the date the unit owners other than the developer take control of the association.
- n. All written warranties of the contractor, subcontractors, suppliers and manufacturers, if any, that are still effective.
- o. A roster of unit owners and their addresses and telephone numbers, if known, as shown on the developer's records.
- p. Leases of the common elements and other leases to which the association is a party.
- q. Employment contracts or service contracts in which the association is one of the contracting parties, or service contracts in which the association or the unit owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person or persons performing the service.

r. All other contracts to which the association is a party.

IV Parliamentary Rules

Robert Rules of Order shall govern the conduct of the corporate proceeding when not in conflict with the Articles, these Bylaws or the Laws of the State of Florida.

V Amendment to Bylaws

Amendments to these By Laws shall be proposed and adopted in the following manner:

A. Amendments to these Bylaws may be proposed by the Board, acting upon vote of a majority of the member or members of the association owning a majority of the units in the condominium whether meeting at a members meeting or by instruments in writing signed by them.

B. Upon any amendment or amendments to these Bylaws being proposed by the Board of member of the Association, such proposed amendment shall be transmitted to the president of the Association or acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the member for a date not sooner than twenty days not later than sixty days from receipt by such officer of the proposed amendment, and it shall be the duty of the Secretary to give each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the members is required as herein set forth; provided that proposed amendment to the bylaws may be considered and voted upon at annual meeting of the members.

C. In order for such amendment to become effective, the same must be approved by an affirmative vote of the owners of units to which not less than sixty seven per cent of the common elements are appurtenant, and a copy of such amendment to these bylaws shall be transcribed, certified by President and Secretary of the Association and a copy thereof shall be incorporated into an Amendment of the Declaration and recorded in the Public Records of Orange County, Florida within thirty days from the date of which amendment have been affirmatively approved by the members.

D. At any meeting held to consider such amendment to these bylaws the written vote of any member shall be recognized if such member is not present at such meeting in person or by proxy provided such written vote is delivered to the Secretary at or prior to the meeting.

E. No bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing bylaws shall contain the full text of the bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of bylaw. See bylaw _____ for present text."

Nonmaterial errors or omissions in the bylaw process will not invalidate an otherwise properly promulgated amendment.

F. Notwithstanding the foregoing provision of this Articles VIII no amendment to these bylaws which shall abridge, amend or alter the right of the Developer to designate members of each Board of Administration as provided in these bylaws may be adopted or become effective without the written consent of the Developer.

VI Mandatory Nonbinding Arbitration of Disputes

A. Prior to the institution of court litigation, the parties to a dispute shall petition the division for nonbinding arbitration, which action shall toll the applicable statute of limitations.

B. At the request of any party to the arbitration, such arbitration shall issue subpoenas for the attendance of witnesses and the production of books, records, documents and other evidence, and any party on whose behalf a subpoena is issued may apply to the court for orders compelling such attendance and production. Subpoenas shall be served and shall be enforceable in the manner provided by the law.

C. The arbitration decision shall be presented to the parties in writing. An arbitration decision shall be final if a complaint for a trial de novo is not filed in a court of competent jurisdiction within 30 days. The right to file for a trial de novo entitles the parties to file a complaint in the appropriate trial court for a judicial resolution of the dispute. The prevailing party may be awarded reasonable attorney's fees.

D. The party who files a complaint for a trial de novo shall be assessed the other party's arbitration costs, court costs and other reasonable costs, including attorney's fees, investigation expenses and expenses for expert or other testimony or evidence incurred after the arbitration hearing if the judgement upon the trial de novo is not more favorable than the arbitration decision. If the judgement is more favorable, the party who filed the complaint for trial de novo shall be awarded reasonable court costs and attorney's fees.

E. Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in the circuit court for the circuit in which the arbitration took place. A petition may not be granted unless the time for appeal by the filing of a complaint for trial de novo has expired. If a complaint for a trial de novo has been filed, a petition may not be granted with respect to an arbitration award that has been stayed.

VII Certificate of Compliance

A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the association's board as evidence of compliance of the Condominium units to the Condominium Fire and Life Safety Code 718.112.

VIII Assessments; liability; lien and priority; interest; collection

Assessments. Assessments shall be made against units not less frequently than quarterly in an amount, which is not less than that 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. Nothing in this paragraph shall preclude the right of an association to accelerate assessments of an owner delinquent in payment of common expenses. Accelerated assessments shall be due and payable on the date the claim of lien is filed. Such accelerated assessments shall include the amounts due for the remainder of the budget year in which the claim of lien was filed.

A. 1. A unit owner, regardless of how his or her title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments, which come due while he or she is the unit owner. Additionally, a unit owner is jointly and severally liable with the previous owner for all unpaid assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the owner may have to recover from the previous owner the amounts paid by the owner.

2. The liability of a first mortgagee or its successor or assignees who acquire title to a unit by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due prior to the mortgagee's acquisition of title is limited to the lesser of:

a. The unit's unpaid common expenses and regular periodic assessments, which accrued or came due during the 6 months immediately preceding the acquisition of title and for which payment in full has not been received by the association; or

b. One percent of the original mortgage debt. The provisions of this paragraph apply only if the first mortgagee joined the association as a defendant in the foreclosure action. Joinder of the association is not required if, on the date the complaint is filed, the association

was dissolved or did not maintain an office or agent for service of process at a location, which was known to or reasonably discoverable by the mortgagee.

3. The person acquiring title shall pay the amount owed to the association within 30 days after transfer of title. Failure to pay the full amount when due shall entitle the association to record a claim of lien against the parcel and proceed in the same manner as provided in this section for the collection of unpaid assessments.

