

This instrument was prepared by:  
 Charles S. Liberis, Esquire  
 Liberis & Associates, P.A.  
 212 West Intendencia St.  
 Pensacola, FL 32501  
 (850) 438-9647

**BYLAWS:**

1.	IDENTITY .....	1
	1.1 Principal Office .....	1
	1.2 Fiscal Year .....	1
	1.3 Seal.....	1
2.	DEFINITIONS .....	1
3.	MEMBERS/MEETING .....	1
	3.1 Annual Meeting .....	1
	3.2 Special Meetings .....	1
	3.3 Notice of Meeting; Waiver of Notice.....	1
	3.4 Quorum .....	2
	3.5 Voting .....	2
	3.5.1 Number of Votes .....	2
	3.5.2 Majority Vote.....	2
	3.5.3 Voting Member.....	3
	3.6 Proxies .....	3
	3.7 Adjourned Meetings.....	3
	3.8 Proviso .....	4
	3.9 Order of Business.....	4
	3.10 Minutes of Meeting .....	4
	3.11 Action Without a Meeting.....	4
	3.12 Owner Participation .....	5
4.	DIRECTORS.....	5
	4.1 Membership.....	5
	4.2 Election of Directors .....	5
	4.3 Vacancies and Removal.....	6
	4.4 Term.....	7
5.	DIRECTORS MEETING.....	8
	5.1 Organizational Meeting.....	8
	5.2 Regular Meetings .....	8
	5.3 Special Meetings .....	8
	5.4 Waiver of Notice .....	8
	5.5 Quorum .....	9
	5.6 Adjourned Meetings.....	9
	5.7 Joinder in Meeting by Approval of Minutes .....	9
	5.8 Presiding Officer.....	9
	5.9 Order of Business.....	9
	5.10 Minutes of Meeting .....	10
	5.11 Executive Committee; Other Committees .....	10

6.	TRANSITION OF CONTROL.....	10
7.	POWERS AND DUTIES .....	11
8.	OFFICERS.....	15
	8.1 Executive Officers.....	15
	8.2 President.....	15
	8.3 Vice President .....	15
	8.4 Secretary.....	15
	8.5 Treasurer.....	15
	8.6 Other .....	15
	8.7 Developer Appointees .....	16
9.	COMPENSATION.....	16
10.	RESIGNATIONS.....	16
11.	FISCAL MANAGEMENT.....	16
	11.1 Budget.....	16
	11.1.1 Adoption by Board; Items .....	16
	(a) Notice of Meeting .....	17
	(b) Special Membership Meeting .....	17
	(c) Determination of Budget Amount.....	17
	(d) Proviso.....	17
	11.1.2 Adoption by Membership .....	17
	11.2 Assessments .....	18
	11.3 Assessments for Emergencies .....	18
	11.4 Late Assessments .....	18
	11.5 Depository .....	18
	11.6 Acceleration of Installments Upon Default .....	19
	11.7 Enforcement of Assessments .....	19
	11.8 Fidelity Bonds.....	19
	11.9 Accounting Records and Reports .....	19
	11.10 Application of Payment.....	20
	11.11 Notice of Meetings.....	20
12.	ROSTER OF RESIDENCE OWNERS .....	20
13.	PARLIMENTARY RULES .....	20
14.	AMENDMENTS .....	20
	14.1 Notice .....	21
	14.2 Adoption .....	21
	14.3 Proviso .....	21
	14.4 Execution and Recording .....	21
15.	RULES AND REGULATIONS .....	21
16.	CONSTRUCTION .....	22
17.	CAPTIONS .....	22
18.	OFFICIAL RECORDS .....	22
19.	MANDATORY NON-BINDING ARBITRATION DISPUTES .....	23

**BYLAWS OF COVINGTON PLACE HOMEOWNER'S ASSOCIATION, INC.,  
A FLORIDA NOT-FOR PROFIT CORPORATION**

1. Identity. These are the Bylaws of Covington Place Homeowner's Association, Inc. (the "Association"), a Florida not-for-profit corporation and organized for the purpose of administering that certain Real Property located in Escambia County, Florida, and known as Covington Place Subdivision (the "Real Property").

1.1 Principal Office. The principal office of the Association shall be at 212 West Intendencia Street, Pensacola, Florida 32502, or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept in Escambia County, Florida, or at such other place within the state of Florida as may be designated by the Board from time to time.

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

1.3 Seal. The seal of the Association shall bear the name of the corporation, the word "Florida," the words "Not-For-Profit Corporation," and the year of incorporation.

2. Definitions. For convenience, these Bylaws shall be referred to as the "Bylaws" and the Articles of Incorporation of the Association as the "Articles." The other terms used in these Bylaws shall have the same definitions and meanings as those set forth in the Declaration of Covenants, Conditions and Restrictions recorded in the Public Records of Escambia County unless herein provided to the contrary or the context otherwise requires.

3. Member Meetings

3.1 Annual Meeting. After Turnover (As defined in The Declaration), the annual members' meeting shall be held on the date, at the place, and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and, to the extent possible, no later than twelve (12) months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors and to transact any other business authorized to be transacted by the members, or as stated in the notice of the meeting sent to Owners in advance thereof. Unless changed by the Board of Directors, the first annual meeting shall be held in the month of December following the year in which the Declaration is filed, at such time, place, and date as the Board shall determine.

3.2 Special Meetings. Special members' meetings shall be held at such places as provided herein for annual meetings and may be called by the President or by a majority of the Board of Directors of the Association and must be called by the President or Secretary upon receipt of a written request from a majority of the members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting. Special meetings may also be called by Owners for any lawful purpose, including, but not limited to, the following: (i) a special meeting of the Members for purposes of recalling a member or members of the Board of Directors and (ii) such special meeting of Members as set forth in Article 9 of these Bylaws.

