

Please also see revisions:

1. 11/14/00 for rentals
2. 8/26/13 for insurance

BY LAWS
OF
TERN BAY
HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

GENERAL

The provisions of this document constitute the Bylaws of **TERN BAY HOMEOWNER'S ASSOCIATION, INC.**, which Bylaws shall be utilized to govern the management and operation of the Association.

ARTICLE II

NAME AND LOCATION

The name of the Corporation is **TERN BAY HOMEOWNER 'S ASSOCIATION, INC.**, hereinafter referred to as the "Association". The initial principal office of the Corporation shall be located on Pinellas Bayway, Tierra Verde, FL 33715, but meetings of members and directors may be held at such places within the State of Florida as may be designated by the Board of Directors. The registered agent shall have a business office identical with such Association office.

ARTICLE III

DEFINITIONS

Section 1. "Additional Properties" shall mean and refer to certain other real property to which provisions of the Declaration may from time to time be extended, as more particularly described in said Declaration.

Section 2. "Annexation Amendment" means any declaration of covenants, conditions and restrictions, or easements that may hereafter be recorded by the Declarant for the purpose of supplementing, amending or extending the provisions of the Declaration to other real property.

Section 3. "Articles" shall mean the Articles of Incorporation of the Association.

Section 4. "Association" shall mean and refer to **TERN BAY HOA., INC.**

Association, Inc., its successors and assigns.

Section 5. "Assessment" shall mean a share of the funds required for the payment of Common Expenses, which from time to time is assessed against the Lot Owner.

Section 6. "Association Documents" - shall mean any, several or all of those documents concerning the creation and operation of the Association, such documents being the Declaration, the Articles, these Bylaws, and the Rules and Regulations of the Association.

Section 7. "Board" - shall mean the Board of Directors or other representative body responsible for administration of the Association.

Section 8. "Common Area" shall mean and refer to all real property (including the improvements thereon) now or hereafter owned by the Association for the common use and enjoyment of the Owners.

Section 9. "Common Expenses" shall mean the expenses, reserves and assessments properly incurred by the Association for the maintenance of the Common Area and Properties.

Section 10. "Common Surplus" - shall mean the excess of all receipts of the Association, including, but not limited to, Assessments, rents, profits, and revenues over the amount of Common Expenses.

Section 11. "Declarant" shall mean and refer to C & K GROUP UNLIMITED, INC. a Florida Corporation, its successors and assigns, as provided in the Declaration.

Section 12. "Declaration" shall mean and refer to the Master Declaration of Covenants, Conditions and Restrictions for Tierra Sails Townhomes applicable to the Properties and recorded in the office of the Clerk of the Circuit Court, Pinellas County, Florida.

Section 13. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties and additional Properties, with the exception of the Common Area.

Section 14. "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

Section 15. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, or Additional Properties but excluding those having such interest merely as security for the performance of an obligation.

Section 16. "Properties" shall mean and refer to that certain real property as described in the Master Declaration of Covenants, Conditions and Restrictions for Pelican Isle Townhomes and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 17. All other terms defined in the Declaration shall have the same meaning when used herein.

ARTICLE IV

MEMBERS

Section 1. Qualifications of Members. Those individuals, corporations, partnerships, trusts or other legal entities who own a recorded vested present interest in a Lot shall be entitled to become members.

Section 2. Manner of Admission. Each Owner designated in a deed or other instrument establishing title to a Lot duly recorded in the Public Records of Pinellas County, Florida shall automatically become a member upon delivery to the Association of a copy of such instrument and receipt of a written acknowledgement of said delivery signed by the President or Secretary.

Section 3. Members' Rights. Every member shall have all the rights set forth in the Association Documents, including, but not limited to, the following:

- (a) The right to receive notice of every meeting of the membership as set forth at Article VI below.
- (b) The right to attend every meeting of the membership and every meeting of the Board.
- (c) Except as provided in Section 4 of Article V below, the right to one (1) vote on each matter brought before the membership as set forth in Article V below.
- (d) The right to receive a copy of the proposed annual budget at least thirty (30) days prior to the Board meeting at which the budget shall be considered, together with a notice of such meeting.
- (e) The right to receive a complete financial report of the prior accounting year of the Association annually.
- (f) The right to inspect all books and records of the Association.
- (g) The right to inspect at reasonable times, a copy of each insurance policy obtained by the Association.

Section 4. Obligations of Members.

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

(1) To conform to and abide by said Association Documents and to see that all persons claiming rights in the Common Area, by, through or under him do likewise.

(2) To promptly pay Assessments and/or fines levied by the Association.

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

(b) In the event of violation of the provisions of this Section, the Association or any Lot Owner may bring appropriate action to enjoin such violator or to enforce the provisions of the Association Documents or sue for damages, or file a written complaint to initiate hearing procedures under the Bylaws, or seek such other legal remedy as deemed appropriate, or take all such courses of action at the same time.

Section 5. Assessments. Membership shall be assessable pursuant to the Declaration and Article XVI of these Bylaws.

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

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

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

ARTICLE V

VOTING

Section 1. Voting Rights of Members. Except as provided in Section 4 below, the record Owner or all record Owners collectively, if there are more than one, of each Lot shall be

entitled to one (1) vote on each matter brought before the membership of the Association, which vote shall be cast by the voting representative designated in a certificate filed with the Secretary of the Association. No vote may be divided, and no fractional vote shall be cast. If a Lot is owned by a corporation, the corporation shall designate the person entitled to cast the vote in the certificate designed for this purpose and such certificate shall be signed by the president or vice-president of said corporation and filed with the Secretary of the Association. Provided, however, with regard to any Lots owned by the Declarant, such certificate is sufficient if signed by any president or vice president of any general partner of Declarant. Except as hereafter provided with regard to a Lot owned jointly by a husband and wife, if a Lot is owned by more than one (1) person, the person entitled to cast the vote therefor shall be designated in a certificate signed by all the record owners of the Lot and filed with the Secretary of the Association. The person so designated in the certificate shall be known as the "voting member". Such certificates shall be valid until revoked or superseded by a subsequent certificate, or until a change in the ownership of the Lot concerned. If a Lot is owned jointly by a husband and wife, the following four (4) provisions are applicable thereto:

(a) They may, but they shall not be required to, designate a voting member.

(b) If they do not designate a voting member and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose the right to vote on that subject at that meeting.

