

**BYLAWS
OF
HERITAGE GREENS COMMUNITY ASSOCIATION, INC.**

1. GENERAL. These are the Bylaws of Heritage Greens Community Association, Inc., (the "Association" or the "Community Association"), a Florida corporation not for profit organized for the purposes set forth in the Articles of Incorporation.

1.1 Principal Office. The Association's principal office shall initially be located at 277 N. Collier Blvd., Marco Island, Florida 34145, and subsequently at such other place as may be established by resolution of the Board of Directors.

1.2 Definitions. All words and phrases defined in the Declaration of Covenants, Conditions and Restrictions for Heritage Greens (the "Community Declaration") to which these Bylaws were attached as an exhibit when the Community Declaration was originally recorded, shall be used with the same meanings as defined therein, unless the context clearly requires a different interpretation.

1.3 Seal. The seal of the Association shall bear its name, the year of its organization, and the words "Florida" and "corporation not for profit". It may be used by causing it, or a facsimile, to be impressed, affixed, reproduced or otherwise placed on any document where a seal may be required.

2. MEMBERSHIP AND VOTING RIGHTS. The classes of membership shall be as more fully set forth in Section 4.1 of the Community Declaration.

2.1 Voting Rights; Voting Interests. The voting rights appurtenant to each class of membership shall be as follows:

(A) Regular Members: Regular members of the Association are all owners of Lots or Living Units, other than the Declarant and any Builder. Except for temporary delegations as provided in Section 4.3 of the Declaration, a membership is not assignable and/or transferable other than through the conveyance of record legal title to the Lot or Living Unit to which it is appurtenant. Upon sale or other transfer of ownership of a Lot or Living Unit, the transferor is deemed to have automatically assigned and transferred the membership. A member's rights to use the Common Areas and recreation facilities is limited as set forth in the Declaration and in these Bylaws. Each Lot or Living Unit owned by a regular member has one (1) indivisible vote in all matters (except for the election of Directors) where a vote of the regular members is required or permitted.

(B) Declarant Members: The Declarant, and every Builder that offers Lots, Parcels, Tracts, or Living Units for sale in the ordinary course of business are Declarant Members. Builders, other than the Declarant, shall have one (1) indivisible vote in all matters (except for the election of Directors) for each Lot or Living Unit owned by the Builder, where a vote of the regular members is required or permitted. The Declarant shall have a number of votes equal to twice the total number of votes of the regular members and any other Builder. Declarant membership and voting rights shall cease to exist at the Turnover Meeting described in Section 8 of these Bylaws, but all of the other rights and privileges of Declarant, and all of the other rights and privileges of any Builder, as set forth elsewhere in the Governing Documents, shall continue as long as the Declarant or any Builder is offering any Lots, Living Units, Tracts or Parcels within

Heritage Greens for sale in the ordinary course of business. If the Declarant conveys undeveloped property within the Community to a Builder, the Declarant may assign its Declarant membership and/or some or all of its voting rights and privileges or obligations to that Builder. After the Declarant relinquishes control of the Community Association, the Declarant and any Builder may exercise the right to vote any of their owned interests in the same manner as any other member, except for purposes of reacquiring control of the Community Association, or selecting a majority of the Directors.

2.2 Voting Groups. In order to ensure relatively proportional and fair representation on the Board of Directors of the Community Association for various Neighborhoods that are likely to have dissimilar sizes and interests, and to avoid a situation in which Voting Representatives representing some Neighborhoods are able, due to the number of Lots or Living Units in such Neighborhoods, to elect all or most of the Directors, or exclude representation of other Neighborhoods, the Declarant shall establish Voting Groups for use by the regular members in electing Directors to the Board of the Community Association after turnover of control. The Voting Groups will be established by Declarant at least ninety (90) days before the turnover of control of the Community Association, by the recording of a Supplemental Declaration in the Official Records of the County, identifying each Voting Group, and stating the procedures governing the process of voting by Voting Groups. Each Voting Group will generally be composed of one or more Neighborhood(s) of similar housing types. The members of each Voting Group shall be entitled to elect the number of Directors specified in the Supplemental Declaration. The Supplemental Declaration may also provide for the election of one or more Directors at large, in the discretion of the Declarant. This Section 2.2 may not be amended without the written consent of Declarant.

2.3 Method of Voting. Except for the election of Directors, all votes of the members pertaining to the Community Association shall be cast by the Voting Representatives of the Neighborhood Associations designated as provided in Section 3.6. Subject to any restrictions, limitations or conditions which may be imposed by any Neighborhood Covenants or by other recorded instrument, this procedure may provide for votes to be cast in a block, or in the same manner as originally cast by its members, or in any other manner that is equitable and uniformly applied within the Neighborhood Association, and does not result in the casting of fractional votes. The failure of a voting representative to cast votes in the manner instructed by the Neighborhood Association which he represents, or by its members, shall not invalidate the votes as cast. Nothing herein shall require the use of secret ballots unless such use is required by law. Votes of each Declarant Member shall be cast by its designated representative.

