

BY-LAWS  
OF  
TERRAVERDE COUNTRY CLUB MASTER ASSOCIATION, INC.  
A NOT-FOR-PROFIT FLORIDA CORPORATION

ARTICLE I  
IDENTITY

These are the By-Laws of TERRAVERDE COUNTRY CLUB MASTER ASSOCIATION, INC., a not-for-profit corporation ("Corporation").

ARTICLE II  
PURPOSES

This Corporation has been organized to promote the health, safety and social welfare of the Owners of property within the Development Land as described in the Declaration of Restrictions and Protective Covenants for Terraverde Country Club Master Association ("Declaration of Restrictions") executed by Somerset Development Corporation, a Florida corporation ("Developer") and to own and operate the Master Association Properties as described in the Declaration of Restrictions. Further, this Corporation has been organized to provide for private security, utility service, fire protection and such other services ("Community Services"); the responsibility for which has been imposed upon and delegated to the Corporation pursuant to the Declaration of Restrictions.

It has also been organized to provide all of the foregoing for future condominiums or other forms of multiunit construction and ownership within the Development Land as defined in the Declaration of Restrictions.

ARTICLE III  
DIRECTORS AND OFFICERS

1. Directors.

A. The affairs of the Corporation shall be managed by an initial Board of Directors (the "Initial Board") composed of three (3) persons. The members of the Initial Board are designated in the Articles of Incorporation. The members of the Initial Board shall serve until the first annual meeting of the Members of the Corporation (the "Majority Election Meeting") and, at the Majority Election Meeting, the Members other than the Developer shall elect all of the members of the Board of Directors. Until such time as the Members other than the Developer (the "Purchaser Members") shall be entitled to elect all of the Directors, Developer shall have the absolute right, in its absolute discretion and at any time, to remove any Director and to replace the Director so discharged.

B. The number of Directors to be elected, at the Majority Election Meeting, to serve on the Board of Directors shall be equal to one (1) (the "At Large Director") plus two (2) times the number of Condominiums within the Development Land submitted to the condominium form of ownership. For example, if three (3) Condominiums are in existence prior to the Majority Election Meeting, then the Board of Directors shall consist of seven (7) Directors. Each Condominium, in existence prior to the Majority Election Meeting, by majority vote of its Class Members, shall be entitled to elect two (2) Directors to the Board of Directors, and the Membership, as a whole, shall elect the At Large Director.

C. Subsequent to the Majority Election Meeting, Directors shall be elected by the Purchaser Members at each annual meeting of Members and shall hold office until the next annual meeting of Members and until their successors are elected and shall qualify.

The number of Directors to be elected to serve on the Board of Directors, and the manner of their election, shall be governed by the provisions of the preceding subparagraph.

D. At least fourteen (14) days before the annual meeting of Members, a complete list of Members entitled to vote at such election, together with the addresses of each, shall be prepared by the Secretary. Such list shall be maintained at the office of the Corporation for fourteen (14) days prior to the annual meeting, for the examination of every Member of the Corporation and shall be produced and kept at the time and place of the annual Meeting, subject to the inspection of any member who may be present. At the first annual meeting of the Members, Directors shall be elected for a term of one (1) year.

E. The At Large Director shall be elected at the Majority Election Meeting and at each annual meeting of Members, as follows:

(1) Every nomination for election to the Board of Directors must be made in writing signed by at least five members or Members holding at least five votes and accepted in writing by the person nominated. Such nominations must be received by the Secretary of the Association at least ten days prior to the meeting at which the election is to be held. The Secretary shall prepare and make available for inspection, at least five days before such meeting, a list of the nominees. Nominations may not be made in any manner other than the foregoing, except from the floor at the annual meeting provided further that such nomination is seconded by at least five Members holding five votes and accepted personally by the person nominated. No Member shall be considered for nomination or election to the board of Directors who at the time of nomination or election shall be 30 days or more delinquent in the payment of any annual or special assessment of the Association. A majority vote of those Members present, either in person or by proxy, shall elect the At Large Director.

