BYLAWS

OF

TURTLE BAY III AT BRIDGEWATER BAY CONDOMINIUM ASSOCIATION, INC.

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1. **GENERAL.** These are the Bylaws of Turtle Bay III at Bridgewater Bay Condominium Association, Inc. (the "Association"), a corporation not for profit organized under the laws of Florida for the purpose of operating a condominium pursuant to the Florida Condominium Act.

1.1 **Principal Office.** The principal office of the Association shall be at the Condominium, or such other place as shall be determined from time to time by the Board of Directors.

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

1.3 **Definitions.** The definitions set forth in Section 4 of the Declaration of Condominium to which these Bylaws are attached as Exhibit "C" shall also apply to terms used in these Bylaws.

2. **MEMBERS.**

2.1 **Qualifications.** The members of the Association shall be the record owners of legal title to the units. In the case of a unit subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the unit for purposes of determining voting and use rights. Membership shall become effective upon the latest to occur of the following events.

A. Recording in the Public Records of a deed or other instrument evidencing legal title to the unit in the member.

B. Approval by the Board of Directors as provided for in Section 14 of the Declaration of Condominium.

C. Delivery to the Association of a copy of the recorded deed or other instrument evidencing title.

D. Delivery to the Association, if required, of a written designation of a primary occupant.

2.2 **Voting Rights; Voting Interests.** The members of the Association are entitled to one (1) vote for each unit owned by said members. The total number of possible votes (the "voting interests") is equal to the total number of units in the Condominium. The vote of a unit is not divisible. The right to vote may not be denied because of delinquent assessments. If a unit is owned by one natural person, his right to vote shall be established by the record title to the unit. If a unit is owned jointly by two or more natural persons, that unit's vote may be cast by any one of the record owners. If two or more owners of a unit do not agree among themselves how their one vote shall be cast, that vote shall not be counted for

any purpose. If the owner of a unit is not a natural person, the vote of that unit shall be cast by the unit's primary occupant designated as set forth in Section 14.1 of the Declaration of Condominium.

2.3 Approval or Disapproval of Matters. Whenever the decision or approval of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by any person authorized to cast the vote of such unit at an Association meeting as stated in Section 2.2 above, unless the joinder of all record owners is specifically required.

2.4 Change of Membership. Following written approval of the Association, as elsewhere required herein, a change of membership in the Association shall be established by the new member's membership becoming effective as provided in 2.1 above. At that time the membership of the prior owner shall automatically terminate.

2.5 Termination of Membership. The termination of membership in the Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Condominium during the period of his membership, nor does it impair any rights or remedies which the Association may have against any former owner or member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

3. MEMBERS' MEETINGS; VOTING.

3.1 Annual Meeting. There shall be an annual meeting of the members in each calendar year. The meeting shall be held during the first 3 months of the year, at a day, place and time designated by the Board of Directors, for the purpose of transacting any business duly authorized to be transacted by the members. In conjunction with the annual meeting, all ballots cast in the annual election of Directors shall be counted and results announced.

3.2 Special Members' Meetings. Special members' meetings must be held whenever called by the President or by a majority of the Directors, and may also be called by members having at least 10% of the total voting interests. Business at any special meeting shall be limited to the items specified in the request for and contained in the notice of the meeting.

3.3 Notice of Meetings; Waiver of Notice. Notice of all members' meetings must state the time, date, and place of the meeting, and include an agenda for the meeting. The notice may be mailed to each member at the address last furnished to the Association by the unit owner, or hand delivered to each unit owner. The member is responsible for informing the Association of any change of address. The notice must be mailed or hand delivered at least 14 days prior to the meeting. If ownership of a unit is transferred after notice has been mailed, no separate notice to the new owner is required. Attendance at any meeting by a member constitutes waiver of notice by that member unless the member objects to the lack of notice at the beginning of the meeting. Notice of any meeting may be waived in writing by any person entitled to receive such notice.

3.4 Notice of Annual Meeting; Special Requirements. Notice of the annual meeting, including an agenda, shall be posted in a conspicuous place on the condominium property or Association property for at least 14 continuous days preceding the annual meeting. The notice and agenda for the annual meeting shall also be sent by first class mail to each owner regardless of whether the second notice of election described in Section 4.3(B) below is required. The officer of the Association, or the manager, or other person providing notice of the association meeting shall provide an affidavit or United States Postal Service certificate of mailing, which shall be retained in the Association records as proof of mailing.