3.3 Notice of Meeting; Waiver of Notice. Notice of a meeting of members, stating the time and place and the purpose(s) for which the meeting is called, shall be given by the President or Secretary. A copy of the notice shall be posted at a conspicuous place on the Property at least 14

continuous days prior to the annual meeting. The notice of the annual meeting shall also be sent by mail or hand delivered to each Member unless the Member waives in writing the right to receive notice of the annual meeting by mail or hand delivery. The delivery or mailing shall be to the address of the member as it appears on the roster of members. The posting and mailing of the notice shall be effected not less than 14 days nor more than 60 days prior to the date of the meeting. Proof of posting shall be given by affidavit, and proof of mailing of the notice shall be given by affidavit or the retention of a post office certificate of mailing.

Notice of specific meetings may be waived before or after the meeting and the attendance of any member (or person authorized to vote for such member) shall constitute such member's waiver of notice of such meeting except when his or her (or the authorized representative's) attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

An Officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered in accordance with this Section, to each Member at the address last furnished to the Association. No other proof of notice of a meeting shall be required.

3.4 Quorum. A quorum at members' meetings shall be attained by the presence, either in person or by proxy, of persons entitled to cast 30% of the total voting interest.

3.5 Voting.

3.5.1 Number of Votes. At any meeting of Members, the Owners of Residences shall be entitled to cast one vote for each Residence owned. The vote of a Residence shall not be divisible.

3.5.2 Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been present shall be binding upon all Members for all purposes except where otherwise provided by law, the Declaration, the Articles, or these Bylaws. As used in these Bylaws, the Articles, or the Declaration, the term "majority of the members" shall mean a majority of the members themselves and shall further mean more than 50% of the then total authorized votes present in person or by proxy and voting at any meeting of the Owners at which a quorum shall have been attained. Similarly, if some greater percentage of members is required herein or in the Declaration or Articles, it shall mean such greater percentage of the votes of members and not of the members themselves.

3.5.3 Voting Member. If a Residence is owned by one person, the right to vote shall be established by the roster of members. If a Residence is owned by more than one person, those persons (including husbands and wives) shall decide among themselves who shall cast the vote of the Residence. In the event that those persons cannot so decide, no vote shall be cast. A person casting a vote for a Residence shall be presumed to have the authority to do so unless the President or the Board of Directors is otherwise notified. If a Residence is owned by a corporation, the person entitled to cast the vote for the Residence shall be designated by a certificate signed by an appropriate Officer of the corporation and filed with the Secretary of the Association. Such person need not be an Owner. Those certificates shall be valid until revoked or superseded by a subsequent certificate or until a change occurs in the ownership of the Residence concerned. A certificate designating the person entitled to cast the vote for a Residence may be revoked by any record Owner of an undivided interest in the Residence. If a certificate designating the person entitled to cast the vote for a Residence for which that certificate is required is not on file or has been revoked, the vote attributable to that Residence shall not be considered in determining whether a quorum is present, nor

for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such certificate is filed.

3.6 Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote but shall be valid only for the specific meeting for which originally given and any lawful adjourned meetings thereof. All proxies must be filed with the Secretary before the appointed time of each meeting and such proxy shall be valid only for the particular meeting designated in the proxy and any lawfully adjourned meeting thereof. In no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the person executing it. A proxy must be in writing, be signed by the person authorized to cast the vote for the Residence (as described in Section 3.5), name the person(s) voting by proxy and the person authorized to vote for such person(s), and be filed with the Secretary of the Association before the time to which the meeting is adjourned. Each proxy shall contain the date, time, and place of the meeting for which it is given and, if a limited proxy, shall set forth the matters on which the proxy holder may vote and the manner in which the vote is to be cast. Holders of proxies need not be Residence Owners. Notwithstanding the foregoing, no proxy, limited or general, shall be used in the election of Board members, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise.

3.7 Adjourned Meetings. If any proposed meeting cannot be organized because a quorum has not been attained, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Except as required above, proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reasons other than the new date of the meeting.

3.8 Proviso. Notwithstanding anything contained herein to the contrary, until sixty (60%) percent of the Residences in the Subdivision have been sold to the original purchasers, or until Turnover, whichever shall first occur, there shall be no meeting of the members of the Association unless a meeting is called by the Board of Directors.

3.9 Order of Business. If a quorum has been attained, the order of business at annual members' meetings, and, if applicable, at other members' meetings, shall be:

3.9.1 Call to order by President;

3.9.2 Appointment by the President of a chair of the meeting (who need not be a member or a Director);

3.9.3 Calling of Roll and Certification of Proxies

3.9.4 Proof of notice of the meeting or waiver of notice;

3.9.5 Reading of minutes;

3.9.6 Reports of Officers;

3.9.7 Reports of committees;

3.9.8 Election of Directors;

3.9.9 Unfinished business;

3.9.10 New business;

3.9.11 Adjournment.

Such order may be waived in whole or in part by direction of the chair.

3.10 Minutes of Meeting. The minutes of all meetings of Owners shall be kept in a book available for inspection by Owners or their authorized representatives and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.

3.11 Action Without a Meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any annual or special meeting of members, or any action that may be taken at any annual or special meeting of such members, 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 the members (or persons authorized to cast the vote of any such members as elsewhere herein set forth) having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of members at which a quorum of members (or authorized persons) entitled to vote thereon were present and voted. Within 10 days after obtaining such authorization by written consent, notice must be given to members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

3.12 Owner Participation. Owners shall have the right to participate in meetings of Owners with reference to all designated agenda items. However, the Association may adopt reasonable rules governing the frequency, duration, and manner of Owner participation. Any Owner may tape record or videotape a meeting of the Owners subject to reasonable rules adopted by the Division.