F. Directors shall be Members of the Corporation, except that this provision shall not be applicable to the persons designated to be the Initial Board by Article VI of the Articles of Incorporation.

## 2. Officers.

The officers of the Corporation shall consist of a President, a Vice President, a Secretary, and a Treasurer, any of whom may be members of the Board of Directors, and such other officers as the Board of Directors may appoint. The Officers named in the Articles of Incorporation shall serve, unless removed and replaced by the Developer, until the first meeting of the Board of Directors following the first annual meeting of the Members of the Corporation, and at such meeting the Board of Directors shall elect the aforesaid Officers. Officers so elected shall hold office until the next and ensuing annual meeting of the Board of Directors or until their successors shall have been elected and shall qualify.

## 3. Resignation, Vacancy, Removal, Compensation.

A. Any Director or Officer of the Corporation may resign at any time, by instrument in writing. Resignations shall take effect at the time specified therein, and if no time is specified, at the time of receipt by the President or Secretary of the Corporation. The acceptance of a resignation shall not be necessary to make it effective. A resignation shall be deemed to have occurred upon termination by the Director or Officer of membership in the Corporation.

B. Subject to the right of the Developer to replace Directors selected by the Developer, when the At Large Director resigns or is otherwise removed, the vacancy shall be filled by the remaining members of the Board of Directors at their next meeting, by electing a person who shall serve until the next annual meeting of the Members. Whenever a Director from a particular Condominium resigns or is otherwise removed, the vacancy shall be filled by the Class Members of the particular Condominium at a special meeting of Class Members called for the purpose of filling the vacancy.

When a vacancy occurs in an office for any cause because an Officer's term has expired, the office shall be filled by the Board of Directors at its next meeting by electing a person to serve for the unexpired term.

C. A majority of Members of the Corporation present at any regular or special meeting duly called subsequent to the Majority Election Meeting, may remove the At Large Director, with or without cause.

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

E. No compensation shall be paid to Directors or Officers for their services as Directors or Officers.

**ARTICLE IV**  
**POWERS AND DUTIES OF THE CORPORATION AND THE EXERCISE THEREOF**

The powers of the Corporation shall include, but shall not be limited to:

1. The power to cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the Master Association Properties and to provide the Community Services.
2. The power to cause the grounds, lands, appurtenances and those portions of the Master Association Properties to be maintained and repaired in accordance with the obligations for such maintenance and repair as set forth in the Declaration of Restrictions for Terraverde Country Club Master Association, including, but not limited to, landscaping, pool maintenance, painting, roofing, cleaning paving road maintenance and such other normal and extraordinary maintenance and repair work as may be necessary.
3. The power to take such action as may be necessary to comply, or to cause all persons using the Master Association Properties to comply, with all laws, statutes, ordinances, rules of all appropriate governmental authorities, and the rules and regulations of the National Board of Fire Underwriters, or its successor.
4. The power to take such action as may be necessary to comply, or to cause all persons using the Master Association Properties to comply, with the Declaration of Restrictions.
5. The power to enter into contracts for Community Services and to purchase all tools, equipment, supplies and materials as shall be reasonably necessary to perform its duties, including the maintenance, upkeep, repair, replacement, refurbishing and preservation of the Master Association Properties, the furnishings, fixtures and appliances thereof.

6. The power to cause to be placed or kept in force all insurance required by or permitted in the Declaration of Restrictions; the power to act as agent for each owner of any other insured interest to adjust all claims arising under said insurance policies; the power to bring suit thereon in the name of all insureds and to deliver releases upon payment of claims; and the power to otherwise exercise all of the rights, powers and privileges of the insured parties and to receive, on behalf of the insured parties, all insurance proceeds payable pursuant to the terms of the Declaration of Restrictions.