2.4 Membership records. Records shall be maintained by the Community Association showing the names of the members, their addresses, the number of Lots or Living Units owned by each member, the class of membership and such other information as the Board shall require. Members may be issued a certificate or other evidence of membership, which may be a wallet-size membership card. The certificate or card may bear a photograph of the member, identify the Lots or Living Units owned by the member, and include such other information as may be determined by the Board. Admission to any Common Area, facility, meeting or affair of the Community Association may be conditioned upon production of a current certificate of membership by the member.

2.5 Transfer of membership. Except as provided in Section 2.7 below, no member may transfer his Community Association membership, except as an appurtenance to his Lot or Living Unit. When a member ceases to be an owner, his membership terminates, but termination does not relieve or release any former member from any liability or obligation incurred under, or in any way connected with, the Community Association during the period of his membership, nor does it impair any rights or remedies the Community Association may have against the former member arising out of, or in any way connected with, such membership and the covenants and obligations incident thereto.

2.6 Member's rights and privileges; association rights.

(A) Every member and his tenants, guests and family members has a right to make such uses of the community center as the community center and its facilities are intended and reasonably well-suited for, subject however, to the following:

- (1) The right of the Community Association to assess the members for the costs of operating the community center and all other Common Areas.
- (2) The right of the CDD to exercise and enforce any and all powers authorized by Chapter 190, Florida Statutes;
- (3) The right of the Community Association to charge any admission, use, or other fees for any facility, activity or event as it may deem appropriate;
- (4) The right of the Community Association to dedicate or transfer ownership or control of all or any part of the Common Areas to the CDD or any other governmental or quasi-governmental agency, public authority, or utility;
- (5) The right of the Community Association to grant easements over, across or through the Common Areas;
- (6) The provisions of this Declaration, or any other applicable recorded instrument, the Articles of Incorporation and Bylaws of the Community Association; and any rules and regulations governing use and enjoyment of the Common Areas adopted by the Community Association.

(B) So long as there is a Declarant Member, any and all rights of Members, and any and all restrictions, limitations, conditions and rules and regulations that a Member shall be subject to, shall not be amended without the consent of the Declarant.

2.7 Rights and Privileges of Members.

- (A) Every member shall have the right to:
- (1) Have his vote cast by his voting representative at meetings of the members;
 - (2) Serve on the Board if elected;
 - (3) Serve on committees;
 - (4) Attend membership meetings; and
 - (5) Vote in the election of at least one (1) Director of the Community Association.

Each member is encouraged to take an active interest in Community Association affairs.

(B) Every member in good standing has a right of using and enjoying the Common Areas, subject to the rules of the Community Association and the right of the Community Association to charge admission and other fees for the use of any facilities.

(C) A member is in good standing if he is current in the payment of all assessments and other financial obligations to the Community Association, and his membership is not suspended.

2.8 Delegation of Rights to use Common Areas.

(A) In accordance with Section 4.3 of the Community Declaration, a member may delegate his rights to use the Common Areas to:

- (1) A reasonable number of guests if accompanied by the member; or
- (2) Residential tenants who reside in the member's Living Unit.

(B) In the case of residential tenants of the member's Living Unit, the delegating member must give prior written notice to the Community Association of such delegation. The written notification shall state the name, age, permanent address, intended length of time the delegation will be effective, and such other information about each residential tenant as the Board shall require.

(C) A member who has delegated his use privileges and is not in residence in Heritage Greens may not use Common Areas during the period of the delegation, except as a guest of another member. A member may not be the guest of his tenant.

(D) Members shall be responsible for keeping the Community Association informed as to the identity and relationship of any persons who normally reside with the member and intend to utilize the Community Association Common Areas.

(E) The Board of Directors may limit the number of guests or the frequency or duration of any member's delegation of use rights, and may impose fees for the delegation of such rights of use of the facilities by renters or guests, which fees may be different from fees charged to members for their use.

2.9 Suspension of Membership. As further provided in Section 10 of the Declaration, the Board may suspend a member's membership in the Community Association:

(A) For the period of time during which an assessment against the member remains unpaid more than thirty (30) days after the date it was due and payable; or

(B) For a reasonable period during or after any infraction of the Community Association's rules and regulations by a member or by any person to whom the member has expressly or impliedly delegated his use privileges; or

(C) For misuse, abuse, or intentional destruction of Community Association property, real or personal.

Membership shall not be suspended until the member has been given actual notice of the intended suspension and offered a reasonable opportunity for a hearing. Unless otherwise permitted by law, the

right of a member to vote may not be suspended. Suspension of a member's membership temporarily revokes that member's rights and privileges to use and enjoy Common Areas and facilities and to participate in Community Association affairs. A suspension does not impair the enforceability of any assessment or lien therefor, or the authority of the Community Association to assess and collect any future assessment and lien, nor shall it impair the member's right of access to, and use of, his own property in a manner consistent with the Governing Documents.