(c) If they do not designate a voting member, and only one is present at a meeting, the person present may cast the vote, just as though he or she owned the Lot individually and without establishing the concurrence of the absent person.

(d) If either or both are present at a meeting, the Lot shall be counted as present for the purpose of determining a quorum.

Section 2. Failure to Designate. If the designation of a voting representative is not submitted to the Secretary of the Association at least seven (7) days prior to a membership meeting, such failure will result in depriving the Lot Owner of a vote at such meeting.

Section 3. Membership List.

(a) At least fourteen (14) days before every membership meeting or, if less than fourteen (14) days notice of the meeting is given, from the date of such notice, the Secretary of the Association shall prepare a Membership List. Said Membership List shall be a complete list, arranged numerically by Lot, of every member and of every voting representative entitled to vote at such meeting or any adjournment thereof, with the address to which notice is to be sent of each. This List shall be produced and kept at current status for said fourteen (14) days and throughout the election at the principal office of the Association; and any member or voting representative shall be entitled to inspect said List at any reasonable time. A designation may be made or changed, and disfranchise for any reason may be cured if appropriate written notice of same is received by the Secretary not later than seven (7) days before the meeting.

(b) If the requirements of Subsection (a) above have not been substantially complied with, on demand of any member or voting representative in person or by proxy, the meeting shall be adjourned until the requirements are complied with. If no such demand is made, failure to comply with said requirements shall not affect the validity of any action at such meeting.

Section 4. Classes of Voting Membership.

(a) The Association shall initially have two (2) classes of voting membership.

Class A. Class A members shall be all Owners of Lots subject to assessment, and shall be entitled to vote as set forth in Section 1 above; provided, however, so long as there is Class B membership the Declarant shall not be a Class A member.

Class B. The Class B member shall be Declarant and Declarant shall be entitled to three (3) votes multiplied by the number of Lots owned by the Declarant in the Properties and Additional Properties.

(b) From time to time, Class B membership may cease and be converted to Class A membership, and any Class B Lots then subject to the terms of this Declaration shall become Class A Lots, upon the happening of any of the following events, whichever occurs earlier:

(i) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership;

(ii)

(iii) When Declarant waives in writing its right to Class B membership.

ARTICLE VI

MEETINGS OF MEMBERS

Section 1. Annual Meeting. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held during the first calendar quarter of each year on the date and at such time and place as the Board of Directors shall designate; provided, however, that said date may be changed by resolution of the Board so long as the annual meeting for any year shall be held not later than thirteen (13) months after the last preceding annual meeting of the members.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership. Such request shall

state the purpose or purposes of the proposed meeting and the date said meeting shall be held; provided, however, at least five (5) days notice shall be given to each member, except in an emergency. No business other than that specified as the purpose in said notice shall be discussed or transacted at such special meeting.

Section 3. Annual Budget Meetings. An Annual Budget Meeting shall be held during the month prior to the last month of each fiscal year, or at such time as the Board shall direct, for the purpose of adopting an annual budget for the Association for the coming fiscal year. Written or printed notice stating the place, day and hour of the meeting shall be delivered personally or by registered certified mail to each director at his address as it appears on the books of the Association no more than sixty (60) days nor less than thirty (30) days before the meeting. Notice shall be given to members of the Association as set forth in Section 5(a) below.

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

Section 5. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

(a) Notice of any meeting regarding the annual budget, amendment of the Declaration or annexation of additional properties not already contemplated by Declarant hereunder shall be given to all members not less than thirty (30) days nor more than sixty (60) days in advance of such meeting either by mailing a copy of such notice, postage prepaid, addressed to the member's address last appearing on the books of the Association or supplied by such member to the Association for the purpose of notice or by delivering the same to the member personally.

(b) Except as set forth in Section (a) above, notice shall be given at least fifteen (15) days in advance to each member either personally or by first class mail; provided, however, a member may request the Secretary in writing that notice be given such member by mail and furnish the Secretary with the address to which such notice is to be mailed. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the member at his address as it appears on the books of the Association, with postage thereon prepaid. In addition, notice of each meeting shall be posted in a conspicuous place on the Properties.

(c) Notice of special meetings shall be as set forth in Section 2 above.

Section 6. Waiver of Notice. A written waiver of notice signed by any voting representative, whether before or after the meeting, shall be equivalent to the giving of notice to the member he represents. Attendance of a voting representative at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time

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

Section 7. Majority Vote. The acts approved by a majority of the votes cast, either in person or by proxy, at a meeting at which a quorum is established shall constitute the acts of the members, except when approval by a greater or different voting majority is required by the Declaration, the Articles of Incorporation or these Bylaws.

Section 8. Proxies.

(a) At any meeting of the members, every voting representative having the right to vote shall be entitled to vote in person or by proxy. Such proxy must be in writing and filed with the Secretary of the Association before the appointed time of the meeting and shall be effective only for the specific meeting for which it was originally given and any lawfully adjourned meeting thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the voting representative executing it. The appearance at any meeting of any voting representative who has previously designated a proxy shall automatically revoke and terminate said proxy.

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

Section 9. Quorum and Voting.

(a) The presence, in person or by proxy, of those voting representatives entitled to cast one-third ($1/3$) of the votes of each class of membership as determined by these Bylaws, shall constitute a quorum at any meeting of the membership for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws.

(b) If a quorum is present, the affirmative vote of the majority of the voting representatives present who cast their vote in person or by proxy at the meeting shall be the act of the members unless otherwise provided by law or the Association Documents. If, however, such quorum shall not be present, a majority of the voting representatives present in person or represented by proxy shall reschedule said meeting for a date not later than thirty (30) days and adjourn. Notice of the adjourned meeting shall be given as set forth in Section 5 above. At said rescheduled meeting any business may be transacted which might have been transacted at the meeting originally called; however, the presence, in person or by proxy of those voting representatives entitled to cast ten percent (10%) of the votes of each class of membership as determined by these Bylaws, shall constitute

a quorum.

(c) After a quorum has been established at a membership meeting, the subsequent withdrawal of voting representatives, so as to reduce the number of voting representatives 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. The majority of votes cast shall determine the act of the membership.

Section 10. Adjourned Meeting. A majority of the voting representatives present, whether or not a quorum exists, may adjourn any meeting of the membership to another time and place. Notice of such adjourned meeting as required in Section 5 above shall be given to the members by posting such notice in a conspicuous place on the Properties. No further notice shall be required. When a determination of voting representatives entitled to vote at any meeting of the membership has been made, such determination shall apply to any adjournment thereof, unless the Board provides otherwise.