7. The power to prepare with the assistance of an accountant, an operating budget for the Corporation setting forth an itemized statement of anticipated receipts and disbursements.

8. The power to deposit all funds collected from all sources in a special bank account or accounts in banks and/or savings and loan associations in the State of Florida, with suitable designation indicating their source.

9. The power to supervise, operate, control and manage the Master Association Properties and the power to promulgate, adopt and amend Rules and Regulations as it deems advisable, in its sole discretion, for the use and occupancy of the Master Association Properties.

10. The power to establish and maintain reserves as required by law for the payment of any and all costs and expenses of the Corporation to be disbursed hereunder.

11. The power to retain and employ attorneys-at-law, tax consultants and other experts and professionals whose services the Corporation may reasonably require to effectively perform its duties and exercise its powers hereunder.

12. The power to make and collect special assessments for such purposes against such parties as the Corporation is required or permitted to do so in the Declaration of Restrictions.

13. The power to possess, enjoin and exercise all powers necessary to implement, enforce and carry into effect the powers above described, including the power to acquire, own, operate, mortgage, lease, sell and trade property, whether real or personal.

14. The power to levy fines for the breach of the rules and regulations.

15. The power to suspend the voting rights of members for non payment of assessments or for the violation of the rules and regulations.

**ARTICLE V**  
**DUTIES OF OFFICERS**

1. The President shall:

A. Act as Presiding Officer at all meetings of the Membership of the Corporation and of the Board of Directors.

B. Call special meetings of the Board of Directors and of Members.

C. Sign all checks, contracts, promissory notes, deeds, and other instruments on behalf of the Corporation, except those which the Board of Directors specifies may be signed by other persons.

D. Perform all acts and duties usually required of an executive to insure that all orders and resolutions of the Board of Directors are carried out.

E. Appoint committees and be an ex-officio member of all committees, and to render an annual report at the annual meeting of Members.

2. The Vice President shall:

A. Act as Presiding Officer at all meetings of the Membership of the Corporation and of the Board of Directors when the President is absent.

B. Perform other acts and duties required of the President, in the absence of the President.

C. Perform such other duties as may be required of him by the Board.

D. Sign checks on behalf of the Corporation in the absence of the President.

3. Should the President and Vice President be absent from any meeting, the remaining Directors shall select a person to act as chairman of the meeting.

4. The Secretary shall:

A. Attend all regular and special meetings of the Members of the Corporation and of the Board of Directors and keep all records and minutes of proceedings thereof or cause the same to be done.

B. Have custody of the corporate seal and affix same when necessary or required.

C. Attend to all correspondence on behalf of the Board of Directors, prepare and serve notice of meetings and keep membership books.

D. Perform such other duties as the Board may determine and on all occasions in the execution of his duties, act under the supervision, control and direction of the Board of Directors.

E. Have custody of the minute book of the meetings of the Board of Directors and of the Members, which minute book shall at all times be available at the office of the Corporation for the information of the Directors and Officers, and act as transfer agent to record transfers and rules and regulations in the corporate books.

5. The Treasurer shall:

A. Receive such monies as shall be paid into his hands for the accounts of the Corporation and disburse funds as may be ordered by the Board, taking proper vouchers for such disbursements, and be custodian of all securities, contracts, leases, and other important documents of the Corporation which he shall keep safely deposited.

B. Supervise the keeping of accounts of all financial transactions of the Corporation in books belonging to the Corporation, and deliver such books to his successor. He shall prepare and distribute to all of the members of the Board of the Board of Directors, at least ten (10) days prior to each annual meeting of the Board of Directors, and whenever else

required, a summary of the financial transactions and condition of the Corporation for the preceding year. He shall make a full and accurate report of the matters and business pertaining to his office to the Members at the annual meeting of Members and make all reports required by law.