#### 4. Directors.

4.1 Composition. The affairs of the Association shall be governed by a Board of not less than three (3) nor more than five (5) Directors. During Developer control, Directors need not be Residence Owners; provided, however, upon turnover, each Director, other than any Developer appointed or elected Director, shall be a Residence Owner.

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

4.2.1 Election of Directors shall be held at the annual members' meeting except as provided herein to the contrary.

4.2.2 Not less than 60 days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each Owner entitled to a vote, a first notice of the date of the election. Any Owner or other eligible person desiring to be a candidate for the board of administration shall give written notice to the Association not less than 40 days before a scheduled election. The Association shall then mail or deliver a second notice of the meeting at least 14 days prior to the meeting, which notice must include an agenda, to all Owners entitled to vote therein, together with a written ballot that shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8 ½ inches by 11 inches furnished by the candidate,

to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the Association.

4.2.3 The election shall be by written ballot or voting machine and by a plurality of the votes cast, each person voting being entitled to cast his or her vote for each of as many nominees as there are vacancies to be filled. The entire membership shall vote for all of the Directors. No Owner shall permit another person to cast his or her ballot and any such ballots improperly cast shall be deemed invalid except for a Owner who needs assistance in voting due to blindness, disability, or inability to read or write.

4.2.4 There shall be no quorum requirement or minimum number of votes necessary for election of Board of Directors. However, at least 20% of the eligible voters must cast a ballot in order for the election to be valid.

4.2.5 No nominating committees, no slates of Directors, no nominations from the floor, and no write-in candidates are permitted. Any Owner who indicates an interest in running must be placed on the ballot. Election and balloting are not required unless more candidates file notices of intent to run or are nominated than there are vacancies on the Board.

#### 4.3 Vacancies and Removal.

4.3.1 Except as to vacancies resulting from removal of Directors by members, vacancies on the Board of Directors occurring between annual meetings of members shall be filled by the affirmative vote of the remaining Board of Directors, even if the remaining Directors constitute less than a quorum, provided that all vacancies in Directorships to which Directors were appointed by the Developer under the provisions of section 4.16 hereof shall be filled by the Developer without the necessity of any meeting.

4.3.2 Any Director elected by the members (other than the Developer) may be removed without cause by concurrence of a majority of the votes of all the voting interests at a special meeting of members called for that purpose, which meeting may be called by 10% of the voting interests, giving notice of the meeting as required for a meeting of Owners, and stating the purpose of the meeting, or by written agreement signed by a majority of the Owners of all Residences.

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

If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by person. The Board shall duly notice and hold a meeting of the Board within five full business days after receipt of the agreement in writing. At the meeting, the Board shall either certify the written agreement to recall a member or members of the Board, in which case such member or members shall be recalled effective immediately and shall turn over to the Board within five full business days any and all records and property of the Association in their possession or proceed as described below.

If the Board determines not to certify the written agreement to recall a member or members of the Board or does not certify the recall by a vote at a meeting, the Board shall, within five full business days after the meeting, file a petition for binding arbitration. For the purposes of this section, the Owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the Board, the recall will be effective upon mailing of the final order of arbitration to the Association. If the Association fails to comply with the order of the arbitrator, the Division may take action under F.S. 718.501. Any member or members so recalled shall deliver to the Board any and all records of the Association in their possession within five full business days of the effective date of the recall.

If the Board fails to duly notice and hold a Board meeting within five full business days of service of an agreement in writing or within five full business days of the adjournment of the Owner recall meeting, the recall shall be deemed effective and the Board members so recalled shall immediately turn over to the Board any and all records and property of the Association.

If a vacancy occurs on the Board as a result of a recall and less than a majority of the Board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining Directors, notwithstanding any provision to the contrary contained in Section 4.2 herein. If vacancies occur on the Board as a result of a recall and a majority or more of the Board members are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the Division.

4.3.3 Anything to the contrary herein notwithstanding, until a majority of the Directors are elected by the members other than the Developer of the Real Property, neither the first Directors of the Association, nor any Directors replacing them, nor any Directors named by the Developer, shall be subject to removal by members other than the Developer. The first Directors and Directors replacing them may be removed and replaced by the Developer without the necessity of any meeting.

4.3.4 If a vacancy on the Board of Directors results in the inability to obtain a quorum of Directors in accordance with these Bylaws, any Owner may apply to the Circuit Court within whose jurisdiction the Real Property lies for the appointment of a receiver to manage the affairs of the Association. At least 30 days prior to applying to the Circuit Court, the Owner shall mail to the Association and post in a conspicuous place on the Real Property a notice describing the intended action and giving the Association an opportunity to fill the vacancy or vacancies in accordance with these Bylaws. If, during such time, the Association fails to fill the vacancy or vacancies, the Owner may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs, and attorneys' fees. The receiver shall have all powers and duties of a duly constituted Board of Directors and shall serve until the Association fills the vacancy or vacancies on the Board sufficient to constitute a quorum in accordance with these Bylaws.

4.4 Term. Except as provided herein to the contrary, the term of each Director's service shall extend until the next annual meeting of the members and subsequently until his or her successor is duly elected and has taken office, or until he or she is removed.

## 5. Directors Meeting

5.1 Organizational Meeting. The organizational meeting of newly elected or appointed Directors shall be held within 10 days of their election or appointment at such place and time as shall



be fixed by the Directors at the meeting at which they were elected or appointed. Notice of the organizational meeting shall be as required for regular meetings of the Board of Directors.

5.2 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, or telegraph, and shall be transmitted at least 48 hours prior to the meeting. Regular meetings of the Board of Directors shall be open to all Residence Owners and notice of such meetings shall be posted conspicuously on the Real Property at least 48 continuous hours in advance for the attention of the members of the Association except in the event of an emergency. Owners shall have the right to attend and the right to speak with reference to all designated agenda items. The Board may adopt reasonable rules governing the frequency, duration, and manner of Owner statements. Owners may tape record or videotape meetings of the Board subject to rules adopted by the Division. Directors may not vote by proxy or by secret ballot at Board meetings. A vote or abstention for each Director present shall be recorded in the minutes.