Section 11. Action by Members Without a Meeting.

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

(b) Within ten (10) days after obtaining such authorization by written consent, notice shall be given to those members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action and shall be sufficient if posted in a conspicuous place on the Properties.

Section 12. Recordation of Actions. All actions of the membership shall be recorded in minutes, if taken during a meeting, or in an Action by Written Consent, if taken without a meeting; and such minutes shall be made available, upon request, to any member or voting representative.

ARTICLE VII

BOARD OF DIRECTORS: SECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall initially be managed by a Board of three (3) directors, who need not be members of the Association. The directors are hereby divided into three (3) classes: Class A, Class B, and Class C. Each class of directors will consist of, as nearly as practical, one-third (1/3) of the number of directors then constituting the whole Board of Directors.

Section 2. Term of Office. The term of office of the Class A director shall expire at the first annual meeting of the members. The term of office of the Class B director shall expire at the annual meeting one (1) year thereafter. The term of office of the Class C director shall expire at the annual meeting two (2) years thereafter. At each such annual meeting, and at all succeeding annual meetings, a director shall be elected for a term of three (3) years to succeed the one whose term expires. A director shall continue in office until his successor shall be elected and qualifies, unless he sooner dies, resigns, or is removed, or otherwise disqualified to serve.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. Any director who fails to attend three (3) consecutive meetings, whether annual, regular or special, of the Board without an excused absence, may be removed from the Board by a vote of a majority of the remaining directors, though less than a quorum of the Board. For purposes of this Section 3, the nature of an absence, whether excused or unexcused, shall be determined by the President of the Association; provided, however, an absence deemed by the President to be unexcused shall be submitted to the Board (without the affected director being entitled to vote) for its determination of the nature of the absence, which determination shall be final and binding on all parties concerned. Any director may also be removed at a meeting of the membership of the Association which elected the Director; provided, however, such purpose must be stated in the notice for said meeting. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board of Directors, even though less than a quorum, and shall serve for the unexpired term of his predecessor. Any removal of a director from the Board shall be without prejudice to any contract right of the director so removed.

Section 4. Compensation. The membership of the Association shall have the authority to fix the compensation, if any, of the directors. Additionally, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all directors. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors.

Section 6. Directors' Conflict of Interest.

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

(1) The fact of such relationship or interest is disclosed or known to the Board or committee which authorizes, approves or ratifies the contract or transaction by a vote or

consent sufficient for the purpose without counting the votes or consents of such interested directors; or

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

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

(4) Disclosure of such agreement by setting forth same in the Declaration as initially declared or subsequently redeclared or amended, shall stand as an absolute confirmation of such agreements and the valid exercise of the directors and officers of the corporation of the powers pertinent thereto.

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

ARTICLE VIII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and one or more other persons. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among the members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Qualification of Directors. The Nominating Committee shall only nominate persons for election to the Board of Directors which meet the following qualifications:

(a) Any director elected prior to the termination of Class B membership need not be a member of the Association.

(b) Every director elected after the termination of Class B membership shall be a member or a voting representative of the Association.

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

ARTICLE IX

MEETINGS OF DIRECTORS

Section 1. Annual Meetings. The annual meeting of the Board shall be held without notice immediately after the adjournment of the annual meeting of the members.

Section 2. Regular Meetings. The Board may, by resolution duly adopted, establish regular meetings, which shall thereafter be held without further notice until subsequent resolution altering same. Should such meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 3. Special Meetings. Special meetings of the Board may be called by the President or on the written request of any two (2) directors, after not less than three (3) days notice to each director.

Section 4. Annual Budget Meetings. An Annual Budget Meeting shall be held each year during that month which is two (2) months prior to the last month of the fiscal year for the purpose of adopting an annual budget for the Association for the coming fiscal year. Written or printed notice stating the place, day and hour of the meeting shall be delivered personally or by certified mail, return receipt requested, to each director at his address as it appears on the books of the Association no more than sixty (60) days nor less than thirty (30) days before the meeting.

Section 5. Place of Meetings. Meetings of the Board shall be held at the principal office of the Association or at such other place as the directors may from time to time designate.

Section 6. Open Meetings. Meetings of the Board shall be open to all members and voting representatives.

Section 7. Notice of Meetings.

(a) Written or printed notice stating the place, day and hour of any special meeting of the Board must be given to each director not less than five (5) nor more than thirty (30) days before the directors' meeting, by or at the direction of the President, the Secretary or other persons calling the meeting; provided, however, in the case of an emergency, only such notice as is reasonable under the circumstances need be given. Notice must be given either personally or by telegram, cablegram or first class mail; and if mailed, the notice shall be deemed to be given when deposited in the United States mail addressed to the director at his address, as it appears in the

records of the Association, with postage thereon prepaid. Except as otherwise specified in these Bylaws, the notice need not specify the business to be transacted at, nor the purpose of, any meeting.

(b) Additionally, notice of every meeting of the Board, stating the place and time thereof, shall be posted conspicuously on the Properties at least forty-eight (48) hours prior to any such meeting to call the members' attention thereto; provided, however, in the event of an emergency such notice shall not be required.

(c) Notice of any meeting in which the Assessments against Lot Owners are to be considered for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such Assessments.

Section 8. Waiver of Notice. A written waiver of notice signed by any director, whether before or after any meeting shall be equivalent to the giving of notice to said director. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director attends a meeting for the express purpose, as stated at the beginning of the meeting, of objecting to the transaction of business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the directors need be specified in any written waiver of notice.

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

Section 10. Adjourned Meeting. A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the Board to another time and place. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice. Notice of any such adjourned meeting shall be given to the directors who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors.

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

Section 12. Voting.

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

(b) A majority vote by the directors present at a meeting of the Board at which

a quorum is present shall be the act of the Board, unless a greater number is required under any provision of the Declaration, the Articles of Incorporation or these Bylaws.

Section 13. Action Without a Meeting.

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

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

Section 14. Recordation of Actions. All actions of the Board shall be recorded in minutes, if taken during a meeting, or in an Action by Written Consent, if taken without a meeting; and such minutes shall be made available, upon request, to any member or voting representative.

Section 15. Procedure. The directors may adopt their own rules of procedure which shall not be inconsistent with the Declaration, the Articles of Incorporation, these Bylaws or applicable law.