3. MEMBERS' MEETINGS.

3.1 Annual Meeting. The annual meeting shall be held in the County during either March or April of each year, at a day, place and time designated by the Board of Directors, for the purpose of electing Directors (after such time as the regular members become entitled to do so) and transacting any other business duly authorized to be transacted by the members. The annual meeting is a general meeting, and unless the law or the governing documents require otherwise, notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called, and business conducted at the meeting does not have to be limited to the items stated in the notice of the meeting.

3.2 Special Members' Meetings. Special members' meetings must be held whenever called for by the President or by a majority of the Directors, and must be promptly called by the Board upon receipt of a written request signed by voting representatives of members entitled to cast at least ten percent (10%) of the regular members. Such requests shall be in writing and shall state the purpose or purposes of the meeting. Business at any special meeting shall be limited to the items specified in the request or contained in the notice of meeting.

3.3 Quorum. A quorum shall be attained at a members meeting by the presence in person of voting representatives for at least thirty percent (30%) of the total voting interests of each class of voting members.

3.4 Vote Required to Transact Business. The acts or resolutions approved by at least a majority of the votes cast at a duly called meeting at which a quorum has been attained shall be the act of the Members, unless a higher vote is specifically required by law or by the Governing Documents.

3.5 Notice of Meetings. Written notice of meetings shall be mailed or hand-delivered to the individual designated by each Neighborhood Association to receive Community Association notices, and to the Declarant Member, if any. Thereafter, it shall be the responsibility of the Neighborhood Association to notify the owners of all Lots and Living Units. The notices must be mailed or delivered by the Community Association not less than thirty (30) days prior to the date of the meeting.

3.6 Voting Representatives. Each Neighborhood Association shall appoint and designate in writing to the Secretary of the Community Association, at least annually by January 1st of each year, the name and address of one person who will serve as its Voting Representative for that year. That person will:

- (A) Receive Community Association notices;
- (B) Represent the Members of that particular Neighborhood Association or Committee at Community Association meetings;
- (C) Cast the votes for the Units within the Neighborhood; and

(D) Keep the Secretary of the Community Association informed of changes in the ownership of Units as they occur, and the names and addresses of the new Members.

An Alternate Voting Representative may be designated to serve in the absence or disability of the Voting Representative. The Voting Representative and the Alternate Voting Representative (if any) serve at the pleasure of the entity which appointed them.

3.7 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be reconvened at a later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. Unless the Bylaws require otherwise, adjournment of annual or special meeting to a different date, time or place must be announced at that meeting before an adjournment is taken, or notice must be given of the new date, time, or place pursuant to Section 617.303(2), Florida Statutes (1997) as amended. Any business that might have been transacted on the original date of the meeting may be transacted at the adjourned meeting. If a new record date for the adjourned meeting is or must be fixed under Section 617.0707, Florida Statutes (1995), as amended, notice of the adjourned meeting must be given to persons who are entitled to vote and are members as of the new record date but were not members as of the previous record date.

3.8 Order of Business. The order of business at Members' meetings shall be substantially as follows:

- (A) Determination that a quorum has been attained.
- (B) Reading or waiver of reading of minutes of last Members' meeting.
- (C) Reports of Officers
- (D) Reports of Committees
- (E) Election of Directors (when appropriate)
- (F) Unfinished Business
- (G) New Business
- (H) Adjournment

3.9 Minutes. Minutes of all meetings of the members must be maintained in written form, or in another form that can be converted into written form within a reasonable time.

3.10 Parliamentary rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Community Association meetings when not in conflict with the law, with the Community Declaration, or with these Bylaws. The presiding officer may appoint a Parliamentarian, but the decision of the presiding officer on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

3.11 Action by members without a meeting. Except the holding of the annual meeting and annual election of Directors, any action required or permitted to be taken at a meeting of the Members may be taken by mail without a meeting if written instruments expressing approval of the action proposed to be taken are signed and returned by Members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all of the voting interests were present and voting. If the requisite number of written consents are received by the Secretary within sixty (60) days after the earliest date which appears on any of the consent forms received, the proposed action so authorized shall be of full force and effect as if the action had been approved at a meeting of the Members held on the sixtieth (60th) day. Within ten (10) days thereafter, the Board shall send written notice of the action taken to all Members who have not consented in writing. Nothing in this paragraph affects the rights of members to call a special meeting of the membership, as provided for by Section 3.2 above, or by law.

4. BOARD OF DIRECTORS. The administration of the affairs of the Community Association shall be by a Board of Directors. All powers and duties granted to the Community Association by law, as modified and explained in the Community Declaration, Articles of Incorporation, and these Bylaws, shall be exercised by the Board, subject to the approval or consent of the members only when such is expressly required.