5.3 Special Meetings. Special meetings of the Directors may be called by the President and must be called by the President or Secretary at the written request of one third of the Directors. For so long as the Developer is in control of the Association, special meetings of the Directors may be called by the Developer. Notice of the meeting shall be given personally or by mail, telephone, or telegraph, which notice shall state the time, place, and purpose of the meeting and shall be transmitted not less than 48 hours prior to the meeting. Special meetings of the Board of Directors shall be open to all Owners and notice of such meetings shall be posted conspicuously on the Real Property at least 48 continuous hours in advance for the attention of the members of the Association except in the event of an emergency, and Owners shall have a reasonable right to participate. The Board may adopt reasonable rules governing the frequency, duration, and manner of Owner statements. Owners may tape record or videotape meetings of the Board. Directors may not vote by proxy or secret ballot at Board Meetings. A vote or abstention for each Director present shall be recorded in the Minutes.

Notwithstanding the foregoing, written notice of any meeting at which non-emergency special assessments, or at which an amendment to Rules regarding Residence use, will be considered shall be mailed or delivered to the Residence Owners and posted conspicuously on the Real Property not less than 14 days prior to the meeting.

5.4 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by the Director of notice. Attendance by any Director at a meeting except when his or her attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called, shall be deemed equivalent to the due receipt by that Director of notice.

5.5 Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board except when approval by a greater number of Directors is specifically required by the Declaration, the Articles, or these Bylaws.

Meetings of the Board of Directors and any committee thereof at which a quorum of the members of that committee are present shall be open to all Residence Owners. The right to attend such meetings includes the right to speak with reference to all designated agenda items; provided, however, the Association may adopt reasonable rules governing the frequency, duration, and manner of Residence Owner statements.

5.6 Adjourned Meetings. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

5.7 Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the approval of that Director of the business conducted at the meeting, but such joinder shall not allow the applicable Director to be counted as being present for purposes of quorum.

A Director 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 that Director votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. A vote or abstention for each Director present shall be recorded in the minutes. Directors may not vote by proxy.

5.8 Presiding Officer. The presiding Officer at the Directors' meetings shall be the President (who may, however, designate any other person to preside).

5.9 Order of Business. If a quorum has been attained, the order of business at Directors' meetings shall be:

- 5.9.1 Roll call;
- 5.9.2 Proof of due notice of meeting;
- 5.9.3 Reading and disposal of any unapproved minutes;
- 5.9.4 Reports of Officers and committees;
- 5.9.5 Election of Officers;
- 5.9.6 Unfinished business;
- 5.9.7 New Business;
- 5.9.8 Adjournment.

Such order may be waived in whole or in part by direction of the presiding Officer.

5.10 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Owners, or their authorized representatives, and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.

5.11 Executive Committee; Other Committees. The Board of Directors may, by resolution duly adopted, appoint an Executive Committee to consist of three or more members of the Board. This Executive Committee shall have and may exercise all of the powers of the Board in management of the business and affairs of the Real Property during the period between the meetings of the Board

insofar as may be permitted by law except that the Executive Committee shall not have power (a) to determine the Common Expenses required for the affairs of the Real Property, (b) to determine the assessments payable by the Residence Owners to meet the Common Expenses of the Real Property, (c) to adopt or amend any rules and regulations covering the details of the operation and use of the Real Property, or (d) to exercise any of the powers set forth in paragraphs (f) and (o) of Article 5 below.

The Board may by resolution also create other committees and appoint persons to such committees and vest in such committees such powers and responsibilities as the Board shall deem advisable.

Meetings of any committee of the Board at which a quorum of the members of that committee are present shall be open to all Owners. Written notice, which notice shall specifically incorporate an identification of agenda items, of all committee meetings shall be posted conspicuously on the Real Property at least 48 continuous hours preceding the meeting except in an emergency.

#### 6. Transition of Control.

At the time of Turnover, as provided in the Declarations, the Developer shall relinquish control of the Association and shall deliver to the Association all property of the Residence Owners and of the Association held or controlled by the Developer, including, but not limited to, the following items, if applicable:

- 6.1. All deeds to the common property owned by the Association.
- 6.2. The original or a photocopy of the recorded Declaration and all amendments thereto.
- 6.3. A certified copy of the Articles of Incorporation of the Association.
- 6.4. A copy of the Bylaws of the Association.
- 6.5. The minute books, including all minutes, and other books and records of the Association, if any.
- 6.6. Any rules and regulations that have been adopted.

6.7. The financial records, including financial statements of the Association, and source documents from the incorporation of the Association through the date of turnover. The records shall be audited by an independent certified public accountant for the period from the incorporation of the Association or from the period covered by the last audit, if an audit has been performed for each fiscal year since incorporation. All financial statements shall be prepared in accordance with generally accepted accounting principles and shall be audited in accordance with generally accepted auditing standards, as prescribed by the Board of Accountancy, pursuant to chapter 473. The certified public accountant performing the audit shall examine to the extent necessary supporting documents and records, including the cash disbursements and related paid invoices to determine if expenditures were for association purposes and the billings, cash receipts, and related records of the Association to determine that the Developer was charged and paid the proper amounts of assessments.

6.8. The financial records, including financial statements of the Association, since the incorporation of the Association through the date of the turnover. All financial statements shall be prepared in accordance with generally accepted accounting standards.

6.9. Association funds or the control thereof.

6.10. All tangible personal property that is the property of the Association or is or was represented by the Developer to be part of the Common Elements or is ostensibly part of the Common Elements, and an inventory of such property.

6.11. A copy of the plans and specifications utilized in the construction the Improvements and the Real Property.

6.12. Insurance policies.

6.13. Any other permits issued by governmental bodies applicable to the Real Property in force or issued within one year prior to the date the Residence Owners take control of the Association.