ARTICLE X

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to tak the following actions:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the Common Area of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws,

the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ a manager, an independent contractor, or such employees as they may deem necessary and to prescribe their duties; and

(f) authorize the execution of any easement as provided in Article IV of the Articles of Incorporation, or other assignment, conveyance or transfer of property of the Association, real, personal or mixed, except where member consent or approval is expressly required by the terms of the Declaration, the Articles of Incorporation or these Bylaws.

(g) make appropriate delegations of authority to the officers and, to the extent permitted by law and these Bylaws, by appropriate resolution, the Board may authorize one or more committees to act on its behalf when it is not in session.

Section 2. Duties. It shall be the duty of the Board of Directors to take the following actions:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) take the following actions, as more fully provided in the Declaration:

(1) fix the amount of the annual assessment against each Lot subject to assessment in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto in advance of each annual assessment period; and

(3) foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after due date or bring an action at law against the Owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any Owner, a certificate setting forth whether or not any assessment levied against such Owner's property has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these

certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as provided herein;

(g) cause the Common Area and other land for which the Association is obligated to maintain by the Declaration to be maintained;

(h) attend all meetings of the Board and of any committee of the Board to which he has been appointed;

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

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

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

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

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

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

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

(m) perform such other functions and duties as may be provided by the Declaration or the Articles of Incorporation, and not expressly reserved to the members.

ARTICLE XI

COMMITTEES

Section 1. Function. Except where specifically delegated authority to act when the Board is not in session, committees shall serve in an advisory capacity to the Board and the membership and shall make specific recommendations to the Board and the members regarding those aspects of the business and affairs of the Association to which they have been delegated responsibility; provided, however, the Architectural Control Committee and the Nominating Committee shall be delegated powers as provided herein.

Section 2. Types of Committees. There shall be an Architectural Control Committee and a Nominating Committee. The Board, by resolution adopted by a majority of the full Board, may appoint such other Standing Committees or Ad Hoc Committees as it deems necessary from time to time.

Section 3. Committee Powers.

(a) Any committee shall have and may exercise all the authority granted to it by the Board, except that no committee shall have the authority to take the following actions:

- (1) Fill vacancies on the Board or any committee thereof;
- (2) Adopt, amend or repeal the Bylaws;
- (3) Amend or repeal any resolution of the Board;
- (4) Act on matters committed by Bylaws or resolution of the Board to another committee of the Board.

(b) In addition to any powers granted pursuant to Subsection (a) above, the Architectural Control Committee shall be charged with establishing guidelines and standards for any change in the structures or overall appearance of the Properties or any portion thereof.

(1) Based on such guidelines, whether or not formally adopted and written, said Committee shall have the power to approve or disapprove each request from a Lot Owner to make alterations to the Lot, appurtenances to any Lot or the building in which the Lot is situate. The Board, by resolution, may adopt, alter, or modify any guidelines, but shall not ordinarily consider any individual request.

(2) No change may be made in the exterior appearance, landscape design or matters concerning any Common Area of the Properties without the approval of the Architectural Control Committee.

(3) Said Committee shall have the power to approve, to approve with

modifications or conditions, or disapprove any plans submitted by a Lot Owner to provide access between two or more adjacent Lots owned by said Lot Owner. This Committee must reasonably believe, based on consultation with construction experts who are familiar with the particular building, that the plan, as approved, shall not affect the safety or soundness of any Lot or impair any easement.

(c) In addition to any powers granted pursuant to Subsection (a) above, the Nominating Committee shall be charged with nominating persons to fill the positions of the Board of Directors at the annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting, and such appointments shall be announced at each annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and one or more other persons. Said appointees shall take office on the day of such annual meeting and shall hold office until the next annual meeting of the Board and until a successor shall have been appointed, or until his earlier resignation, disqualification, removal from office, death or until such Committee shall terminate, whichever first occurs.

Section 4. Appointment. Except for the Nominating Committee described above, the Board shall appoint committee members from among the directors, members and voting representatives of the Association, and shall designate a chairman and a secretary for each committee, which positions may be filled by one or more members.

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

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

Section 7. Resignation of Committee Members. Any committee member may resign therefrom by providing written notification of such resignation to the President of the Association, and any such resignation shall become effective immediately upon receipt by the President of said written notification or at such later date as may be specified in the notification.

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

ARTICLE XII

COMMITTEE MEETINGS

Section 1. Regular Meetings. Regular meetings of each Standing Committee shall be held, as determined by the chairman of the committee. There shall be no regular meetings of any Ad Hoc Committee unless established by the chairman of said committee.

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

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

Section 4. Notice of Meetings. Written, printed or oral notice stating the place, day and hour of any regular or special meeting of the committee must be given to each committee member not less than three (3) nor more than thirty (30) days before the committee meeting, by or at the direction of the chairman of the committee, or other persons calling the meeting. Notice must be given either personally or by telegram, cablegram or first class mail; and if mailed, the notice shall be deemed to be given when deposited in the United States mail addressed to the committee member at his address, as it appears in the records of the Association, with postage thereon prepaid. Except as otherwise specified in these Bylaws, the notice need not specify the business to be transacted at, nor the purpose of any meeting.

Section 5. Waiver of Notice. A written waiver of notice signed by any committee member, whether before or after any meeting, shall be equivalent to the giving of notice to said committee member. Attendance of a committee member at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a committee member attends a meeting for the express purpose, as stated at the beginning of the meeting, of objecting to the transaction of business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of a committee need be specified in any written waiver of notice.

Section 6. Presumption of Assent. A committee member who is present at a committee meeting at which action on any matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

Section 7. Adjourned Meeting. A majority of the committee members present, whether or not a quorum exists, may adjourn any meeting of a committee to another time and place. Notice of any such adjourned meeting shall be given to the committee members who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at

the time of the adjournment, to the other committee members.

Section 8. Quorum. A majority of the number of members of any committee shall constitute a quorum for the transaction of business at any committee meeting.

Section 9. Voting.

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

(b) A majority vote by the committee members present at a committee meeting at which a quorum is present shall be the act of the committee, unless a greater number is required under any provision of these Bylaws.

Section 10. Action Without a Meeting.

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

(b) By Communications Equipment. Any action required or which may be taken at a committee meeting may be taken by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other at the same time.

ARTICLE XIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and a Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers, assistant officers and agents as the Board of Directors may from time to time by resolution create. Officers need not be members of the Association.

Section 2. Qualification of Officers.

(a) All officers shall be members or voting representatives of the Association.