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Alternatively, notice of the annual meeting maybe hand delivered if a written waiver of the right to receive the notice by mail is obtained.

3.5 **Quorum**. A quorum at members' meeting shall be attained by the presence, either in person or by proxy, of persons entitled to cast at least 1/3 of the votes of the entire membership.

3.6 **Vote Required**. The acts approved by a majority of the votes cast at a duly called meeting of the members at which a quorum has been attained shall be binding upon all unit owners for all purposes, except where a greater or different number of votes is expressly required by law or by any provision of the condominium documents.

3.7 **Proxy Voting**. To the extent lawful, any person entitled to attend and vote at a members' meeting may establish his or her presence and cast his or her vote by proxy. Proxies may not be used in electing Directors, either in a general election or an election to fill one or more vacancies caused by recall, resignation or otherwise. Limited proxies shall be used for votes taken to waive or reduce reserves, for votes taken to waive financial statement requirements, for votes taken to amend the condominium documents, and for all other matters for which the Condominium Act requires or permits a vote of the members. General proxies may be used to establish a quorum, for other matters for which limited proxies are not required, for procedural votes, and for non-substantive changes or amendments to items or proposals for which a limited proxy is being used. A proxy may be given by any person entitled to vote, but shall be valid only for the specific meeting for which originally given, and any lawful adjournment of that meeting. In no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy is revocable at any time at the pleasure of the member executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the unit, specify the date, time and place of the meeting for which it is given, and the original must be delivered to the Association at or before the appointed time of the meeting or reconvening thereof. Holders of proxies need not be members. No proxy shall be valid if it names more than one person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy.

3.8 **Adjourned Meetings**. Any duly called meeting of the members may be adjourned to be reconvened at a specific later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance.

3.9 **Order of Business**. The order of business at members' meetings shall be substantially as follows:

A. Counting of ballots in election of Directors (if necessary).
B. Call of the roll or determination of quorum.
C. Reading or disposal of minutes of last members' meeting
D. Reports of Officers
E. Reports of Committees
F. Unfinished Business
G. New Business
H. Adjournment

3.10 **Minutes**. Minutes of all meetings of members and of the Board of Directors shall be kept in a businesslike manner and available for inspection by members or their authorized representatives and

Board members at all reasonable times and for a period of 7 years after the meeting. Minutes must be reduced to written form within 30 days after the meeting at which they were taken.

3.11 **Parliamentary Rules**. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the law, the Declaration, or these Bylaws. The presiding officer may appoint a Parliamentarian whose decision 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.

3.12 **Action by Members Without Meeting**. Except for the holding of the annual meeting, any action required or permitted to be taken at a meeting of the members may be taken by mail without a meeting if written ballots or other instruments indicating 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, or majority of the total votes of the entire membership, whichever is greater, unless a lesser vote is sufficient by law. If the requisite number of written expressions of approval are received by the Secretary within 30 days after mailing notice of the proposed action to the members, a resolution passed by the Board of Directors on the action so authorized shall be of full force and effect as if the action had been approved by the vote of the members at a members meeting held on the date of the Board meeting. Within 10 days after adopting the resolution, the Board shall send written notice of the action taken to all members who have not consented in writing. Nothing in this paragraph shall be construed in derogation of members' rights to call a special meeting of the membership, as provided in Section 3.2 of these Bylaws. If the vote is taken by the method described in this Section, the list of unit owners on record with the Secretary at the time of mailing the voting material shall be the list of qualified voters.

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

4.1 **Number and Terms of Service**. While the Developer is in control of the Association, the number of Directors which shall constitute the whole Board of Directors shall be 3. A Director's term will end at the annual election at which his successor is to be duly elected, unless he sooner resigns or is recalled as provided in 4.5 below. Directors shall be elected by the members as described in Section 4.3 below, or in the case of a vacancy, as provided in 4.4 below.

4.2 **Qualifications**. Except for Directors appointed by the Developer, each Director must be a member or the spouse of a member.