6.14. All written warranties of contractors, subcontractors, suppliers and manufacturers, if any, that are still effective.

6.15. A roster of Residence Owners and their addresses and telephone numbers, if known, as shown on the Developer's records.

6.16. Leases of the Common Elements and other Leases to which the Association is a party, if applicable.

6.17. A list of current employment contracts or service contracts including addresses and telephone numbers in which the Association is one of the contracting parties, or service contracts in which the Association or Residence Owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person or persons performing the service.

6.18. All other contracts to which the Association is a party.

7. Powers and Duties. The Board of Directors shall have the powers and duties granted to it by law, the Declaration, the Articles, and these Bylaws necessary for the administration of the affairs of the Residence Owners and may take all acts, through the proper Officers of the Association, in executing such powers, except such acts which by law, the Declaration, the Articles, or these Bylaws may not be delegated to the Board of Directors by the Residence Owners. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

7.1 Operating and maintaining the Common Elements.

7.2 Determining the expenses required for the operation of the Association.

7.3 Employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements.

7.4 Adopting and amending rules and regulations concerning the details of the operation and use of the Property.

7.5 Maintaining bank accounts on behalf of the Association and designating the signatory or signatories required therefor.

7.6 Purchasing, leasing, or otherwise acquiring Residences or other property in the name of the Association or its designee.

7.7 Purchasing Residences at foreclosure or other judicial sales, in the name of the Association or its designee.

7.8 Selling, leasing, mortgaging, or otherwise dealing with Residences acquired, and subleasing Residences leased, by the Association or its designee.

7.9 Obtaining and reviewing insurance for the Property.

7.10 Enforcing obligations of the Residence Owners, allocating profits and expenses, and taking such other actions as shall be deemed necessary and proper for the sound management of the Association.

7.11 Imposing fines against appropriate Residence Owners for failure to comply with the provisions of the Board policies and resolutions, the Declaration Documents including the Rules and Regulations established by the Association, and applicable laws by the Residence Owners, their occupants, licensees, or invitees.

The Directors may impose fines against a Residence not to exceed the maximum permissible by law, for failure to comply with the provisions of the Board policies and resolutions, the Declaration Documents, including the Rules and Regulations, and applicable laws by Owners, occupants, licensees, tenants, and invitees.

A fine may be imposed for each day of continuing violation at the highest rate allowed by law per violation with a single notice and opportunity for hearing, provided that no fine shall in the aggregate exceed the maximum amount permissible by law.

The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing by being given notice of not less than 14 days. Notice shall be deemed effective when deposited in the United States Mail, certified, return receipt requested, to the address of the Residence Owner listed in the official records of the Association, and as to tenants, to the mailing address for the Residence. The notice shall include:

7.11.1 A statement of the date, time, and place of the hearing.

7.11.2 A statement of the provisions of the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, Board policies and resolutions or laws that have allegedly been violated.

7.11.3 A short and plain statement of the matters asserted by the Association.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. The hearing shall be held before a Committee of other Residence Owners. If the Committee does not agree with the fine, the fine may not be levied. Should the Association be required to initiate legal proceedings to collect a duly levied fine, the prevailing party in an action to collect the fine shall be entitled to an award of costs, and a reasonable attorney's fee incurred before trial (including in connection with the preparation for and conduct of fining hearings), at trial, and on appeal. Residence Owners shall be jointly and severally liable for the payment of fines levied against tenants, guests, invitees, or other occupants of a Residence.

7.12 Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of the Common Elements or the acquisition of property and granting mortgages on and/or security interests in Association-owned property, provided, however, that the consent of the Owners of at least a majority of the Residences represented at a meeting at which a quorum has been attained in accordance with the provisions of these Bylaws shall be required. If any sum borrowed by the Board of Directors on behalf of the Association under the authority contained in this paragraph (o) is not repaid by the Association, a Residence Owner who pays to the creditor such portion thereof as the Owner's interest in his or her Common Elements bears to the interest of all of the Residence Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien that the creditor shall have filed or shall have the right to file against, or which will affect, such Residence Owner's Residence. However, the Association shall take no action authorized in this paragraph without the prior written consent of the Developer as long as the Developer owns any Residence.

7.13 Contracting for the management and maintenance of the Common Property and authorizing a management agent (who may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair, and replacement of the Common Elements with such funds as shall be made available by the Association for such purposes. The Association and its Officers shall, however, retain at all times the powers and duties granted by the documents, including, but not limited to, the making of assessments, promulgation of rules, and execution of contracts on behalf of the Association. Notwithstanding the foregoing, in the event that a lawsuit is to be brought against the Developer for any reason whatsoever, at least 75% of all Residence Owners, other than the Developer, must agree, at a meeting duly called for such purpose, prior to institution of any such action.

7.14 Adopting budgets and making and collecting special and periodic assessments against Owners to defray the costs of the Association.

7.15 Acquiring and conveying Common Elements for the purposes of providing utility easements, right-of-way expansion, or other public purpose whether negotiated or as part of the eminent domain procedure, which authority can be exercised by the Board of Directors without approval of the Residence Owners.

7.16 At its discretion, authorizing Residence Owners or other persons to use portions of the Common Elements for private parties and gatherings and imposing reasonable charges for such private use.

7.17 Exercising (i) all powers specifically set forth in the Declaration of Covenants Conditions and Restrictions, the Articles, and these Bylaws, (ii) all powers incidental thereto, and (iii) all other powers of a Florida not-for-profit corporation.

7.18 Imposing a lawful fee in connection with the approval of the transfer, lease, sale, or sublease of Residences, not to exceed the maximum amount permitted by law from time to time in any one case.