(b) No officer excepting the President and Vice-President need be a member of the Board.

(c) The Board shall elect different persons to the offices of President, Secretary

and Treasurer, however, a person may otherwise hold more than one office.

Section 3. Election and Term.

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

(b) At each annual meeting of the Board, a majority of the directors then in office shall elect the officers of the Association for the ensuing year; however, the failure to elect a president, vice-president, secretary or treasurer shall not affect the existence of the Association.

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

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

Section 5. Resignation of Officers. Any officer or agent elected or appointed by the Board may resign such office by providing written notification of such resignation to the President or to the Secretary of the Association. Such resignation shall become effective immediately upon receipt of said notification or at such later date as may be specified in the notification, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. Any vacancy, however occurring, in any office, may be filled by the Board. An officer so elected shall hold office for the unexpired term of the officer he is replacing.

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

Section 8. Fidelity Bonds. The Association shall provide for fidelity bonding in the principal sum of not less than \$10,000.00 for all officers, directors or other persons who control or disburse funds of the Association and shall bear the cost of such bonding. The Association may also bond any other officer of the Association and shall bear the cost of such bonding.

Section 9. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 10. Duties. The officers of the Association shall have the following duties:

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

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

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

(d) Secretary. The Secretary shall have custody of, and maintain, all of the corporate records except the financial records; have custody of the corporate seal and affix it on all papers requiring said seal; record the minutes of all meetings of the membership and of the Board; send out all notices of meetings; and perform and all other duties incident to the office of Secretary and such other duties as from time to time may be prescribed by the Board or the President.

(e) Treasurer.

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

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

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

(4) He shall prepare an annual budget and a statement of income and expenditures to be approved by the Board.

(5) The duties of the Treasurer may be performed by a manager pursuant to the terms of any Management Agreement with the Association.

(f) Manager. The Secretary and Treasurer may either or both be assisted in their duties by a manager employed by the Association to the extent authorized by the Board of Directors. If such a manager is employed, the manager shall have custody of such books of the Association as it determines necessary or appropriate.

ARTICLE XIV

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Indemnification for Actions, Suits or Proceedings.

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

(b) The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the Association, or is or was serving at the request of the Association as a

director or officer of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association; provided, however, that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless, and only to the extent, that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is firmly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

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

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

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

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

(3) by the members.

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

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

Section 3. Liability Insurance. Upon the majority vote of a quorum of the Board, the

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

ARTICLE XV

ANNUAL BUDGET

Section 1. Adoption by Board. The annual budget for Common Expenses for the Association shall be prepared by the Treasurer and adopted by the Board. Said budget shall show the amounts budgeted by accounts and expense classifications. In addition to annual operating expenses, unless otherwise waived by the Association, the budget must include items for reserve accounts for capital expenditures and deferred maintenance. A copy of the proposed annual budget of Common Expenses shall be mailed, by regular mail, to the Lot Owners at least thirty (30) days prior to the meeting at which the budget shall be considered together with a notice of such meeting. Such meeting shall be open to the Lot Owners.

Section 2. Limit on Increase of Budget. As long as Declarant is in control of the Board, said Board shall not impose an Assessment for a year greater than one hundred fifteen percent (115%) of the prior accounting year's Assessment without the approval of the voting representatives. To increase the year's Assessment in an amount greater than one hundred fifteen percent (115%), such increase must be approved by two-thirds (2/3) of each class of voting representatives at the Annual Budget Meeting. Quorum and notice requirements for such a meeting of the voting representatives shall be as set forth in Article VI above.

ARTICLE XVI

ASSESSMENTS

Section 1. Determination and Payment. After adoption of a budget, a determination of the annual Assessment per Lot shall be made by apportioning the total sum of said budget among the Lot Owners according to the formula for sharing Common Expenses set forth in the Declaration. Such annual Assessment shall be payable in monthly installments on the first (1st) day of each month. The Board shall promptly deliver or mail to each Lot Owner or other person designated in writing to receive such notice, a statement setting forth the amount of the annual Assessment, the amount of each monthly installment and the dates on which payment is due. Assessments shall be due and payable regardless of whether or not members are sent or actually receive a written notice.

Section 2. Failure to Adopt a Budget. If an annual budget has not been adopted for the

accounting year at the start of said year, an Assessment in the amount of the last prior annual Assessment shall continue in force until changed by an amended Assessment.

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

Section 4. Amended Assessment. In the event the annual Assessment proves to be insufficient, the budget and Assessment may be amended at any time by the Board.

Section 5. Special Assessments. The Board shall have power to levy special Assessments as necessary for actual economic needs of the Association with the consent of the members. Additionally, special assessments may be levied against individual Lot Owners in accordance with Subsection 2(m) of Article XVIII below, which deals with the enforcement of the terms of the Association Documents.

Section 6. Exemption of Declarant. Notwithstanding anything contained herein to the contrary, Declarant shall not be assessed as a Lot Owner for capital improvements without its written approval so long as it holds Lots for sale in the ordinary course of business.

Section 7. Lien Rights of the Association. The annual, special and amended assessments payable hereunder are secured by a lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the highest rate permitted by law per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XVII

RULES AND REGULATIONS

Section 1. Purpose. The Rules and Regulations of the Association shall be a list of certain reasonable restrictions on, and requirements for, the use, maintenance, and appearance of the Common Area, or portions thereof, and any additional land or facilities which may become subject to Association jurisdiction. Such Rules and Regulations shall be in addition to all other requirements of the Association Documents.

Section 2. Modification. Certain Rules and Regulations have been promulgated by Declarant. These Rules and Regulations may be modified, amended or repealed and new restrictions

and requirements may be adopted from time to time by the majority vote of the Board or the membership.

Section 3. Application. Every Lot Owner, occupant, guest and invitee shall be subject to the Rules and Regulations. Copies of such Rules and Regulations as amended shall be furnished by the Association to all Lot Owners and occupants of any Lot on request.

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

ARTICLE XVII

REMEDIES FOR VIOLATION

Section 1. Legal Remedies.

(a) In the event of violation of the provisions of the Association Documents as the same are now or may hereafter be constituted, the Association, on its own behalf, may bring appropriate action to enjoin such violation or to enforce the provisions of said documents or sue for damages, or take all such courses of action at the same time, or bring appropriate action for such other legal or equitable remedy as it may deem appropriate. Failure by the Association to enforce any such provision shall in no event be deemed a waiver of the right to enforce later violations.