4.3 **Annual Elections**. On the date of the annual election, the members shall elect by written secret ballot as many Directors as there are regular terms of Directors expiring, unless the balloting is dispensed with as provided by law.

A. First Notice; Candidates. Not less than 60 days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery (including regularly published newsletters), to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate for Director shall give written notice to the Secretary of the Association not less than

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40 days prior to the scheduled election. Candidates may also be nominated by any other method permitted by law.

B. Second Notice; Candidate Information Sheets. If the number of candidates exceeds the number of vacant Director seats, the Association shall mail or deliver to all unit owners entitled to vote therein, together with the written notice and agenda of the annual meeting complying with the provisions of Section 3.3 of these Bylaws, a second notice of the election, and a ballot listing all qualified candidates. Upon timely request of a candidate, the Association shall include an information sheet (no larger than 8-1/2 inches by 11 inches, which must be furnished by the candidate not less than 35 days before the election) with the ballot mailing. The costs of mailing or delivery and copying shall be borne by the Association. The Association is not liable for the contents of the information sheets prepared and furnished by the candidates.

C. Balloting. Where balloting is required, Directors shall be elected by a plurality of the votes cast, provided that at least 20% of the eligible voters cast ballots. Proxies may not be used in the election. No unit owner shall permit any other person to vote his or her ballot, and any such ballot shall be deemed invalid, provided any unit owner who violates this provision may be fined by the Association in accordance with the governing provisions of the Condominium Act. In the election of Directors, there shall be appurtenant to each unit as many votes for Directors as there are Directors to be elected, but no unit may cast more than one vote for any candidate, it being the intent hereof that voting for Directors shall be non-cumulative. Tie votes shall be broken by agreement among the candidates who are tied, or if there is no agreement, by lot, or by any other method allowed by law.

Notwithstanding the provisions of Section 3.7 or this Section 4.3, the Association may, by the affirmative vote of a majority of the voting interests, provide for different voting and election procedures by amendment to these Bylaws, which vote may be by limited proxy specifically delineating the different voting and election procedures. The different voting and election procedures may provide for elections to be conducted by limited or general proxy.

4.4 Vacancies on the Board. Except for Directors appointed by Developer, if the office of any Director becomes vacant for any reason, a successor or successors to fill the remaining unexpired term or terms shall be appointed or elected as follows:

A. If a vacancy is caused by the death, disqualification or resignation of a Director, a majority of the remaining Directors, though less than a quorum, or if applicable, the sole remaining Director, shall appoint a successor, who shall hold office for the remaining unexpired term.

B. If a vacancy occurs as a result of a recall and less than a majority of the Directors are removed, the vacancy may be filled by appointment by a majority of the remaining Directors, though less than a quorum. If vacancies occur as a result of a recall in which a majority or more of the Directors are removed, the vacancies shall be filled as provided by law.

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4.5 **Removal of Directors**. Any or all Directors, except those appointed by Developer, may be removed with or without cause by a majority vote of the entire membership, either by a written petition or at any meeting called for that purpose. If a meeting is held or a petition is filed for the removal of more than one Director, the question shall be determined separately as to each Director sought to be removed. If a special meeting is called by 10% of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than 14 days nor more than 60 days from the date that notice of the meeting is given. Directors appointed by Developer may be removed from the Board of Directors at any time, with or without cause, only by Developer.

4.6 **Organizational Meeting**. The organizational meeting of a new Board of Directors shall be held within 10 days after the election of new Directors, at such place and time as may be fixed and announced by the Directors at the meeting in conjunction with which they were elected.

4.7 **Other Meetings**. Meetings of the Board may be held at such time and place in Collier County, Florida as shall be determined from time to time by the President or a majority of the Directors. Notice of meetings shall be given to each Director, personally or by mail, telephone, telegram or fax at least 2 days prior to the day named for such meeting.

4.8 **Notice to Owners**. All meetings of the Board of Directors shall be open to members. A notice and agenda for each Board meeting shall be posted conspicuously on the condominium property for at least 48 continuous hours in advance of each Board meeting, except in an emergency. Notice of any Board meeting at which a non-emergency special assessment or a rule restricting the use of units is to be considered for any reason shall be mailed to each owner at least 14 days before the meeting, and an affidavit of mailing shall be retained as proof of mailing. Notice of any Board meeting at which a budget will be adopted or amended shall be given as stated in Section 6.2 below. The right of owners to attend Board meetings includes the right to speak on designated agenda items, subject to reasonable rules of the Association governing the frequency, duration and manner of unit owner statements.