7.19 Contracting with and creating or joining in the creation of special taxing districts, joint councils, and the like.

## 8. Officers.

8.1 Executive Officers. The initial executive Officers of the Association shall be a President, a Vice President, a Treasurer, and a Secretary (none of whom need be Directors or Residence Owners), all of whom shall be elected by the Board of Directors (which may create and fill other offices as provided herein) and who may be peremptorily removed at any meeting by concurrence of a majority of all of the Directors. A person may hold more than one office except that the President may not also be the Secretary. No person shall sign an instrument or perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect such other Officers and designate their powers and duties as the Board shall deem necessary or appropriate to manage the affairs of the Association.

8.2 President. The President shall be the chief executive Officer of the Association. He or she shall have all of the powers and duties that are usually vested in the office of president of an association.

8.3 Vice President. The Vice President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He or she also shall assist the President and exercise such other powers and perform such other duties as are incident to the office of the Vice President of an association and as may be required by the Directors or the President.

8.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. The Secretary shall attend to the giving of all notices to the members and Directors and other notices required by law. He or she shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He or she shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association and as may be required by the Directors or the President.

8.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He or she shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. He or she shall submit a Treasurer's report to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of Treasurer and as may be required by the Directors or the President. All money and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board of Directors.

8.6 Other. The Board of Directors may create additional offices from time to time and appoint persons to fill such offices, subject to removal at the discretion of the Board.

8.7 Developer Appointees. No Officer appointed by the Directors designated by the Developer may be removed except as provided in Section 4.16 hereof and by law.

9. Compensation. Neither Directors nor Officers shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a Director or Officer as an employee of the Association, nor preclude contracting with a Director or Officer for the management of the Real Property or for any other service to be supplied by such Director or Officer. Directors and Officers shall be compensated for all actual and proper out of pocket expenses relating to the proper discharge of their respective duties.

10. Resignations. Any Director or Officer may resign his or her post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Residences owned by any Director or Officer (other than appointees of the Developer or Officers who were not Residence Owners) shall constitute a written resignation of such Director or Officer.

11. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:

11.1 Budget.

11.1.1 Adoption by Board; Items. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association (which shall detail all accounts and items of expense, determine the amount of assessments payable by the Residence Owners to meet the expenses of The Association, and allocate and assess such expenses among the Residence Owners in accordance with the provisions of the Declaration. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, pavement resurfacing. The amount of reserves shall be computed by means of a formula based on estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. Reserves shall not be required if the members of the Association have, by a majority vote at a duly called meeting of the Association, determined for a specific fiscal year to provide no reserves or reserves less adequate than required hereby. If a meeting of Residence Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained, or a quorum is not attained, the reserves, as included in the budget, shall go into effect. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a duly called meeting of the Association.

The adoption of a budget for the Association shall comply with the requirements hereinafter set forth:

(a) Notice of Meeting. A copy of the proposed budget of Common Expenses shall be mailed to each Residence Owner not less than 14 days prior to the meeting of the Board of Directors at which the budget will be considered, together with a notice of that meeting indicating the time and place of such meeting. The meeting shall be open to the Residence Owners,



and the Residence Owners shall have a reasonable right to participate. The Board may adopt reasonable rules governing the frequency, duration, and manner of Residence Owner statements.

(b) Special Membership Meeting. If a budget is adopted by the Board of Directors that requires assessments against the Residence Owners in any year exceeding 115% of the assessments for the preceding year, as hereinafter defined, upon written application of 10% of the Residence Owners, a special meeting of the Residence Owners shall be held within 30 days of delivery of such application to the Board of Directors. Each Residence Owner shall be given at least 10 days' notice of the special meeting. At the meeting, Residence Owners shall consider and adopt a budget. The adoption of the budget shall require a vote of Owners of not less than a majority of all the Residences (including Residences owned by the Developer). If a meeting of the Residence Owners has been called as aforesaid and a quorum is not obtained or a substitute budget has not been adopted by the Residence Owners, the budget adopted by the Board of Directors shall go into effect as scheduled.

(c) Determination of Budget Amount. In determining whether a budget requires assessments against Residence Owners in any year exceeding 115% of assessments for the preceding year, there shall be excluded in the computations any authorized provisions for reasonable reserves made by the Board of Directors in respect of repair or replacement of the Common Property or in respect of anticipated expenses of the Association that are not anticipated to be incurred on a regular or annual basis, and there shall be excluded further from such computation assessments for improvements to the Real Property.

(d) Proviso. As long as the Developer is in control of the Board of Directors of the Association, the Board shall not impose assessments for a year greater than 25% of the prior year's assessments, as herein defined, without the approval of a majority of Residence Owners other than the Developer.

11.1.2 Adoption by Membership. In the event that the Board of Directors shall be unable to adopt a budget for a fiscal year in accordance with the requirements of Subsection 9.1(a) above, the Board of Directors may call a special meeting of Residence Owners for the purpose of considering and adopting such budget, which meeting shall be called and held in the manner provided for special meetings in that subsection, or propose a budget in writing to the members, and if such budget is adopted by the members, upon ratification by a majority of the Board of Directors, it shall become the budget for such year.

11.2 Assessments. Assessments against Residence Owners for their share of the items of the budget shall be made for the applicable fiscal year annually at least 20 days preceding the year for which the Assessments are made. Such assessments shall be due in equal installments, payable in advance on the first day of each month (or each quarter at the election of the Board) of the year for which the assessments are made. If annual assessments are not made as required, assessments shall be presumed to have been made in the amount of the last prior assessments, and monthly (or quarterly) installments on the assessments shall be due upon each installment payment date until changed by amended assessments. In the event the annual assessments prove to be insufficient, the budget and assessments may be amended at any time by the Board of Directors, subject to the provisions of Section 9.1 hereof, if applicable. Unpaid assessments for the remaining portion of the fiscal year for which amended assessments are made shall be payable in as many equal installments as there are full months (or quarters) of the fiscal year left as of the date of such amended assessments, each such monthly (or quarterly) installment to be paid on the first day of the month (or quarter), commencing the first day of the next ensuing month (or quarter). If only a partial month (or

quarter) remains, the amended assessments shall be paid with the next regular installment in the following year unless otherwise directed by the Board in its resolution.