C. The Treasurer may have the assistance of an accountant or auditor, who shall be employed by the Board of Directors. In the event the Corporation enters into a management agreement, it shall be proper to delegate such of the Treasurer functions to the management agent as is deemed appropriate by the Board of Directors.

**ARTICLE VI  
MEMBERSHIP**

1. Membership in the Corporation is limited to owners of units ("Unit") within the Development Land. The rights of Membership are subject to the payment of annual and special assessments levied by the Corporation pursuant to and in accordance with the provisions of Article VI of the Declaration of Restrictions.

2. If a Unit is owned by more than one owner, co-partners or a corporation, there shall nevertheless be only one Membership assigned to such Unit, and the vote for such Membership shall be cast by the person designated in a Voting Certificate signed by all of the owners (or the proper corporate officer) of said Unit, filed with the Secretary of the Corporation. In the absence of such a writing, such vote shall not be counted, except that a Voting Certificate shall not be required if the Unit is owned by a husband and his wife only.

3. Membership in the Corporation shall be divided into classes ("Class Members") with Members owning units in a particular Condominium each constituting a separate class. Each class shall be designated by the name used to denote the particular Condominium. For example, Members owning units in Terraverde 1, A Condominium shall be "Class 1 Members".

4. The following provisions shall apply with respect to voting:

A. Either the Membership as a whole shall vote or the Class Members shall vote, which determination shall be made in accordance with subparagraphs B and C immediately below.

B. For matters that require a vote, voting shall take place as follows:

(1) Matters substantially pertaining to a particular Condominium only shall be voted on only by the Class Members of the Condominium affected and shall be determined by a majority of such Class Members in attendance, either in person or by proxy, at any meeting having a proper quorum in accordance with these By-Laws.

(2) Matters substantially pertaining to the Corporation and/or to the Development Land as a whole shall be voted on by the Membership as a whole and shall be determined by a majority of the Membership in attendance at any meeting having a proper quorum in accordance with these By-Laws.

C. Any decision as to whether a matter substantially pertains to a particular Condominium for purpose of Class Member voting, or to the Corporation as a whole, or to the Development Land as a whole for purposes of Membership voting shall be determined by the Board in its sole discretion.

D. In the event any portion of the Development Land is not submitted to the condominium form of ownership, then the provisions of this Article VI shall be amended to provide for Class Membership for such other form(s) of ownership.

5. Membership in the Corporation may be transferred only as an incident to the transfer of title to the Unit.

6. Membership shall terminate upon the transfer of title to a Unit.

**ARTICLE VII**  
**MEETINGS, SPECIAL MEETINGS, QUORUMS, PROXIES**

1. Meetings of Members.

A. Annual meetings: The first annual meeting of the Members of the Corporation shall be held thirty (30) days subsequent to the conveyance by the Developer of the 400th Unit within the Development Land (or, in the event the Developer shall have amended its plan of development of the Development Land, by amendment to the Declaration of Restrictions, thirty (30) days subsequent to the conveyance by the Developer of the last Unit consistent with the amended plan of development) to a purchaser for value. Thereafter, the annual meeting of the Members of the Corporation shall be held at the office of the Corporation on the 3rd Monday of the month in which the first annual meeting of the Members was conducted. At such meetings there shall be elected by ballot of the Members, a Board of Directors, in accordance with the requirements of these By-Laws. The Members may also transact such other business of the Corporation as may properly come before the meeting.

B. Special Meetings: It shall be the duty of the President to call a special meeting of the Members of the Corporation, or of Class Members, as directed by resolution of the Board of Directors or upon a petition signed by ten (10%) percent of the Members having been presented to the Secretary. No business shall be transacted at a special meeting except as stated in the notice thereof. In addition, a special meeting of the Association, to recall or remove a member of the board of Directors, shall be called upon ten (10%) percent of the members giving notice of the meeting, provided the notice states the purpose of the meeting.

