

BYLAWS
OF
STEINHATCHEE SHORES HOMEOWNER'S ASSOCIATION, INC.

ARTICLE I
IDENTITY

1. The name of this corporation is Steinhatchee Shores Homeowner's Association, Inc. ("Association").

2. The initial principal office of the Association is 9220 Bonita Beach Road, Suite 200-23, Bonita Springs, Florida 34135.

ARTICLE II
DEFINITIONS

Unless redefined herein, all terms used herein which are defined in that certain Declaration of Covenants, Conditions and Restrictions for Steinhatchee Shores (hereinafter "Declaration"), as it may be amended from time to time, shall have the same meaning herein as therein.

ARTICLE III
DIRECTORS AND OFFICERS

1. Directors.

A. The affairs of the Association shall be managed by a Board of Directors which shall consist of not less than three (3) individuals. Directors need not be Members. The initial Board shall consist of the individual named in the Articles of Incorporation of the Association, and a Second and Third Director to be appointed at the initial meeting of the Board of Directors, who shall serve until the election of Directors at the first annual meeting of the Association.

B. The Board shall meet at such times and places as may be called by a majority of the Board. Notice of meetings shall be given in writing or orally at least twenty-four (24) hours prior to the date of the meeting unless waived by all the Directors in writing.

C. Unless prohibited by law, any action which may be taken at a meeting of the Board may be taken without a meeting if authorized in a writing signed by all of the Directors who would be entitled to vote upon said action at a meeting and filed with the Secretary/Treasurer of the Association.

D. A majority of the Directors shall constitute a quorum to transact business of the Board, and the act of the majority of the Directors present at any meeting shall be deemed to be the act of the Board.

E. No Director shall receive or be entitled to any compensation for his services as Director, but shall be entitled to reimbursement for all expenses incurred by him as such, if incurred upon the authorization of the Board.

2. Election of Directors.

Prior to the relinquishment of control of the Association by the Developer, pursuant to the Declaration, the Developer shall appoint all members of the Board of Directors.

Subsequent to the relinquishment of control of the Association by the Developer to the Members:

A. Prior to each annual meeting of the Members, and unless prohibited by law, the Board shall appoint a Nominating Committee consisting of three (3) individuals, using such procedures as the Board may establish. The Nominating Committee shall nominate one (1) person for each vacancy to be filled at that annual meeting. Other nominations may be made from the floor.

B. All elections to the Board shall be by written ballot (unless dispensed with by unanimous consent). The ballots shall contain the name of the nominees named by the Nominating Committee and blanks for write-in candidates and nominations from the floor. The Secretary/Treasurer shall provide ballots to each Site Owner at the Annual Meeting.

C. Each Site Owner shall be entitled to cast one (1) vote per site for each vacancy to be filled.

D. No mail-in ballots shall be allowed.

E. The organizational meeting of the newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the Board at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary, other than any notice required by law.

F. In the event Florida law dictates alternative election procedures, the procedure as established by Florida law shall be followed.

3. Officers.

The executive officers of the Association shall be a President and Secretary/Treasurer and such other officers as the Board may appoint. Officers must be Site Owners in the Neighborhood. Officers appointed at the first meeting of the Board shall hold office until their successors shall have been appointed and shall qualify.

4. Resignation, Vacancy, Removal.

A. **Resignation:** Any director or officer of the Association may resign at any time, by instrument in writing. Resignations shall take effect at the time specified therein, and if no time is specified, resignations shall take effect at the time of receipt of such resignation by the President or Secretary/Treasurer of the Association. The acceptance of a resignation shall not be necessary to make it effective.

B. **Director Vacancy:** When a vacancy occurs on the Board, the vacancy shall be filled by the Board until a successor is elected at the next annual meeting.

C. **Officer Vacancy:** When a vacancy occurs in an office for any reason, the office shall be filled by the Board at its next meeting by appointing a person to serve until a successor has been appointed by the Board and qualifies.

D. **Removal:** Except as otherwise provided herein, any Director may be removed with or without cause by a majority of the total number of votes cast by the Association Members voting on the question of removal, and any officer of the Association may be removed by the Board at any time, with or without cause.

ARTICLE IV ASSOCIATION MEMBERSHIP

1. **Members.** Members of the Association shall be all Owners of Sites in Steinhatchee Shores, as defined in the Declaration.

2. **Privileges of Members.** Members and their immediate family who reside in Steinhatchee Shores, and a Member's guest who is an invited visitor of a Member shall have a license to use the Common Areas subject to such Rules and Regulations as may be established by the Board.

3. **Voting Rights.** Only Members in good standing shall have the privilege to vote at meetings of the Association or for Directors in accordance with the procedures herein. Each Member shall be entitled to one (1) vote per Site owned. Until the Developer has relinquished control of the Association, Members other than the Developer shall have no voting rights.