11.3 Assessments for Emergencies. Assessments for Common Expenses for emergencies that cannot be paid from the annual assessments for Common Expenses shall be due only after 14 days' notice is given to the Residence Owners concerned and shall be paid in such manner as the Board of Directors of the Association may require in the notice of the assessments.

11.4 Late Assessments. Assessments not paid within 10 days from the date due may bear interest from the date when due until paid at the then highest rate allowed by law. Additionally, the failure to pay any assessment within 10 days from the date due shall entitle the Association to levy a late charge against the defaulting Residence Owner, in such amount as the Board may determine from time to time. However, such late charge shall not exceed the maximum amount allowed under the Act.

11.5 Depository. The depository of the Association shall be such bank or banks or financial institution(s) in the state of Florida federally regulated and insured as shall be designated from time to time by the Directors and in which the funds of the Association shall be deposited. Withdrawal of money from those accounts shall be made only by checks signed by such person or persons as are authorized by the Directors. All sums collected by the Association from assessments or contributions to working capital or otherwise shall be maintained separately for each Real Property, in the Association's name. Reserve and operating funds of the Association shall not be commingled. The Association shall maintain separate accounting records for the Association and for each Real Property operated by the Association. No manager or business entity required to be licensed or registered under F.S. 468.432, and no agent, employee, Officer, or Director of the Association shall commingle Association funds with his, hers, its, or another association's or entity's funds.

11.6 Acceleration of Installments Upon Default. As an additional right and remedy of the Association, if a Residence Owner shall be in default in the payment of an installment of the Owner's assessments after 30 days' prior written notice to the applicable Residence Owner, the Board of Directors or its agent may accelerate the assessments due for the remainder of the quarter (if the assessments are made by monthly installments) and thereafter, if a claim of lien has been filed, the assessments shall be accelerated for the balance of the budget year. The unpaid balance of the assessments for the balance of the accelerated period shall be due upon the date stated in the notice, but not less than five days after delivery of the notice to the Residence Owner, or not less than 10 days after the mailing of such notice to the Residence Owner by certified mail, whichever shall first occur.

11.7 Enforcement of Assessments. In the event an assessment is not paid within 10 days of the date it shall be due and payable, the Association, through the Board of Directors, may proceed to enforce and collect that assessment from the delinquent Residence Owner in any manner provided for by the Declaration, and these Bylaws. Each Residence Owner shall be individually responsible for the payment of assessments against his or her Residence and for the payment of reasonable attorneys' fees and costs incurred by the Association in the collection of sums due and enforcement of any lien held by the Association.

11.8 Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors for all persons handling or responsible for Association funds in such amount as shall be determined by the formula set forth in the Act, or such greater amount as may be determined by a majority of the Board. The premiums on such bonds shall be paid by the Association as a Common Expense.

11.9 Accounting Records and Reports. The Association shall maintain accounting records in the State of Florida, according to accounting practices normally used by similar associations. The records shall be open to inspection by Residence Owners or their authorized representatives at reasonable times, and written summaries of them shall be supplied at least annually. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, and (b) an account for each Residence designating the name and current mailing address of the Residence Owner, the amount of assessments, the dates and amounts in which the assessments come due, the amount paid upon the account and the dates so paid, and the balance due. Written summaries of the records described in clause (a) above, in the form and manner specified below, shall be supplied to each Residence Owner annually.

No later than April 1 of the year following the end of a fiscal year, the Board shall mail, or furnish by personal delivery, to each Residence Owner a complete financial report of actual receipts and expenditures for the previous 12 months (i.e., the last completed fiscal year), or a complete set of financial statements for the preceding fiscal year prepared in accordance with generally accepted accounting principles. 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:

- 11.9.1 Cost for security;
- 11.9.2 Professional and management fees and expenses;
- 11.9.3 Taxes;
- 11.9.4 Cost for recreation facilities;
- 11.9.5 Expenses for refuse collection and utility services;
- 11.9.6 Expenses for landscaping;
- 11.9.7 Cost for building maintenance and repair;
- 11.9.8 Insurance costs;
- 11.9.9 Administrative and salary expenses; and

11.9.10 Reserves for capital expenditures, deferred maintenance, and any other category for which the Association maintains a reserve account or accounts.

11.10 Application of Payment. All payments made by a Residence Owner shall be applied as provided in these Bylaws and in the Declaration, or as otherwise determined by the Board.

11.11 Notice of Meetings. Notice of any meeting at which assessments against Residence 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.

12. Roster of Residence Owners. Each Residence Owner shall file with the Association a copy of the recorded deed or other document showing his or her ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Residence Owners of record on the

date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at the meeting unless prior to the meeting other Owners shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of the meeting.

13. Parliamentary Rules. ROBERT'S RULES OF ORDER (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, the Articles, or these Bylaws.

14. Amendments. Except as provided otherwise in the Declaration, these Bylaws may be amended in the following manner:

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

14.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one third of the members of the Association. Any proposed amendment to these Bylaws must be made by ballot or by limited proxy, delivered to the Secretary of the Association at or prior to the meeting. The approval must be:

14.2.1 Prior to the turnover of control of the Association to Residence Owners other than the Developer, by not less than a majority of the votes of those members of the Association who are present or represented at a meeting at which a quorum has been attained and by not less than 51% of the entire Board of Directors; or

14.2.2 After control of the Association has been turned over to Residence Owners other than the Developer, by not less than 67% of the votes of the members of the Association represented at a meeting at which a quorum has been attained.