4.9 **Waiver of Notice**. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.

4.10 **Quorum of Directors**. A quorum at a Board meeting shall exist when at least a majority of all Directors are present in person at a duly called meeting. Directors may participate in any meeting of the Board by a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means is equivalent to presence in person. Directors may not vote or participate by proxy or secret ballot at Board meetings, except that officers may be elected by secret ballot.

4.11 **Vote Required.** The acts approved by a majority of those Directors present and voting at a meeting at which a quorum exists shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the condominium documents or by applicable law. A Director who is present at a meeting of the Board shall be deemed to have voted in favor of any action taken, unless he voted against or abstained from voting because of an asserted conflict of interest. The vote or abstention of each Director present on each issue voted upon shall be recorded in the minutes.

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4.12 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 specific time and date. At any reconvened meeting, provided a quorum is present, any business may be transacted that might have been transacted at the meeting originally as called.

4.13 The Presiding Officer. The President of the 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 the Directors present.

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

4.15 Committees. The Board of Directors may appoint from time to time such standing or temporary committees as the Board may deem necessary and convenient for the efficient and effective operation of the Condominium. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. Meeting of a committee to take final action on behalf of the Board or to make recommendations to the Board regarding the Association budget shall be noticed and conducted in the same manner as provided in Section 4.8 above. All other committees shall not be required to comply with Section 4.8.

4.16 Emergency Powers. In the event of an "emergency" as defined in Section 4.16 (G) below, the Board of Directors may exercise the emergency powers described in this Section, and any other emergency powers authorized by Sections 617.0207 and 617.0303, Florida Statutes, as amended from time to time.

(A) The Board may name as assistant officers persons who are Directors, which assistant officers shall have the same authority as the executive officers tow whom they are assistant during the period of the emergency, to accommodate the incapacity of any officer of the 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 practicable manner, including publication or radio. The Director or Directors in attendance at such 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 Association shall bind the Association and shall have the rebuttable presumption of being reasonable and necessary.

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

(F) 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 Condominium, or the immediate geographic area in which the Condominium is located, is subject to:

(1) a state of emergency declared by local civil or law enforcement authorities;

(2) a hurricane warning;

(3) a partial or complete evacuation order;

(4) federal or state "disaster area" status; or

(5) a catastrophic occurrence, whether natural or man-made, which seriously damages or threatens to seriously damage the physical existence of the Condominium, such as an earthquake, tidal wave, fire, hurricane, tornado, war, civil unrest, or act of terrorism.

An "emergency" also exists for purposed of this Section during the time when a quorum of the Board cannot readily be assembled because of the occurrence of a catastrophic event, such as a hurricane, earthquake, act of war or terrorism, or other similar event. A determination by any 2 Directors, or by the President, that an emergency exists shall have presumptive validity.

5. OFFICERS.

5.1 Officers and Elections. The executive officers of the Association shall be a President and a Vice-President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by a majority 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, from time to time, may appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one Vice-President. Any officer may resign at any time by giving written notice to the Association and unless otherwise specified therein, the resignation shall become effective upon receipt.

5.2 President. The President shall be the chief executive officer of the Association, 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 Association, and shall see that all orders and resolutions of the Board are carried into effect. The President shall execute bonds, mortgages and other contracts requiring seal of the Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Association.

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

5.4 Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and shall cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for the purpose, and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, proper notice of all meetings of the

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members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. The Secretary shall keep in safe custody the seal of the 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 condominium documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been elected.

5.5 Treasurer. The Treasurer shall be responsible for Association funds and securities, the keeping of full and accurate accounts in books belonging to the Association, and the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer shall oversee the disbursement of the funds of the Association, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at the meetings of the Board, or whenever they may require it, an accounting of all transactions and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated.

6. FISCAL MATTERS. The provisions for fiscal management of the Association set forth in the Declaration of Condominium shall be supplemented by the following provisions:

6.1 Depository. The Association shall maintain its funds in federally insured accounts or investments with such financial institutions authorized to do business in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board.