Except as provided or required under Florida Law, the President shall not be required to call a special meeting of the Members upon the request of Members representing less than a majority of the total votes of the Members if such special meeting would be for the purpose of considering any matter which is substantially the same as any matter considered and voted upon at any annual or special meeting of the Members held during the twelve (12) months preceding the delivery of the petition to the Secretary.

C. Notice of meetings: It shall be the duty of the Secretary to provide notice of the annual or special meeting of the Members, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his address as it appears on the Membership book of the Corporation, or, if no address appears, at his last known place of address, at least fourteen (14) but not more than forty (40) days prior to such meeting. If hand delivered, receipt of such notice shall be signed by the Member. If mailed, the Secretary shall retain the post office certificate of mailing as proof of such mailing. The mailing of the notice in the manner provided in this paragraph shall be considered notice served. Notice of meetings shall also be posted at a conspicuous place at the Master Association

Properties, at least 48 hours in advance of each meeting, except in cases of emergency.

D. Quorum: The persons, either in person or by proxy, of Members representing at least twenty (20%) percent of the total votes of the Association shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of the Association. If any meeting of the Association cannot be organized because a quorum has not attended, and the Members who are present, either in person or by proxy, adjourn the meeting in accordance with the provisions below of this Article, then the presence, either in person or by proxy, of Members and votes of the Association shall be requisite for and shall constitute a quorum for the transaction of business at such adjourned meeting when the same is reconvened. A quorum shall be deemed to be present throughout any meeting of the Association until adjourned if the quorum requirements provided for in this Section are met at the beginning of such meeting.

E. Adjourned meetings: If any meeting of the Membership or of Class Members, cannot be organized because a quorum has not attended, the Members (or Class Members, if applicable) who are present, either in person or by proxy, may, except as otherwise provided for by law, adjourn the meeting to a time not less than 48 hours from the time the original meeting was called. Quorum requirements at adjourned meetings shall be the same as required pursuant to paragraph D above.

F. At every meeting of the Members, each Member present, either in person or by proxy, shall have the right to cast one vote on each question. The vote of the majority of those present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute a different vote is required, in which case such express provision shall govern and control. All voting shall be by secret ballot.

G. Proxies: A Member may appoint a proxy. Any proxy 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 meetings thereof. In no event shall such proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given and every proxy shall be revocable, at any time, at the pleasure of the member exercising it.

H. Waiver and consent: Nothing herein shall be construed to prevent a Member, including Class Members, from waiving notice of meeting or acting by written agreement without a meeting, and such waiver and action by written agreement are hereby expressly permitted.

## 2. Meetings of Directors:

A. Organizational meeting: The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected at which time the officers shall be elected. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the whole Board of Directors shall be present.

B. The Board of Directors may establish a schedule of regular meetings which shall be at least quarterly to be held at such place as the Directors may designate, in which event no notice need be sent to the Directors once said schedule has been adopted.

C. Special Meetings: It shall be the duty of the President to call a special meeting of the Association as directed by resolution of the Board of Directors or upon a petition signed by ten (10%) percent of the members having been presented to the Secretary. No business shall be transacted at a special meeting except as stated in the notice thereof. In addition, it shall be the duty of the President to call a special meeting of the Association, to recall or remove a member of the Board of Directors, shall be called upon ten (10%) percent of the members giving notice of the meeting, provided the notice states the purpose of the meeting.

Except as provided or required under Florida Law, the President shall not be required to call a special meeting of the Members upon the request of Members representing less than a majority of the total votes of the Members if such special meeting would be for the purpose of considering any matter which is substantially the same as any matter considered and voted upon at any annual or special meeting of the Members held during the twelve (12) months preceding the delivery of the petition to the Secretary.

D. Notice of regular meetings: Notice of the time and purpose of regular meetings of the Board of Directors shall be given to each Director personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting. All meetings shall be open to Members. Notice of all meetings shall be conspicuously posted at the Master Association Properties at least 48 hours prior to the meeting, except in cases of emergency.