14.3 Proviso. No amendment may be adopted that would eliminate, modify, prejudice, abridge, or otherwise adversely affect any rights, benefits, privileges, or priorities granted or reserved to the Developer or mortgagees of Residences without the consent of the Developer and mortgagees in each instance. No amendment shall be made that is in conflict with the Articles or Declaration. No amendment to this Section shall be valid.

14.4 Execution and Recording. A copy of each amendment shall be attached to a certificate stating that the amendment was duly adopted as an amendment of the Declaration and Bylaws, which certificate shall be executed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed, or by the Developer alone if the amendment has been adopted consistent with the provisions of the Declaration allowing such action by the Developer. The amendment shall be effective when the certificate and a copy of the amendment are recorded in the Public Records of the County with an identification on the first page of the amendment of the Official Records Book and Page of the Public Records where the Declaration is recorded.

15. Rules and Regulations. The Board of Directors may from time to time adopt, amend, modify, or add to Rules and Regulations concerning the use of the Real Property except that subsequent to the date control of the Association is turned over by the Developer to Residence Owners other than the Developer, Owners of a majority of the Residences may overrule the Board with respect to any such adoption, amendments, modifications, or addition. Any such Rule adoption, modification, amendment, or addition need not be recorded in the public records of Escambia County to be effective; however, copies of such adopted, modified, amended, or additional Rules and Regulations shall be furnished by the Board of Directors to each affected Residence Owner not less than 10 days

prior to the effective date thereof. At no time may any Rule or Regulation be adopted that would prejudice the rights reserved to the Developer.

16. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

17. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define or limit the scope of these Bylaws or the intent of any provision hereof.

18. Official Records. From the inception of the Association, the Association shall maintain a copy of each of the following, where applicable, which shall constitute the official records of the Association:

18.1 The plans, permits, warranties, and other items provided by the Developer under F.S. 718.301(4).

18.2 A photocopy of the recorded Declaration of Covenants Conditions and Restrictions and all amendments thereto.

18.3 A photocopy of the recorded Bylaws of the Association and all amendments thereto.

18.4 A certified copy of the Articles of Incorporation of the Association or other documents creating the Association and all amendments thereto.

18.5 A copy of the current Rules and Regulations of the Association.

18.6 A book or books containing the minutes of all meetings of the Association, of the Board of Directors, and of Residence Owners, which minutes shall be retained for a period of not less than seven years.

18.7 A current roster of all Residence Owners, their mailing addresses, Residence identifications, voting certifications, and, if known, telephone numbers.

18.8 All current insurance policies of the Association and the Real Property.

18.9 A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the Residence Owners have an obligation or responsibility.

18.10 Bills of sale or transfer for all property owned by the Association.

18.11 Accounting records for the Association and the accounting records for the Real Property, according to good accounting practices. All accounting records shall be maintained for a period of not less than seven years. The accounting records shall include, but not be limited to:

18.11.1 Accurate, itemized, and detailed records for all receipts and expenditures.

18.11.2 A current account and a monthly, bimonthly, or quarterly statement of the account for each Residence designating the name of the Residence Owner, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

18.11.3 All audits, reviews, accounting statements, and financial reports of the Association or Real Property.

18.11.4 All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one year.

18.12 Ballots, sign-in sheets, voting proxies, and all other papers relating to elections, which shall be maintained for a period of one year from the date of the meeting to which the document relates.

The official records of the Association shall be open to inspection by any Association member or the authorized representative of a member at all reasonable times in accordance with reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and copying adopted by the Association. Inspections may take place only at the building in which the records are located and the records shall not be removed from that location. Failure to permit inspection of the Association records as provided herein entitles any person prevailing in an enforcement action to recover reasonable attorneys' fees from the person in control of the records who, directly or indirectly, knowingly denies access to the records for inspection. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the Association member.

19. Mandatory Non-binding Arbitration of Disputes.

19.1 Prior to the institution of court litigation, the parties to a dispute, as defined in the Act, shall petition the Division for non-binding arbitration. Arbitration shall be conducted according to Rules promulgated by the Division. The filing of a petition for arbitration shall toll the applicable statute of limitations.

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

19.3 The arbitration decision shall be presented to the parties in writing. An arbitration decision shall be final if a complaint for a trial de novo is not filed in a court of competent jurisdiction in which the Real Property is located within 30 days. The right to file for a trial de novo entitles the parties to file a complaint in the appropriate trial court for a judicial resolution of the dispute. The prevailing party may be awarded reasonable attorneys' fees, the costs of the arbitration, or both, in an amount determined in the discretion of the arbitrator.

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

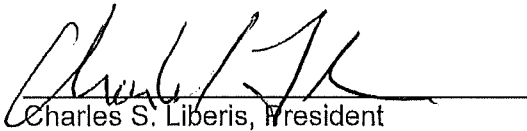
19.5 The decision of an arbitrator shall be final; however, such a decision shall not be deemed final agency action. Nothing in this provision shall be construed to foreclose parties from

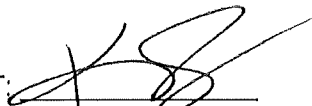
proceeding in a trial de novo. If such judicial proceedings are initiated, the final decision of the arbitrator shall be admissible in evidence.

19.6 Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in a court of competent jurisdiction in which the Real Property is located. A petition may not be granted unless the time for appeal by filing of a complaint for trial de novo has expired. If a complaint for a trial de novo has been filed, a petition may not be granted with respect to an arbitration award that has been stayed. If the petition is granted, the petitioner may recover reasonable attorneys' fees and costs incurred in enforcing the arbitration award.

The foregoing was adopted as the Bylaws of Covington Place Association, Inc., a Florida not-for-profit corporation, on this the 19 day of October, 2018.

COVINGTON PLACE ASSOCIATION, INC.

By:   
Charles S. Liberis, President

ATTEST:   
Kaylan Walden, Secretary