4.1 Powers. The Board shall have the authority to:

- (A) Manage and control the affairs of the Community Association.
- (B) Appoint and remove at its pleasure all officers, agents and employees of the Community Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient. Nothing in these Bylaws shall be construed to prohibit the employment of any member, officer or Director of the Community Association in any capacity whatsoever.
- (C) Establish, levy assess, and collect any assessment or charge provided for in the Governing Documents.
- (D) Designate one or more financial institution(s) as depository for Community Association funds, and the officer(s) authorized to make withdrawals therefrom.
- (E) With the prior consent of at least a majority of the voting interests, borrow money for Community Association purposes, and assign, pledge, mortgage or encumber any Community Association Common Areas or future revenues of the Community Association as security therefor;
- (F) Adopt, amend or revoke rules and regulations relating to the use of Common Areas, and such sanctions for noncompliance therewith, as it may deem necessary for the best interest of the Community Association and its Members. The Board may also establish and levy fees for the use of Common Areas or Community Association property;
- (G) Cause the Community Association to employ sufficient personnel to adequately perform the responsibilities of the Community Association;
- (H) Negotiate and enter into contracts for the maintenance and operation of the Common Areas;
- (I) Make improvements to the Common Areas.
- (J) Establish committees of the Community Association and appoint the members thereof. It may assign to such committees responsibilities and duties not inconsistent with the provisions of these Bylaws as it may deem appropriate;
- (K) Acquire property, real or personal, and enter into agreements with any persons, including Declarant, the CDD, the Golf Course, and relating to the orderly transfer of property from said person to the Community Association and such other matters as the Board may deem appropriate.

(L) Perform all other acts not inconsistent with law or the governing documents and necessary for the proper functioning of the Community Association.

4.2 Number: Qualifications. Initially the Board of Directors shall consist of five (5) Directors appointed by the Declarant, who may be removed or replaced at Declarant's sole discretion, who are not subject to removal by the regular members, and who need not be members of the Community Association. Each Director elected by the regular members must be a member, or the spouse of a member. Each Director elected by the members to represent a single Voting Group must be an Owner or the spouse of an Owner of a Lot or Living Unit in the Neighborhood(s) comprising that Group. At the Turnover Meeting, all Directors then serving shall resign, and the size of the Board shall increase to seven (7) Directors elected by the regular members, with at least one (1) Director to be elected by each Voting Group, as specified by the Declarant in a Supplemental Community Declaration creating the Voting Groups, to be recorded before the Turnover Meeting as stated in Section 11.7 of the Community Declaration. If there are fewer than seven (7) Voting Groups, each of the remaining seats will be filled at large by the vote of all non-Declarant Members. As long as at least five percent (5%) of the Lots and Living Units remain unsold to owners other than a Builder, the Declarant shall be entitled to appoint one (1) additional Director, bringing the total number of Directors to eight (8).

4.3 Terms of Office. In order to provide for a continuity of experience by establishing a system of staggered terms of office, at the Turnover Meeting four (4) Directors shall each be elected for a term that ends at the next annual meeting of the Community Association, and three (3) Directors shall be elected for a term which expires at the annual meeting after the next annual meeting. Thereafter, each Director shall be elected for a term of two (2) years, which will end upon final adjournment of the annual meeting in conjunction with which the Director's successor is to be elected. There is no limit on the number of consecutive terms to which a Director may be elected. A resignation must be in writing to be effective, and may not be revoked once received by the Community Association.

4.4 Nominations and Elections. The non-Declarant Members in each Voting Group are entitled to vote in the election of the Director that represents their Voting Group, as well as in the election of any Directors-at-large.

(A) Candidates. The Board shall adopt and utilize procedures whereby any person eligible to serve as a Director may qualify as a candidate and have his name on the ballot, by notifying the Community Association in writing, at least forty-five (45) days in advance of the election, of his desire to be a candidate for any vacancy which he is eligible to fill. All eligible persons giving timely written notice of desire to be a candidate shall be listed alphabetically by surname on any ballots distributed or used by the Community Association. Candidates may also be nominated in any other way permitted by law.

(B) Election and Voting Materials. Candidates shall have a reasonable opportunity to communicate their qualifications to the Voting Members and to solicit votes at their own expense. Any written materials distributed to the Members by the Community Association regarding an election shall be non-partisan, and Community Association funds shall not be used in any way to promote the election of any candidate over another. No ballot or other election materials used by the Community Association shall endorse, disparage, or comment on any Candidate or indicate whether a candidate is an incumbent, however the Community Association shall duplicate and distribute without editing brief resumes of background and qualifications provided by any candidates who would like it distributed. The ballots and all other election and voting materials shall be distributed by the Community Association with the notice of the annual meeting described in Section 3.5 above.

(C) **Balloting.** Elections shall be by written ballot. The candidate within each Voting Group who receives a plurality of the votes cast shall be elected. The balloting for at-large seats (if any) shall be separate. Each member may cast as many votes as there are Directors to be elected by his Group, but not more than one vote for any candidate. Each member may also cast one vote for each Director to be elected at-large, if any, it being the intent hereof that cumulative voting is prohibited. A member may waive the right of secrecy of his ballot. Election ballots shall be cast by the Members directly with their Neighborhood Association, which shall count the ballots at a Neighborhood Association Board meeting which is properly noticed and open to all owners in the Neighborhood, and deliver the certified results and the ballots to the Secretary of the Community Association in a sealed envelope, no later than 5:00 p.m. on the day before the election. Any ballots received after the first vote is counted at the Neighborhood Association Board meeting shall be invalid. The sealed envelopes shall not be opened by the Community Association except as provided below.