(b) In the event of such legal action brought against a Lot Owner, the losing defendant shall pay all costs and expenses, including, but not limited to, filing and service of process fees, reasonable attorneys' fees and court costs, incurred by the Association incident to the proceeding and those incurred on appeal. Each Owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of the harshness of the remedy available to the Association, and with the intent of all Owners to give to the Association a method and procedure which will enable it at all times to operate on a businesslike basis, to collect those moneys due and owing it from Owners of Lots and to preserve each other's right to enjoy his Lot free from unreasonable restraint and nuisance.

(c) The costs and expenses authorized at Paragraph (b) above shall be assessed against the Lot Owner's Lot as a special assessment collectible in the same manner as any other Assessment of the Association.

Section 2. Hearing Procedures.

(a) Written Complaint. An action under this Section is initiated upon the filing of a written complaint by any member of the Association or by any officer or director with the Board. The complaint shall constitute a written statement of charges which shall set forth in ordinary

and concise language the acts or omissions with which the respondent is charged, to the end that the respondent will be able to prepare his defense. The complaint shall specify the specific provisions of the specific Association Document which the respondent is alleged to have violated, but shall not consist merely of charges phrased in the language of such provisions without supporting facts.

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

(c) Notice of Hearing. Along with service of complaint, the Board shall serve a Notice of Hearing, as provided herein, on all parties giving at least ten (10) days notice of said hearing. The Notice to the respondent shall be substantially in the following form but may include other information:

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

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

(d) Notice of Defense. Service of complaint and Notice of Hearing shall be accompanied by a Notice of Defense.

The Notice of Defense shall state the respondent may do the following:

- (1) Attend a hearing before the Board as herein provided;
- (2) Object to a complaint upon the grounds that it does not state acts or omissions upon which the Board may proceed;

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

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

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

"The Board has received the attached complaint."

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

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

(f) Insufficient Complaint. Any objections to the form or substance of the complaint shall be considered by the Board within ten (10) days of their receipt. The Board shall make its determination and notify all parties within said ten (10) day period. If the complaint is insufficient, the complaining party shall have seven (7) days within which to amend the complaint to make it sufficient. The same procedure as set forth above shall be followed with respect to any amended or supplemental complaint. If it is determined by the Board that the complaint is still insufficient, then the matter shall be dismissed by the Board.

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

(h) Discovery. Upon written request to the other party, made prior to the hearing and within fifteen (15) days after service of the complaint by the Board or within ten (10) days after service of any amended or supplemental complaint, either party is entitled to (1) obtain the names and addresses of witnesses to the extent known to the other party, and (2) inspect and make a copy of any statements, writings and investigative reports relevant to the subject matter of the hearing. Nothing in this Section, however, shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product. Any party claiming his request of discovery has not been complied with shall submit a petition to compel discovery with the Board. The Board shall make a determination and issue a written order setting forth the matters or parts thereof which the petitioner is entitled to discover.

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

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

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

In either event, the President shall appoint another director to replace the director so removed.

(k) Hearing.

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

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

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

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

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

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

(m) Fines. Fines levied by the Board pursuant to Subsection (l) shall be considered a special assessment against the member, leviable by the Board against the Lot and collectible in the same manner as any other Assessment of the Association.

ARTICLE XIX

INSURANCE

Section 1. Liability Insurance. The Board shall obtain public liability and property damage insurance covering all of the Common Area, and insuring the Association in such amount as the Board may determine from time to time, provided that the minimum amount of coverage shall be \$100,000/\$300,000/\$10,000.

Section 2. Casualty Insurance.

(a) The Association shall obtain fire, windstorm, and extended coverage insurance and vandalism and malicious mischief insurance, and, if any real property is in an area identified by the Department of Housing and Urban Development as having a special flood hazard, flood insurance. Such insurance shall insure all of the appropriate insurable improvements within the Common Area, including personal property owned by the Association, in and for the interest of the Association, with a deductible acceptable to the Board and in an amount equal to the maximum insurable replacement value, in accordance with the original plans and specifications as actually built, including modifications, if any, as determined annually by the Board.

(b) Any repair and restoration must be substantially in accordance with the plans and specifications for the original building, or as the building was last constructed, or according to the plans approved by the Board, which approval shall not be unreasonably withheld. If any material or substantial change is contemplated, the approval of all institutional first Mortgagees shall also be required.

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

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

Section 5. Association's Power to Compromise Claim. The Association is hereby irrevocably appointed agent for each Lot Owner, for the purpose of compromising and settling claims arising under insurance policies purchased by the Association, and to execute and deliver releases therefor, upon the payment of claims.

Section 6. Lot Owner's Liability. Anything in this Article XIX to the contrary notwithstanding, each individual Lot Owner shall be responsible to the Association for payment of any deductible from the insurance proceeds required by the Association's liability, casualty, Worker's Compensation and such other insurance policies in force under the terms of this Article, for any claim arising as a result of the Lot Owner's act or omission, or that of any guest, invitee or lessee of the Lot Owner. The Association shall have the power to assess any Lot Owner for such deductible.

Section 7. Miscellaneous. Premiums for all insurance coverage obtained by the Association, and other expenses in connection with such insurance, shall be paid by the Association and be charged as a Common Expense. All such insurance shall be placed with good and responsible companies, authorized to do business in Florida.

ARTICLE XX

BOOKS, RECORDS, EXPENDITURES

Section 1. Fiscal Year. The fiscal year of the Association shall begin the first day of January and end on the 31st day of December every year, except that the first fiscal year shall begin on the date of incorporation. The Board is expressly authorized to change this fiscal year at any time for the convenience of the Association.

Section 2. Books and Records.

(a) The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, its Board and its committees, which shall be available for inspection by Lot Owners or their authorized representatives and by directors

at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

(b) The accounting records shall be maintained according to good accounting practices. The records shall include, but are not limited to the following:

(1) A record of all receipts and expenditures.

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

Failure to permit inspection of the Association's accounting records by Lot Owners or their authorized representatives shall entitle any person prevailing in an action for enforcement to recover reasonable attorneys' fees from the person or persons in control of the books and records who, directly or indirectly, deny access to the books and records for inspection.

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

(d) The Association may maintain a suitable register for the recording of pledged or mortgaged Lots. Any pledgee or Mortgagee of a Lot may, but is not obligated to, notify the Association in writing of the pledge or mortgage. In the event notice of default is given any member, under an applicable provision of the Bylaws or the Declaration, copy of such notice shall be mailed to the registered pledgee or Mortgagee.