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

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

G. Consent: The Board of Directors may act by written consent, without a meeting, provided that a majority of the Board of Directors consents to the action so taken.

**ARTICLE VIII**  
**PROCEDURE**

1. Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation, the By-Laws of the Corporation or with applicable Florida law.

2. The order of business at annual Members' meetings and as far as practical at other Members meetings will be:

- A. Election of Chairman;
- B. Roll Call;

- C. Proof of Notice of Meeting; or Waiver of Notice;
- D. Reading of Minutes of Prior Meeting;
- E. Officers' Reports;
- F. Committee Reports;
- G. Election of Inspectors of Election;
- H. Elections;
- I. Unfinished Business;
- J. New Business; and Adjournment.

**ARTICLE IX**  
**ASSESSMENT AND MANNER OF COLLECTION**

1. The Board of Directors has the sole power to and shall from time to time fix and determine the amounts necessary to pay the assessments imposed by the Declaration of Restrictions.

2. The Board shall adopt a Budget for the Corporation, and for each Condominium within the Development Land, during the month preceding the fiscal year wherein the Budget will take effect, which Budget shall include a schedule of assessments to be paid by the Members. The procedure for allocation to each Condominium within the Development Land of a portion of the expenses to be incurred pursuant to the Budget shall be as follows:

A. Expenses applicable to more than one (1) Condominium within the Development Land but which are not applicable to all of the Condominium within the Development Land. Each Condominium affected by the expense item shall be responsible for the payment of a percentage of the expense item, which percentage shall be derived from a fraction, the numerator of which shall be equal to the number of condominium units within the particular Condominium and the denominator of which shall be equal to the number of condominium units within all Condominiums likewise affected by the expense item.

B. Expenses applicable to all Condominiums within the Development Land. Each Condominium within the Development Land shall be responsible for the payment of a percentage of the expense item, which percentage shall be derived from a fraction, the numerator of which shall be equal to the number of condominium units within the particular Condominium and the denominator of which shall be equal to the number of condominium units within the Development Land submitted to the condominium form of ownership.

C. Expenses applicable to one (1) Condominium within the Development Land. Allocated to the particular Condominium only.

D. The Board of Directors shall determine if a particular item of expense is applicable to one (1) Condominium within the Development Land, more than one (1) Condominium within the Development Land or to all of the Condominiums within the Development Land.

E. In the event any portion of the Development Land is not submitted to the condominium form of ownership, then the provisions of this Article IX shall be amended to provide for allocation to such other form of ownership of a portion of the expenses to be incurred pursuant to the Budget.

3. Regular assessments shall be paid by the Members on a monthly basis, payable on the first day of each and every month.

4. Special assessments should they be required by the Board of Directors, shall be levied and paid in the same manner as regular assessments.

5. When the Board of Directors has determined the amount of any assessments, the Secretary shall transmit a statement of such assessment to each Member. Until further notice, assessments shall be made payable to the Corporation and shall be payable at the office of the Corporation.

6. Assessments are necessarily made upon projections and estimates of the Board of Directors, and may be in excess of, or less than the sums required to meet the cash requirements in which event the Board of Directors may increase or diminish the amount of an assessment and make such adjustments in cash, or otherwise as they shall deem proper, in their sole discretion, including the assessment of each Member of his proportionate share for any deficiency. Notice of all changes in assessments shall be given to all Members.

7. Assessments shall not include charges for utilities separately charged and metered to each Unit, nor charges for alterations, repairs, maintenance, improvements, or decorating within the interior of any Unit.

8. Assessments not paid within ten (10) days from the date due shall bear interest from the date when due until paid at the rate of eighteen percent (18%) per annum. Additionally, the failure to pay any assessment within ten (10) days from the date due shall entitle the Corporation to levy a \$25.00 late charge against the defaulting Member.