(D) **Vote Counting.** On the day of the annual meeting, before the meeting begins, at a place and time which was stated in the notice of the meeting, the Board (or its designees) shall open the sealed envelopes and count the votes in such manner as it (or they) deem advisable. Any member shall be entitled to attend and observe. The results of the election shall be announced at the beginning of the annual meeting, and the new Directors shall take office at the final adjournment of the meeting. A tie vote shall be broken by agreement between the tied candidates, or, in the absence of agreement, by lot. Any dispute as to the validity of any ballots shall be resolved by the incumbent Board.

4.5 Vacancies on the Board. If the office of any Director or Directors, except those appointed by Declarant, becomes vacant for any reason, a majority of the remaining Directors, though less than a quorum, shall promptly choose a successor or successors, who shall hold office for the entire remaining term. Any Director appointed by the Board shall be selected from the Class of Members or Voting Group who elected the Director who vacated the position. If for any reason there should arise circumstances in which no Directors are serving and the entire Board is vacant, the Members shall elect successors at a special meeting by the same method as is provided for at the Turnover Meeting in Sections 4.2 through 4.4 above.

4.6 Removal. Any Director, except those appointed by the Declarant, may be removed from the Board with or without cause by vote of a majority of the voting interests of the Voting Group which elected that Director. Directors may also be removed as provided in Section 4.8 below.

4.7 Organizational Meeting. An organizational meeting of a new Board of Directors shall be held within ten (10) days after the election of new Directors at such place and time as may be fixed by the new Directors at the meeting when they were elected.

4.8 Regular Meetings. After turnover of control, regular meetings of the Board shall be held at such time and place in Collier County, Florida, as shall be determined from time to time by the Directors. A regular meeting of the Board of Directors is any meeting held according to a regular weekly, monthly or other periodic schedule adopted from time to time by the Board. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least ten (10) days before the day named for such meeting. At regular meetings any business of the Community Association may be transacted. If any Director elected by the Members shall be absent for any reason from three (3) consecutive regular meetings of the Board, the Board may, by vote of at least a majority of the whole Board taken at the next meeting, declare the office of said Director to be vacant, and may appoint a successor.

4.9 Special Meetings. Special meetings of the Board are all meetings other than the annual organizational meeting and regular meetings. Special meetings may be called by the President, the Secretary, or by a majority of the Directors. Not less than two (2) days notice of a special meeting shall be given to each Director, personally or by mail, facsimile, telephone or telegram, which notice shall state the time, place and purposes of the meeting. Business conducted at a special meeting shall be limited to the items specified in the notice of the meeting.

4.10 Waiver of Notice by Directors. Any Director may waive notice of a Board meeting before or after the meeting, and such waiver shall be deemed equivalent to the receipt of notice. Attendance at a meeting by any Director constitutes waiver of notice, unless that Director objects to the lack of notice at the beginning of the meeting.

4.11 Board Meetings; Notice to Members. A meeting of the Board of Directors occurs whenever a quorum of the Board gathers and conducts Community Association business. All meetings of the Board shall be open to all members, except as otherwise provided by law. Notice of all Board meetings shall be posted in a conspicuous place on the Community Association Common Areas at least seventy-two (72) hours in advance of a meeting, except in an emergency. An assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of such assessments. Any owner may tape-record or videotape meetings of the Board and meetings of the members. The Board may adopt reasonable rules governing the taping of meetings of the Board and the membership.

4.12 Quorum of Directors. A quorum at a Board meeting shall exist only when a majority of all Directors are present in person. Directors may not vote by proxy or secret ballots at Board meetings, except that secret ballots may be used in electing officers. Any Director has a right to participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person.

4.13 Vote Required. Except as otherwise required by law or the governing documents, the acts approved by a majority of the Directors present and voting at a duly called Board meeting at which a quorum exists shall constitute the acts of the Board of Directors.

4.14 Presumption of Assent. A Director who is present at a meeting of the Board shall be deemed to have voted in favor of the point of view that prevails on any question, unless he voted against such action or abstained from voting because of an asserted conflict of interest. The vote of each Director on each matter considered, including abstention because of an asserted conflict of interest, must be recorded in the minutes of the meeting.

4.15 Adjourned Meetings. The majority of the Directors present at any meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a later time. When the meeting is reconvened, provided a quorum exists, any business that might have been transacted at the meeting originally called may be transacted without further notice.

4.16 The Presiding Officer. The President of the Community Association, or in his absence, the Vice-President, shall be the presiding officer at all meetings of the Board of Directors. If neither is present, the presiding officer shall be selected by majority vote of those present.

4.17 Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be compensated for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.

4.18 Emergency Powers. In the event of an "emergency" as defined in Paragraph 4.18(G) below, the Board of Directors of the Community Association may exercise the emergency powers described in this Section, and any other emergency powers authorized by Sections 617.0207, and 617.0303, Florida Statutes (1997), as amended from time to time.