4. For purposes of this subsection, the term "successor or assignee" as used with respect to a first mortgagee includes only a subsequent holder of the first mortgage.

B. The liability for assessments may not be avoided by waiver of the use or enjoyment of any common element or by abandonment of the unit for which the assessments are made.

C. Assessments and installments, which are not paid when due shall bear interest at the highest rate allowed by law, from the due date until paid. The association may charge an administrative late fee in addition to such interest, in an amount not to exceed the greater of \$25 or 5 percent of each installment of the assessment for each delinquent installment that the payment is late. Any payment received by an association shall be applied first to any interest accrued by the association, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent assessment. The foregoing shall be applicable notwithstanding any restrictive endorsement, designation or instruction placed on or accompanying a payment. A late fee shall not be subject to the provisions in Chapter 687 or Section 718.303(3), Florida Statutes.

D. 1. The association has a lien on each condominium parcel to secure the payment of assessments. Except as otherwise provided in subsection (A) and as set forth below, the lien is effective from and shall relate back to the recording of the original declaration of condominium, or, in the case of lien on a parcel located in a phase condominium, the last to occur of the recording of the original declaration or amendment thereto creating the parcel. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien in the public records of the county in which the condominium parcel is located.

2. To be valid, a claim of lien must state the description of the condominium parcel, the name of the record owner, the name and address of the association, the amount due and the due dates. It must be executed and acknowledged by an officer or authorized agent of the association. No such lien shall be effective longer than 1 year after the claim of lien was recorded unless, within that time, an action to enforce the lien is commenced. The 1-year period shall automatically be extended for any length of time during which the association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the parcel owner or any other person claiming an interest in the parcel. The claim of lien shall secure all unpaid assessments, which are due and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a certificate of title, as well as interest and all reasonable costs and attorney's fees incurred by the association incident to the collection process. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien.

3. By recording a notice in substantially the following form, a unit owner or the unit owner's agent or attorney may require the association to enforce a recorded claim of lien against his or her condominium parcel:

NOTICE OF CONTEST OF LIEN

TO: (Name and address of association) You are notified that the undersigned contests the claim of lien filed by you on _____, (year), and recorded in Official Records Book _____ at Page _____, of the public records of _____ County, Florida, and that the time within which you may file suit to enforce your lien is limited to 90 days from the date of service of this notice. Executed this _____ day of _____, (year).

Signed: (Owner or Attorney)

After notice of contest of lien has been recorded, the clerk of the circuit court shall mail a copy of the recorded notice to the association by certified mail, return receipt requested, at the address shown in the claim of lien or most recent amendment to it and shall certify to the service on the face of the notice. Service is complete upon mailing. After service, the association has 90 days in which to file an action to enforce the lien, and if the action is not filed within the 90-day period, the lien is void. However, the 90-day period shall be extended for any length of time that the association is prevented from filing its action because of an automatic stay resulting from the filing of a bankruptcy petition by the unit owner or by any other person claiming an interest in the parcel.

E. 1. The association may bring an action in its name to foreclose a lien for assessments in the manner a mortgage of real property is foreclosed, and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien. The association is entitled to recover its reasonable attorney's fees incurred in either a lien foreclosure action or an action to recover a money judgment for unpaid assessments.

2. No foreclosure judgment may be entered until at least 30 days after the association gives written notice to the unit owner of its intention to foreclose its lien to collect the unpaid assessments. If this notice is not given at least 30 days before the foreclosure action is filed, and if the unpaid assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the association shall not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the unit owner or by certified or registered mail, return receipt requested, addressed to the unit owner at his or her last known address; and, upon such mailing, the notice shall be deemed to have been given, and the court shall proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this subsection are satisfied if the unit owner records a notice of contest of lien as provided in subsection (5). The notice requirements of this subsection do not apply if an action to foreclose a mortgage on the condominium unit is pending before any court; if the rights of the association would be affected by such foreclosure; and if actual, constructive or substitute service of process has been made on the unit owner.

3. If the unit owner remains in possession of the unit after a foreclosure judgment has been entered, the court, in its discretion, may require the unit owner to pay a reasonable rental for the unit. If the unit is rented or leased during the pendency of the foreclosure action, the association is entitled to the appointment of a receiver to collect the rent. The expenses of the receiver shall be paid by the party, which does not prevail in the foreclosure action.

4. The association has the power to purchase the condominium parcel at the foreclosure sale and to hold, lease, mortgage or convey it.

F. A first mortgagee acquiring title to a condominium parcel as a result of foreclosure, or a deed in lieu of foreclosure, may not, during the period of its ownership of such parcel, whether or not such parcel is unoccupied, be excused from the payment of some or all of the common expenses coming due during the period of such ownership.

G. Within 15 days after receiving a written request therefor from a unit owner purchaser, or mortgagee, the association shall provide a certificate signed by an officer or agent of the association stating all assessments and other moneys owed to the association by the unit owner with respect to the condominium parcel. Any person other than the owner who relies upon such certificate shall be protected thereby. A summary proceeding pursuant to Section 51.011, Florida Statutes, may be brought to compel compliance with this subsection, and in any such action the prevailing party is entitled to recover reasonable attorney's fees.

H. **Commingling.** All funds collected by an association shall be maintained separately in the association's name. For investment purposes only, reserve funds may be commingled with operating funds of the association. Commingled operating and reserve funds shall be accounted for separately and a commingled account shall not, at any time, be less than the amount identified as reserve funds. A manager or business entity required to be licensed or registered under Section 468.432, Florida Statutes, or an agent, employee, officer or director of an association, shall not