9. In the event an assessment is not paid within ten (10) days of the date same shall be due and payable, the Corporation, through the Board of Directors, may proceed to enforce and collect said assessments from the delinquent Member in any manner provided for by the Declaration of Restrictions and these By-Laws. Each Member shall be individually responsible for the payment of assessments against his Unit and for the payment of reasonable attorneys' fees and costs incurred by the Corporation in the collection of sums due and the enforcement of any lien held by the Corporation.

10. Each Member shall, by execution of the Consent and Joinder to the Declaration of Restrictions, confirm a lien on the Member's Unit for the purpose of securing all sums due pursuant to said Declaration. Each Member recognizes that such lien is essential for the orderly and efficient operation of the duties and responsibilities imposed by the Declaration. The lien against the property of a Member may be foreclosed in the manner in which statutory liens on real and/or personal property may be foreclosed.

#### ARTICLE X FISCAL MATTERS

1. Fiscal year: The Fiscal year of the Corporation shall begin in January of each year, provided, however, that the Board of Directors shall be authorized to change to a different fiscal year at such time as the Board of Directors shall deem it advisable.

2. Depositories: The funds of the Corporation shall be deposited in a savings and loan association or bank or banks in Lee County, Florida, in an account for the Corporation under resolutions duly approved by the Board of Directors, and shall be withdrawn only over the signature of the authorized Officers. Said funds shall be used only for Corporation purposes.

3. Fidelity Bonds: Fidelity bonds shall be required for all Directors, Officers and employees of the Corporation, handling

or responsible for Corporation funds. The premium for such bonds shall be paid for by the Corporation.

4. **Records:** The Corporation shall maintain accounting records according to good accounting practice. Such records shall include a record of receipts and expenditures for each Member which shall designate the name and address of the Member, the amount of each assessment, the amounts paid upon the account and the balance due, in a register for any mortgage holders or lien holders who have notified the Corporation of their liens, and to which lien holders the Corporation will give notice of default, if required.

5. **Annual statement:** The Board of Directors shall present at each annual meeting of the Membership, a full and clear statement of the business and condition of the Corporation.

6. **Insurance:** The Corporation shall procure, maintain and keep in full force and effect, all insurance required pursuant to the provisions of the Declaration of Restrictions and Protective Covenants for Terraverde 1, A Condominium.

**ARTICLE XI  
ADMINISTRATIVE RULES AND REGULATIONS**

The Board of Directors may, from time to time, adopt rules and regulations governing the details of the operation and use of the Master Association Properties, provided that said rules and regulations shall be equally applicable to all members and uniform in their application and effect.

**ARTICLE XII  
VIOLATIONS AND DEFAULTS**

In the event of a violation, other than nonpayment of an assessment by a Member, of any of the provisions of the Declaration of Restrictions and Protective Covenants for Spinnaker I Condominium, these By-Laws, the Rules and Regulations of the Corporation or the Articles of Incorporation, the Corporation, after reasonable notice to cure not to exceed ten (10) days shall have all rights and remedies provided by law, including without limitation (and such remedies shall or may be cumulative) the right to sue for damages, the right to seek injunctive relief, and in the event of the failure to pay assessments, the right to foreclose its lien provided in the Declaration of Restrictions and, in every such proceeding, the Member at fault shall be liable for court costs and the Corporation's reasonable attorneys' fees. If the Corporation elects to enforce its lien by foreclosure, the Member shall be entitled to the appointment of a receiver to collect such rent. A suit to collect unpaid assessments may be prosecuted by the Corporation without waiving the lien securing such unpaid assessment.

**ARTICLE XIII  
MORTGAGES - NOTICE - OTHER RIGHTS OF MORTGAGEES**

**Section 1. "Notice to Board of Directors".** Any Owner of any Condominium Unit who mortgages such Condominium Unit shall promptly notify the Board of Directors of the name and address of his mortgagee and, if requested so to do, shall file a conformed copy of such mortgage with the Board of Directors. The Board of Directors shall maintain suitable records pertaining to such mortgages.