(e) A copy of the Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at reasonable times, and copies may be purchased at reasonable cost.

Section 3. Funds.

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

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

expense.

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

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

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

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

ARTICLE XXI

NON-PROFIT OPERATIONS

This Association will not have or issue shares of stock. No dividend will be paid, and no part of the income of this Association will be distributed to its members, directors or officers. However, the Association may pay compensation in a reasonable amount to members, officers or directors for services rendered, as set forth herein.

ARTICLE XXII

CORPORATE SEAL

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

ARTICLE XXIII

AMENDMENTS

Section 1. These Bylaws may be revised, amended or repealed, unless specifically prohibited herein, at any meeting of the Board or the membership by a majority vote, provided that notice of said meeting is given in accordance with these Bylaws, and that said notice contains a full statement of the proposed amendment. No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended, new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but instead, a notation must be inserted immediately 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 shall not invalidate an otherwise properly promulgated amendment. No amendment to said Bylaws shall be adopted which would affect or impair the validity or priority of any mortgage covering any Lot. Notwithstanding the foregoing, the Federal Housing Administration or the Veteran's Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XXIV

EMINENT DOMAIN

Section 1. The Association shall represent the Lot Owners in any condemnation proceedings or in negotiations, settlements and agreements with any condemning authority for acquisition of the real property owned by the Association, or part thereof.

Section 2. In the event of a taking or acquisition of part or all of the real property owned by the Association by a condemning authority, the award or proceeds of settlement shall be payable to the Association for the use and benefit of the Lot Owners and their mortgagees, as their interests may appear. Any such taking or acquisition shall be deemed to be a loss and any award payable as a result of such taking or acquisition shall be distributed or used in accordance with the provisions of Article XIX, Section 2, Casualty Insurance.

ARTICLE XXV

MISCELLANEOUS

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

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

Section 3. Revocability of Authorizations. No authorization, assignment, referral or delegation of authority by the Board to any committee, officer, agent or other official of the Association shall preclude the Board from exercising the authority required to meet its responsibility for the operation of the Properties. The Board shall retain the right to rescind any such authorization, assignment, referral or delegation in its sole discretion.

Section 4. Validity. Should any of the covenants herein imposed be void or become unenforceable at law, or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force and effect. Defects or omissions in the Bylaws shall not affect the validity of the title to the Lots.

Please note: Article XXIV already exists in the original document.
This would appropriately be called Article XXVI

The following was added to our bylaws by vote of the membership of 11/14/00

ARTICLE XXIV

RENTAL OF UNITS

No rental agreement, or lease agreement, may be entered into for a period of less than 12 months. Any such rental agreements or leases must be approved by the board of directors.

As revised and caused to be recorded per Membership approval May 21, 2013

This copy is direct from the Pinellas County Records Website

PREPARED BY AND SHOULD BE
RETURNED TO:
RICHARD A. ZACUR, ESQUIRE
Zacur, Graham & Costis, P.A.
P.O. Box 14409
St. Petersburg, Florida 33733

Plats pertaining hereto are filed in Plat Book 119, Page 18.

**AMENDMENT TO MASTER DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS AND EASEMENTS OF TERN BAY**

WHEREAS, the Board of Directors and Home Owners of TERN BAY
HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as Association, desires
to amend the Master Declaration of Covenants, Conditions and Restrictions and
Easements and By-Laws for said homeowners association, which Master Declaration of
Covenants, Conditions and Restrictions and Easements, and Bylaws have been filed
and recorded in and for Pinellas County, Florida, within O.R. Book 10359, beginning
with Page 24, et seq.

WHEREAS, a meeting of the Board of Directors of the association and said
owners/members was duly called in accordance with the Master Declaration of
Covenants, Conditions and Restrictions and Easement and By-Laws, after proper
notice was given to the owners/members.

WHEREAS, such meeting took place on July 16, 2013, there was present a
quorum of Directors and a quorum of owners/members as defined and required by the
By-Laws, Articles of Incorporation, and the Master Declaration of Covenants,
Conditions and Restrictions and Easements for said Association.

WHEREAS, after due consideration, of said proposed amendments, which

amendments were proposed by resolution by said Directors, same were presented for a vote, and accepted by the required vote of the Board of Directors, and said amendments were approved by the vote of the required percentage of owners/members according to the provisions of the By-Laws, Articles of Incorporation, and the Master Declaration of Covenants, Conditions and Restrictions and Easements for said Association.

WHEREAS, that the Board of Directors and the owners/members have approved the Amendments to the Master Declaration and By-Laws, said Amendments are hereinafter provided.

NOW THEREFORE, said Master Declaration and By-Laws shall be hereby amended pursuant to the heretofore stated authority and requirements, which amendments are to be provided within said Master Declaration and By-Laws, and said amendments are as follows:

AMENDMENT TO BY-LAWS:

Article XIX - INSURANCE

Section 2. Casualty Insurance.

~~(a) The Association shall obtain fire, windstorm, and extended coverage insurance and vandalism and malicious mischief insurance, and, if any real property is in an area identified by the Department of Housing and Urban Development as having a special flood hazard, flood insurance. Such insurance shall insure all of the appropriate insurable improvements within the Common Area, including personal property owned by the Association, in and for the interest of the Association, with a deductible acceptable to the Board and in an amount equal to the maximum insurable replacement value, in accordance with the original plans and specifications as actually built, including modifications, if any, as determined annually by the Board.~~

A. Common Real Property.

(1) The Association shall keep all improvements located on the Common Real Property(s) insured against loss or damage by fire or other casualty for the full insurable replacement value thereof and may obtain insurance against such other hazards and casualties as the Association may deem desirable or as otherwise determined by the Board of Directors at a duly called meeting of the Board. The Association may also insure any other property, whether real or personal, owned or maintained by the Association, against loss or damage by fire, and such other hazards as the Association may deem desirable, with the Association as the owner, loss payee and beneficiary of such insurance. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Except as expressly otherwise provided, premiums for all insurance carried by the Association are Common Expenses included in the Assessments made by the Association. The insurance as required herein shall insure all buildings in the same manner and fashion as buildings are to be insured pursuant to Florida Statute Chapter 718.111(11) and as further set forth hereinafter.

(2) The Association shall purchase and maintain flood insurance in the name of each owner and payment for such flood insurance policy shall be a common expense and included in the assessments to the owners. Such flood insurance policy shall not be cancelled or modified without the consent of the Association. The coverage for each lot shall be set by the Board.