(A) The Board may name as assistant officers persons who are not Directors, which assistant officers shall have the same authority as the executive officers to whom they are assistant during the period of the emergency, to accommodate the incapacity of any officer of the Community Association.

(B) The Board may relocate the principal office or designate alternative principal offices or authorize the officers to do so.

(C) During any emergency the Board may hold meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice may be given in any practical manner, including publication or radio. The Director or Directors in attendance at such a meeting shall constitute a quorum.

(D) Corporate action taken in good faith during an emergency under this Section to further the ordinary affairs of the Community Association shall bind the Community Association; and shall have the rebuttable presumption of being reasonable and necessary.

(E) An officer, Director or employee of the Community Association who acts in accordance with these emergency Bylaws with a reasonable belief that his actions are lawful shall incur no liability for doing so, except in the case of willful misconduct.

(F) The provisions of these emergency Bylaws shall supersede any inconsistent or contrary provisions of the Bylaws during the period of the emergency.

(G) For purposes of this Section, an "emergency" exists only during a period of time that the Community, or any larger geographic area in which the Community is located, is subjected to:

- (1) a state of emergency declared by law enforcement authorities;
- (2) a hurricane warning;
- (3) a partial or complete evacuation order;
- (4) designation by federal or state government as a "disaster area;" or
- (5) a catastrophic occurrence, whether natural or man-made, which seriously damages or threatens serious damage to the Community, such as an earthquake, tidal wave, fire, hurricane, tornado, war, civil unrest, or acts of terrorism.

4.19 Committee Meetings. The provisions of this Section 4 governing the calling and holding of Board meetings shall also apply to the meetings of committees, the ARB, and other similar bodies specified in

the Governing Documents, and to any committee or similar body appointed by the Board or any member thereof, or elected by the members, but only to the least extent required or permitted by law. This Section also applies to the meetings of any committee or other similar body when a final decision will be made regarding the expenditure of Community Association funds, and to any body vested with the power to approve or disapprove architectural decisions with respect to a specific parcel of residential property owned by a member of the Community.

5. OFFICERS.

5.1 Officers and Elections. The executive officers of the Community Association shall be a President, and one or more Vice-Presidents, who must be Directors of the Community Association, as well as a Treasurer and a Secretary, all of whom shall be elected annually by majority vote of the Board of Directors. Any officer may be removed, with or without cause, by vote of a majority of all Directors at any meeting. Any person except the President may hold two or more offices. The Board of Directors shall, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Community Association. If the Board so determines, there may be more than one Vice-President.

5.2 President. The President shall be the chief executive officer of the Community Association; he shall preside at all meetings of the Members and Directors, shall be ex-officio a member of all standing committees, shall have general and active management of the business of the Community Association, and shall see that all orders and resolutions of the Board are carried into effect. He shall execute bonds, mortgages and other contracts or documents requiring the seal of the Community Association, except where such are permitted by law to be otherwise executed, and the power to execute is delegated by the Board of Directors to another officer or agent of the Community Association.

5.3 Vice-Presidents. The Vice-Presidents in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall prescribe.

5.4 Secretary. The Secretary shall attend the meetings of the Board and meetings of the members, and shall record all votes and the minutes of all proceedings in a book or books to be kept for the purpose, and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Community Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the Governing Documents. Any of the foregoing duties may be performed by an Assistant Secretary, if any has been designated.

5.5 Treasurer. The Treasurer shall have responsibility for the collection, safe-keeping, and disbursement of funds and securities of the Community Association, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Community Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Community Association in such depositories as may be designated by the Board of Directors, and prepare the budget for the Association. He shall disburse the funds of the Community Association, making proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all transactions and of the financial condition of the

Community Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated.

6. ARCHITECTURAL REVIEW BOARD. The ARB provided for in Section 6 of the Community Declaration shall be selected, and conduct its affairs as provided in this Section.

6.1 Members; qualifications. Prior to the Turnover Meeting, the Architectural Review Board shall initially be composed of three (3) persons, all appointed and re-appointed, by the Declarant, who may replace these persons in the Declarant's sole discretion. These members may also be Directors of the Community Association. After the Turnover Meeting the Declarant-appointed persons shall resign, and the size of the ARB shall be increased to five (5) persons, who shall be selected as provided in Section 6.2 below. Except for those persons appointed by the Declarant, and except as otherwise provided in Section 6.5 below, no member of the ARB shall be a Director or an officer of the Community Association. Whenever possible and practical, one of the members should be, or have experience as, an architect, engineer, general contractor, or have professional expertise in building, landscaping, or architectural design.

6.2 Selection; Terms. Subsequent to the Turnover Meeting, the members of the ARB shall be appointed during December each year by the President of the Community Association, to serve terms of one year beginning on the next January 1. If a mid-term vacancy occurs for any reason, the President shall promptly appoint a successor to fill the unexpired term. Once appointed, members of the ARB may be removed only by vote of a majority of the voting interests, and not by the officers or Directors. There is no limit on the number of terms a person can be appointed to serve.