6.2 Budget; Budget Meeting. The Board of Directors shall adopt a budget of common expenses for each fiscal year. Any meeting at which a proposed annual budget of the Association will be considered by the Board shall be open to all unit owners. At least 14 days prior to such a budget meeting, the Board shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished to the Association by the unit owner, a notice of such meeting and a copy of the proposed annual budget. An officer or manager of the Association, or other person providing notice of such meeting, shall execute an affidavit evidencing compliance with such notice requirement, and such affidavit shall be filed among the official records of the Association.

If in any fiscal year, the Board adopts an annual budget which requires assessments against the unit owners which exceeds 115% of assessments for the preceding fiscal year, the Board shall conduct a special meeting of the unit owners to consider a substitute budget if the Board receives, within 21 days after adoption of the annual budget, a written request for a special meeting from at least 10% of the voting interests. The special meeting shall be conducted within 60 days after adoption of the annual budget. At least 14 days prior to such special meeting, the Board shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished to the Association by the unit owner, a notice of the meeting. An officer or manager of the Association, or other person providing notice of such meeting, shall execute an affidavit evidencing compliance with this notice requirement, and such affidavit shall be filed among the official records of the Association. Unit owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of the voting interests. If there is not a quorum at the special meeting, or a substitute budget is not adopted, the annual budget previously adopted by the Board shall take effect as scheduled. Any determination whether assessments exceed 115% of assessments for the prior fiscal year shall exclude any authorized provision for reasonable reserves for repair or replacement of the Condominium property, anticipated expenses of the Association which the Board does not expect to be incurred on a regular or annual basis, or assessments for betterments to the Condominium property. If the Developer controls the Association, assessments shall

not exceed 115% of assessments for the prior fiscal year unless approved by a majority of the voting interests.

The proposed annual budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications and shall otherwise comply with the requirements of the Condominium Act.

6.3 **Statutory Reserves for Capital Expenditures and Deferred Maintenance**. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance as required by law. These accounts shall include but not be limited to roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance or replacement cost, and for any other item for which the deferred maintenance or replacement cost exceeds an estimated cost of $10,000.00. The amount to be reserved for each item shall be computed by a means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of the item. The Association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item due to deferred maintenance. These reserves shall be fully funded unless the members determine by a majority of the voting interests present at a duly called meeting of the Association, or in any other manner provided by law, to waive or reduce funding of reserves for any given fiscal year. The vote to waive or reduce reserves, if any is taken, may be taken only after the proposed budget has been mailed to the unit owners as required in 6.2 above. Reserve funds, and all interest earned on said funds, shall be used only for the purposes for which the reserve account was established and is maintained, unless their use for other purposes is approved in advance by a majority vote of the members at a duly called meeting of the Association, or in any other manner provided by law.

Prior to turnover of control of the Association by the Developer to unit owners other than the Developer, the Developer may vote to waive reserves for the first 2 fiscal years of the Association's operation, beginning with the fiscal year in which the Declaration of Condominium is recorded, after which time funding of reserves may only be waived or reduced upon the vote of a majority of all non-Developer voting interests voting in person or by limited proxy at a duly called meeting of the Association. If a meeting of the unit owners is called to determine whether to waive or reduce funding of reserves and no such result is achieved, or a quorum is not attained, the reserves as included in the budget shall go into effect. After turnover of control of the Association, the Developer may vote its voting interests to waive or reduce the funding of reserves.

6.4 **Operating Reserves**. In addition to the statutory reserves provided in Section 6.3 above, or in place of them if the members so vote, the Board may establish one or more additional reserve accounts in the operating account for contingencies, operating expenses, repairs, minor improvements or special projects. The purpose of these reserves is to offset cash flow shortages, provide financial stability and to avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget. These funds may be spent for any purpose approved by the Board.

6.5 **Assessments; Installments**. Regular annual assessments based on the adopted budget shall be payable in quarterly installments, in advance, due on the first day of January, April, July and October of each year. Written notice of each quarterly installment shall be sent to the unit owners at least 15 days prior to the due date. Failure to send or receive such notice shall not excuse the obligation of the unit owners to pay assessments. If an annual budget has not been adopted at the time the first quarterly installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last quarterly payment, and payments shall be continued at such rate until a new budget

is adopted and new quarterly assessments are calculated, at which time an appropriate adjustment shall be added or subtracted from each unit's next due quarterly installment.