B. Liability Insurance. The Association shall purchase and maintain a policy of comprehensive general insurance, naming the Association and Declarant as insureds. Coverage shall include liability of the Association and Declarant for bodily injury, death and property damage. Any such policy will provide that it cannot be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association. The coverage amount shall be set by the Board of Directors.

C. Waiver of Subrogation. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Owners, the Management Company, Declarant, and the officers, directors, agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

D. Fidelity and Other Insurance. The Association shall purchase and maintain a policy of insurance or fidelity bond, naming the Association as the insured or as the obligee, to protect the Association against the wrongful acts or omissions of any officer, director, trustee, agent or employee of the Association and all other persons who handle or are responsible for handling funds of, or funds administered by the Association. Any such policy or bonds shall be in an amount determined by the Board of Directors. The Association may also obtain Workmen's Compensation insurance

and other liability insurance as it may deem desirable insuring each Lot Owner and the Association, Board and Management Company, from liability in connection with the Common Property Real Property, the premiums for which shall be Common Property Expenses and included in the Assessments made against the Owners. In addition to the insurance set forth above, the Association shall maintain a Board of Directors liability insurance policy, in form and substance as approved by the Board of Directors of the Association, in such amounts as may be determined by the Board of Directors.

E. Distribution of Proceeds Reconstruction of Buildings and Improvements. The proceeds of any policy of insurance or bond required to be purchased and maintained, or which may be purchased and maintained, pursuant to the terms of this declaration shall be paid to the Association and Declarant, as their interest may appear.

F. Estimates for Repair, Replacement or Reconstruction. In the event any loss, damage or destruction occurs that is covered by an insurance policy purchased and maintained by the Association pursuant to the terms of this Declaration, the Association shall, immediately after the occurrence of such loss, damage or destruction, obtain a reliable, detailed estimate of the cost to place the damaged property in as good a condition as existed immediately prior to the loss, damage or destruction. The Association may establish a separate account with a bank or savings and loan association located in Pinellas County, Florida, and deposit into such account all insurance proceeds and any special assessments collected by the Association by virtue of the occurrence of any loss, damage or destruction as provided in this Declaration.

G. Declarant Named as Insured. Whenever the Association is required to purchase and maintain a policy of insurance or bond which shall, according to the terms of this Article name Declarant as an insured, such obligation to name the Declarant as an insured shall cease upon Declarant's conveyance of title to the last lot or Unit owned by Declarant, whichever is the last to occur.

H. Review of Insurance Coverages. The Association shall, at least annually, review the adequacy of the insurance coverages required pursuant to this Declaration and shall make a determination as to the adequacy of the amounts and types of coverage then in effect.

I. Insurance. The coverage shall exclude all personal property within the unit or limited common elements, and floor, wall, and ceiling coverings, electrical fixtures, appliances, water heaters, water filters, built-in cabinets and countertops, and window treatment components, or replacements of any of the foregoing.

(b)J. Repairs and Restoration. Any repair and restoration must be substantially in accordance with the plans and specifications for the original building, or as the

building was last constructed, or according to the plans approved by the Board, which approval shall not be unreasonably withheld. If any material or substantial change is contemplated, the approval of all institutional first mortgagees shall also be required.

AMENDMENTS TO DECLARATION:

Article VII RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 4. Insurance. The Association at all times shall procure and maintain adequate policies of public liability, property and casualty insurance, and such other insurance as it deems advisable or necessary on the Common Area and Buildings on each Lot and improvements situated thereon as set forth in the By-Laws. The property and casualty insurance on the Common Area and the Buildings on each Lot and improvements situated thereon shall be in an amount equal to the maximum insurable value thereof as set forth in the By-Laws. All damaged property in the Common Area shall be repaired and restored to the original condition using the insurance proceeds. In the event the insurance proceeds are inadequate to cover the costs of repair and restorations, a Special Assessment shall be assessed against each Lot Owner as set forth in the By-Laws. In the event the insurance proceeds shall be greater than the amount required to repair and restore the damage, the excess shall be deposited with the Association for the operation of the Association and/or maintenance of the Common Area and the Buildings on each Lot and improvements situated thereon. Prior to the end of each policy year, the Association shall cause the insured properties to be reappraised and shall adjust the insurance coverage so that the insured property are insured for their maximum insurable value. The Association additionally shall cause all persons responsible for collecting and disbursing Association moneys to be insured or bonded with adequate fidelity insurance or bonds, as provided in the By-Laws.

ARTICLE V PROPERTY RIGHTS

Section 5. Animals. No animals or pets shall be permitted on the Lots or in the Common Area at any time except an Owner or Tenant shall be permitted to have one (1) pet reside on the Lot provided said pet does not exceed twenty (20) pounds in weight at all times.

Section 6. Rules and Regulations

(e) ~~At no time are pets permitted on the Common Areas or in any improvements that may be located on the Lots or Common Areas.~~ A Lot Owner shall be responsible for all violations of this Rule by lessees of his Lot and said Lot Owner shall be subject to such fines or penalties as the Association imposes for each violation. Any violation of the rules governing the right to maintain pets may result in a revocation of the right to keep the pets.

RESOLVED, further, that said Amendments to the Master Declaration and By-Laws of the Association are hereby adopted, approved and the Board of Directors shall have same recorded in the Public Records of Pinellas County, Florida.

TERN BAY HOMEOWNERS ASSOCIATION, INC.

BY: Mike McDermott

President

BY: Danee Kinzel

Secretary

STATE OF FLORIDA
COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me this 16 day of August, 2013, by Mike McDermott, the President and Danee Kinzel, the Secretary, who are personally known to me or who have produced drivers license 1 drivers license as identification and who did take an oath and depose and says that they executed the foregoing Amendments and acknowledge to and before me that they executed said Amendments for the purposes therein expressed.

Witness my hand and official seal this 16 day of August, 2013.

D Kinzel
Notary Public

My commission expires:

A. KINZEL
Notary Name Typed/Printed



(CODING: Words in underscored type indicate changes from original Master Declaration of Covenants, Conditions and Restrictions and Easements and By-Laws and deletions from the original Master Declaration of Covenants, Conditions and Restrictions and Easements and By-Laws are shown by strike outs. Unless otherwise provided herein, all provisions of the Master Declaration of Covenants, Conditions, and Restrictions and Easements and By-Laws are not affected by these Amendments and shall remain the same.)