**Section 2. "Notice of Unpaid Assessments".** The Board of Directors, whenever so requested by a mortgagee, shall promptly report any then unpaid assessments due from, or any other default by, the Owner of a mortgaged Condominium Unit.

Section 3. "Notice of Default". The Board of Directors, when giving notice to an Owner of default in paying assessments or other default, shall send a copy of such notice to each holder of a mortgage covering such Condominium Unit whose name and address has heretofore been furnished to the Board of Directors.

Section 4. "Examination of Books". Each Unit Owner and his Mortgagee shall be permitted to examine the books of account, Declaration, Articles of Incorporation, By-Laws, any amendments thereto, and other documents of the Association at reasonable times on business days.

Section 5. "Annual Statement". Upon completion and delivery of the financial report of the Association to each Unit Owner the Association shall deliver a copy of such financial report to all institutional lenders whose names and addresses shall be on record with the Association at the time that such financial report is delivered to the Unit Owners.

Section 6. "Insurance". Upon written requests to the Association an institutional lender, insurer, or guarantor will be entitled to timely written notice of: a) any condemnation or casualty loss that affects either a material portion of the Project or the unit securing its mortgage, or b) a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

Section 7. "Consents". Any other provision of these Bylaws or of the Declaration to the contrary notwithstanding, neither the Members, the Board of Directors nor the Association shall take any of the following actions without the prior written consent and approval of the holders of all first mortgages of record on the Condominium Units:

- (a) abandon or terminate the Association; or
- (b) modify or amend any material provision of the Declaration or of these Bylaws, including, but without limitation, any amendment which would change the percentage interests of the Owners in the Common Elements, the percentage interests of the Owners in the common expenses and common profits of the Association or the voting rights of the Owners; or
- (c) modify the method of determining and collecting common expense assessments or other assessments as provided in the Declaration or these Bylaws; or
- (d) partition, subdivide, transfer or otherwise dispose of any of the Common Areas of the project; or
- (e) resolve to use the proceeds of casualty insurance for any purpose other than the repair or restoration of the Association property.

Section 8. This section shall not be amended or deleted by vote of the membership.

**ARTICLE XIV  
AMENDMENT OF BY-LAWS**

These By-Laws may be amended, modified or rescinded by a resolution duly adopted by a majority of the Board of Directors at any duly called meeting of the Board of Directors, and thereafter submitted to the Members at any duly convened meeting of the Members and approved by a 75% vote of the Members present or by proxy, provided there is a quorum, and further provided that notice of the proposed change is given in the notice of the meeting. Notice may be waived in writing by any Member.

Amendments to these By-Laws may be proposed by the Board of Directors, acting upon the vote of a majority of the Directors, or proposed by Members of the Corporation holding a majority of the votes in the Corporation.

No amendment shall discriminate against any Member nor any class or group of Members unless the Members so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Restrictions and Protective Covenants for Terraverde Country Club Master Association. No amendment which affects the Developer may be adopted or become effective without the prior written consent of the Developer.

A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the By-Laws, which certificate shall be executed by the Officers of the Corporation with the formalities of a deed. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the Public Records of Lee County, Florida.

ARTICLE XV  
VALIDITY

If any portion of these By-Laws shall be adjudged invalid, such fact shall not effect the validity of any other By-Law.

The foregoing was adopted as the By-Laws of TERRAVERDE COUNTRY CLUB MASTER ASSOCIATION, a not-for-profit Florida corporation.

Attest:

*[Signature]*  
Secretary  
(SEAL)

By:

*[Signature]*  
President

Date:

12/30/85

RECORDED IN OFFICE  
LEE COUNTY, FLORIDA  
RECORD VERIFIED  
Dec 30 2 00 PM '85