6.6 Special Assessments. Special assessments may be levied by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted, or non-recurring expenses. Special assessments are due on the day specified in the resolution of the Board approving such assessments. The total of all special assessments coming due in any fiscal year shall not exceed 15% of the total annual budget for that year, including reserves, unless a majority of the voting interests first consent. The notice of any Board meeting at which a special assessment will be considered, discussed or proposed shall be given as provided in Section 4.8 above. The notice of the assessment shall contain a statement of the purpose(s) of the assessment. The funds collected shall be spent for the stated purpose(s) or returned to the members as provided by law.

6.7 Fidelity Bonds. The President, Secretary and Treasurer, and all other persons who are authorized to sign checks, shall be bonded in such amounts as may be required by law or such greater amount determined by the Board of Directors. The premiums on such bonds shall be a common expense.

6.8 Financial Reports. Within 90 days after the end of each fiscal year, the Association shall prepare and complete, or cause to be prepared and completed by a third party, a financial report for the preceding fiscal year. Within 21 days after the financial report is completed or received by the Association from the third party, the Association shall mail to each unit owner at the address last furnished to the Association by the unit owner, or hand deliver to each unit owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the unit owner, without charge, upon receipt of a written request from the unit owner. Each financial report shall comply with the applicable provisions of the Condominium Act.

6.9 Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each calendar year. The Board of Directors may adopt a different fiscal year in accordance with law and the regulations of the Internal Revenue Service.

7. RULES AND REGULATIONS. The Board of Directors, from time to time, may adopt and amend administrative rules and regulations governing the use, maintenance, management and control of the common elements and the operation of the Association. Copies of such rules and regulations shall be furnished to each unit owner. Any rule or regulation created and imposed by the Board must be reasonably related to the promotion of health, happiness and peace of mind of the unit owner and uniformly applied and enforced.

8. COMPLIANCE AND DEFAULT; REMEDIES. In addition to the remedies provided in Section 19 of the Declaration of Condominium, the following provisions shall apply:

8.1 Fines. The Association through its Board of Directors may levy reasonable fines against a unit for the failure of the unit owner or its occupant, licensee or invitee to comply with any provision of the Condominium Act, the condominium documents or the rules and regulations. No final will become a lien against a unit. Fines shall be in an amount deemed necessary by the Board to deter future violations, but in no event shall any fine exceed the maximum amounts allowed by law. No fine may be levied against an unoccupied unit. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed the maximum amount allowed by law. The procedure for imposing fines shall be as follows:

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(A) Notice. The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than 14 days, and the notice shall include:

(1) a statement of the date, time and place of the hearing:

(2) a specification of which provisions of the Declaration, Bylaws or rules which have allegedly been violated;

(3) a short and plain statement of the facts alleged by the Association giving rise to such violations; and

(4) the possible amounts of any proposed fine.

(B) At the hearing the party against whom the fine may be levied shall have a reasonable opportunity to respond, to present evidence, to provide written and oral argument on all issues involved, and to review, challenge, and respond to any evidence or testimony presented by the Association. The hearing shall be conducted before a committee of 3 unit owners appointed by the Board none of whom may then be serving as Directors. If the committee by majority vote, which may be taken by secret ballot, does not agree with the fine, it may not be levied.

8.2 Mandatory Non-Binding Arbitration. In the event of any "dispute", as defined in the Condominium Act, between a unit owner and the Association arising from the operation of the Condominium, the parties, if required by law, must submit the dispute to mandatory non-binding arbitration under the rules of the Division of Florida Land Sales, Condominiums and Mobile Homes prior to filing any lawsuit over the disputed matters. Nothing herein shall be construed to require arbitration of disputes related to the levy or collection of fees or assessments.

8.3 Availability of Remedies. Each member, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of violations regardless of the harshness of the remedy utilized by the Association and regardless of the availability of other legal remedies. It is the intent of all members to give the Association methods and procedures which will enable it to operate on a businesslike basis, to collect those monies due it and to preserve the majority's right to enjoy the condominium property free from unreasonable restraint and annoyance.