6.3 Compensation. The members of the ARB are entitled to reimbursement of all reasonable expenses incurred by them in the discharge of their duties. If approved by a majority of the whole Board of Directors, any or all members of the ARB may be compensated for their services.

6.4 Meetings. The ARB shall meet at least once during each calendar quarter, and otherwise at the call of the Chairman as necessary, to carry out its duties and functions. Written notice of meetings shall be provided to each Neighborhood Association at least one week in advance, and any owner wishing to appear before the ARB may do so. Special meetings may be called as needed by the Chairman.

6.5 Procedures, voting. A majority of the members of the ARB present in person at any duly called meeting shall constitute a quorum. All questions shall be decided by a majority of the entire Board. Where a question involves proposed changes to a Lot or Living Unit owned by a member of the ARB, that member shall be disqualified from participation in the proceedings, and his place shall be taken by the then President of the Community Association. If a proposed change is not approved, the reason(s) for disapproval shall be stated in writing. Minutes of all meetings of the ARB shall be kept in a business-like manner, and shall be available at reasonable times for inspection or photocopying by any owner. Copies of the plans and specifications for all approved changes and construction shall be kept for at least seven (7) years.

7. FISCAL MATTERS. The provisions for assessments and fiscal management of the Community Association set forth in the Community Declaration shall be supplemented by the following:

7.1 Depository. The Community Association shall maintain its funds in federally insured accounts at financial institutions doing business in the State of Florida designated from time to time by the Board.

Withdrawal of monies from such accounts shall be only by persons authorized by the Board. The Board may invest Community Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities, and other similar investment vehicles, provided they are federally insured, are or backed by the full faith and credit of the United States.

7.2 Budget. The Board of Directors shall, at a November meeting each year, adopt an operating budget of general expenses for the next fiscal year. The budget must reflect the estimated revenues and expenses for that year and include provisions for the estimated surplus or deficit as of the end of the current year. The Association shall provide to each member a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member. The proposed budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications.

7.3 Reserves. The Board may establish in the annual budget one or more reserve accounts for contingencies, operating expenses, repairs, improvements, capital expenditures or deferred maintenance. The purpose of the reserves is to provide financial stability and to avoid the need for special assessments. The amounts proposed to be so reserved shall be shown in the proposed annual budgets each year. These funds may be spent only for purposes for which they were reserved, unless another use is approved by unanimous consent of the entire Board.

7.4 Fidelity bonds. The Treasurer, all other officers who are authorized to sign checks, and all other persons who handle, have access to, or custody of Community Association funds, shall be bonded in such amounts as determined by the Board of Directors, subject to any statutory requirements or limitations. The premiums on such bonds shall be paid by the Community Association.

7.5 Accounts and accounting procedures. The financial and accounting records of the Association, must be kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years, and must, at a minimum, include:

- (A) Accurate, itemized, and detailed records of all receipts and expenditures.
- (B) A current account and a period statement of the account for each Lot and Living Unit, designating the name and current address of the record owner of legal title, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due, if any.
- (C) All tax returns, financial statements, and financial reports of the Association.
- (D) Any other records of the Association that identify, measure, record or communicate financial information.

7.6 Financial reporting to members. Within ninety (90) days after the close of each fiscal year the Association shall cause to be prepared, by an independent certified accountant, annual financial statements which must be in the form of a review or an audit as determined by the Board. Within ten (10) business days after the financial statements are prepared, the Association shall provide each member either a copy, or a written notice that a copy is available upon request at no charge to the member.

7.7 Commingling of funds. All monies collected by the Community Association may be commingled, for investment purposes only, in a single fund, or divided into two or more funds, as determined by the Board of Directors. The books and records of the Community Association shall be kept in conformity to generally accepted accounting principles, and the audit and accounting guide for Common Interest

Realty Associations of the American Institute of Certified Public Accountants.

7.8 Fiscal year. The fiscal year of the Community Association shall coincide with the calendar year.

7.9 Payment of assessments. Annual assessments based on a adopted budget shall be payable annually in advance (due on January 1 of each year). Written notice of the annual assessment shall be sent to all owners at least thirty (20) days prior to the due date, but failure to send or receive such notice does not excuse the member from his obligation to make timely payment. By resolution, the Board may establish the place for payment, the method of payment, and a late payment fee. The Board may, in its discretion, decide to collect the annual assessment in two (2) equal semi-annual installments, due on January and July 1 of each year.

7.10 Special assessments. Special assessments may be levied by vote of a majority of the whole Board of Directors whenever deemed necessary by the Board to meet unbudgeted, emergency, non-recurring expenses, or cash flow shortfalls, or for any other purposes authorized by the Community Declaration or these Bylaws. A special assessment is due on the date specified in the resolution of the Board approving the assessment. The notice to the members that a special assessment has been levied must contain a statement of the purpose(s) of the assessment, and the funds collected must be spent for the stated purpose(s) or returned to the members in a manner consistent with law. The total of all non-emergency special assessments coming due in any fiscal year shall not exceed \$200 per Lot or Living Unit, unless approved in advance by at least a majority of the voting interests.