9. TRANSFER OF ASSOCIATION CONTROL; DEVELOPER'S RIGHTS.

9.1 Member's Rights to Elect Board of Directors. When unit owners other than Developer own 15% or more of the units in the condominium, those owners shall be entitled to elect no less than 1/3rd of the members of the Board of Directors. Unit owners other than Developer are entitled to elect no less than a majority of the members of the Board of Directors upon the first of the following events to occur:

(A) Three years after 50% of the units have been conveyed to purchasers;

(B) Three months after 90% of the units have been conveyed to purchasers;

(C) When all the units have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by Developer in the ordinary course of business; or

(D) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by Developer in the ordinary course of business;

(E) Seven years after recordation of the Declaration of Condominium.

9.2 **Developer's Right to Designate Members of Board of Directors**. Except as provided above, Developer shall be entitled to designate at least one Director as long as Developer holds for sale in the ordinary course of business at least 5% of the units in the Condominium.

9.3 **Notice of Member's Meetings**. Within 75 days after the unit owners other than Developer are entitled to elect one or more Directors, the Association shall call, upon not less than 60 days notice, an election in which the unit owners shall elect such Directors as the unit owners are entitled to elect. The election and the meeting in conjunction with which the election is to be held may be called and the notices given by any unit owner if the Association fails to do so. All non-developer unit owners may vote in the election of Directors. The meeting in conjunction with which unit owners other than Developer first elect a majority of the Directors is referred to as the "turnover meeting".

9.4 **Transfer of Association Control**. When unit owners other than Developer elect a majority of the Directors of the Association, Developer relinquishes control of the Association, and the unit owners shall assume control. At that time Developer shall deliver to the Association, at Developer's expense, all property of the unit owners and of the Association held or controlled by Developer and all items and documents that Developer is required to deliver or turn over to the Association under Florida law. Developer may turn over control of the Association to unit owners other than Developer prior to the above-mentioned dates, in its sole discretion, by causing all of its appointed Directors to resign, whereupon it becomes the affirmative obligation of unit owners other than Developer to elect Directors and assume control of the Association. Provided at least 60 days notice of Developer's decision to cause its appointees to resign given to unit owners, neither Developer, nor such appointees, shall be liable in any manner in connection with such resignations, even if unit owners other than Developer refuse or fail to assume control.

10. **AMENDMENT OF BYLAWS**. Except as otherwise provided in the Declaration of Condominium, amendments to these Bylaws may be proposed and adopted in the following manner:

10.1 **Proposal.** amendments to these Bylaws may be proposed by a majority of the Board or upon written petition to the Board signed by at least 1/4th of the voting interests.

10.2 **Procedure.** Upon any amendment or amendments to these Bylaws being proposed by said Board or unit owners, such proposed amendment or amendments shall be submitted to a vote of the owners not later than the next annual meeting for which proper notice can be given.

10.3 **Vote Required.** Except as otherwise provided by law, or by specific provision of the condominium documents, these Bylaws may be amended by concurrence of 2/3rds of the voting interests present in person or by proxy and voting at any annual or special meeting called for that purpose, provided that notice of any proposed amendment has been given to the members in accordance with the law. The foregoing notwithstanding, prior to assumption of control of the Association by unit owners other than Developer, these Bylaws may be amended by vote of a majority of the Directors.

10.4 **Recording; Effective Date.** A copy of each adopted amendment shall be attached to a certificate attesting that the amendment was duly adopted, which certificate shall be executed by the President or Vice-President of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Collier County, Florida. The certificate must identify the book and page of the Public Records where the Declaration of Condominium is recorded.

11. **MISCELLANEOUS.**

11.1 **Gender; Number.** Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

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

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

The foregoing constitute the first Bylaws of Turtle Bay III at Bridgewater Bay Condominium Association, Inc., and were duly adopted at the first meeting of the Board of Directors held on the 15th day of August 2001.

Date: 9-19-02

Witness

CARRIE J. CANALES

Printed Name

Witness

Michele Wothe Caswell

Printed Name

TURTLE BAY III AT BRIDGEWATER BAY CONDOMINIUM ASSOCIATION, INC.

By: _____
Jeffrey J. Cotter, President

(Corporate Seal)

NOT CERTIFIED COPY