7.11 Estoppel information. Within fifteen (15) days after receiving a written request therefor from an owner, mortgage lender, closing agent, or purchaser of a Lot or Living Unit, the Community Association shall furnish a written statement signed by an officer or authorized agent of the Community Association certifying that all assessments and other charges then due from a Lot or Living Unit have been paid, or indicating the amounts then due or past due. Anyone other than the owner who relies upon this written statement shall be protected thereby.

8. TURNOVER OF CONTROL OF COMMUNITY ASSOCIATION.

8.1 Time of Turnover. Turnover of control of the Community Association occurs when the regular members first elect a majority of the Directors of the Community Association. Members other than the Declarant shall be entitled to assume control of the Association by electing at least a majority of the entire Board of Directors not later than ninety (90) days after the conveyance of title to at least ninety percent (90%) of the Lots and Living Units within Heritage Greens to owners other than a Builder. At that time the Directors appointed by the Declarant shall resign. The election shall occur at or in conjunction with a meeting of the members (the "Turnover Meeting").

8.2 Procedure for Calling Turnover Meeting. No less than sixty (60) days prior to the Turnover Meeting, the Community Association shall notify in writing all members of the date, time and place of the Turnover Meeting. At the Turnover Meeting the Directors elected by the members as further provided in Section 4.4 above, and all of the Directors previously appointed by the Declarant shall resign.

8.3 Early Turnover. The Declarant may turn over control of the Community Association to the members prior to the time for turnover set forth above, by causing all but one of its appointed Directors to resign, whereupon it shall be the affirmative obligation of the members to elect the other Directors and assume control of the Community Association. If at least sixty (60) days notice of Declarant's decision to cause its appointees to resign is given as described in Section 8.2 above, neither the Declarant, nor

such appointees shall be liable in any manner in connection with such resignations if the members refuse or fail to assume control.

8.4 Declarant Representative. The Declarant has a right, but not an obligation, to elect at least one member of the Board of Directors as long as the Declarant or any Builder is offering for sale in the ordinary course of business at least five percent (5%) of the Lots and Living Units in the Community. After the Declarant relinquishes control of the Association, their Declarant membership and voting rights shall cease to exist, but all of the other rights and privileges of Declarant, and all of the other rights and privileges of any Builder, as set forth elsewhere in the Governing Documents, shall continue as long as the Declarant or any Builder is offering any Lots or Living Units within Heritage Greens for sale in the ordinary course of business.

9. AMENDMENT OF BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner:

9.1 Proposal. Amendments to these Bylaws may be proposed either by resolution of the Board of Directors, or by a petition to the Board signed by the voting representatives of at least twenty-five percent (25%) of the voting interests of the regular members of the Community Association. Once so proposed, the amendments shall be submitted to a vote of the members no later than the next annual meeting for which notice can still properly be given.

9.2 Vote Required. Except as otherwise provided by law, or by specific provision of the Governing Documents, a proposed amendment to these Bylaws shall be adopted if it is approved by at least two-thirds (2/3rds) of the voting interests of each class of members present and voting in person or by proxy at any meeting of the members called for the purpose. In the alternative, a proposed amendment may be adopted by the procedure set forth in Section 3.11 above dealing with actions by the members without a meeting.

9.3 Amendment by Board. Until the turnover of control as described in Section 8.1 above, the Board of Directors, by majority vote, may unilaterally amend these Bylaws in any manner it deems advisable, including, but not limited to, amendments to correct errors or conform the Bylaws to any applicable statute or local ordinance. Such amendments shall not require consent of the members.

9.4 Certificate; recording; effective date. A copy of each approved amendment shall be attached to a certificate reciting that the amendment was duly adopted, which certificate shall be duly executed by the President or Vice-President of the Community Association. The certificate must identify the book and page of the Official Records of the County where the Community Declaration was originally recorded. The amendment becomes effective when the certificate and the copy of the amendment are so recorded.

10. MISCELLANEOUS.

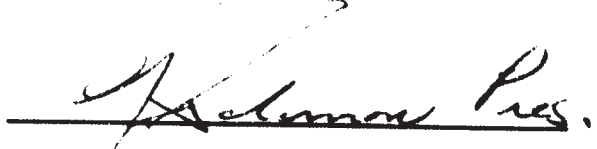
10.1 Gender; number. Whenever a masculine or singular pronoun is used in these Bylaws, it shall be construed to include the masculine, feminine or neuter; singular or plural, as the context requires.

10.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

10.3 **Conflict.** If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Community Declaration or the Articles of Incorporation of the Community Association, the provisions of the Community Declaration or Articles of Incorporation shall prevail over the provisions of these Bylaws.

The foregoing constitute the first Bylaws of Heritage Greens Community Association, Inc., and are duly adopted by the Board of Directors.

Date: Aug 1, 1997


(CORPORATE SEAL)