4. **Voting on Master Association Matters.** In matter pertaining to the Master Association and as more fully provided in the By-Laws of the Master Association, the Board of Steinhatchee Shores Homeowners Association, Inc. shall elect a delegate to represent the Association at all member meeting of the Master Association and to vote on behalf of the Association the number of vote as provided in the said By-Laws of the Master Association.

5. **Suspension of Privileges of Membership.** The Board may suspend the privileges of Members during any period during which any assessment remains delinquent, or during the period of any continuing violation by a Member of the provisions of the Declaration, or a period to be determined by the Board, for repeated violations of the Bylaws or Rules and Regulations of the Association. For purposes of this

paragraph, a violation by a tenant or guest of a Member shall be considered a violation by such Member.

6. Cessation of Membership. When a Member ceases to be an Owner, such person's membership shall cease.

ARTICLE V MEMBER MEETINGS

1. Annual Meeting. The annual meeting of the Members for the election of Directors and the transaction of whatever other business may properly come before the Members shall be held during the month of February each year, beginning in 1998. Notice of such meeting shall be mailed, postage prepaid, not less than ten (10) days and not more than sixty (60) days prior to the date of the annual meeting and shall state the purpose, time and location of the meeting. Such notice shall be addressed to each Site Owner at the address of the Owner as set forth in the Association's books and records.

2. Special Meeting. Special meetings of the Members may be called for any purpose at any time by a majority of the Members of the Board, or by the written petition of fifty percent (50%) or more of the General Membership, setting forth the purpose of the special meeting. Notice of such special meeting shall be mailed in the same manner as for the annual meeting.

3. Place. Meetings of Members may be held within or without the State of Florida. If no designation is made, the place of the meeting shall be at the registered office of the Association.

4. Quorum. Forty (40%) percent of the total vote which could be cast at any annual or special meeting, represented in person or by proxy, shall constitute a quorum at any meeting of the Members. After a quorum has been established at a meeting of the Members, the subsequent withdrawal of Members, which reduces the number of votes at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof. A majority of the votes cast shall decide each matter submitted to the Members at a meeting, except in cases where a larger vote is required.

5. Record Date. Prior to any meeting of the Members, the Board shall establish a date not more than sixty (60) days prior to the date set for such meeting as the record date as of which the Members of record who have a right to vote at such meeting, or adjournment thereof, shall be determined.

ARTICLE VI POWERS

The Association shall have all powers granted to it by common law, Florida Statutes, the Declaration, the Articles of Incorporation of the Association and these Bylaws, all of which shall be exercised by its Board unless the exercise thereof is

otherwise restricted in the Declaration, these Bylaws or by law. The powers of the Association shall include but not be limited to the following:

1. All of the powers specifically provided for in the Declaration and in the Articles of Incorporation.
2. The power to adopt a corporate seal for the Association.
3. The power to levy and collect assessments against Site Owners, as provided for in the Declaration and these Bylaws.
4. The power to expend monies collected for the purpose of paying the Common Area expenses of the Association.
5. The power to purchase equipment, supplies and material required in the maintenance, repair, replacement, operation and management of the Association Property and Common Areas.
6. The power to employ the personnel required for the maintenance and operation of the Association, the Association Property and the Common Areas.
7. The power to pay utility bills for utilities serving the Association Property and Common Areas.
8. The power to contract for the management of the Association.
9. The power to make reasonable rules and regulations and to amend them from time to time.
10. The power to enforce by any legal means the provisions of the Articles of Incorporation, the Bylaws, the Declaration, and the rules and regulations promulgated by the Association.
11. The power to enforce by any legal means the provisions of the Declaration, including, without limitation, the architectural and use restrictions contained therein.
12. The power to control and regulate the use of the Association Property and Common Areas by the Site Owners.
13. The power to select depositories for the Association's funds, and to determine the manner of receiving, depositing, and disbursing those funds and the form of check and the person or persons by whom the same shall be signed.
14. The power to enter into a long term contract with any person, firm, corporation or real estate management agent of any nature or kind, to provide for the maintenance, operation, repair and upkeep of the Association Property and Common Areas.

15. The power to adopt reasonable rules of order for the conduct of the Association meetings.

ARTICLE VII
DUTIES OF OFFICERS

1. President. The President shall be chief executive officer of the Association and shall perform all acts and duties normally required of the President of a non-profit corporation. The President shall render an annual report at the Annual Meeting.

2. Secretary/Treasurer. As Secretary, the Secretary/ Treasurer shall attend all meetings of the Board and keep the records and minutes of the proceedings. He shall keep such membership records as required, prepare and serve notice of meetings of Members and attend to all correspondence on behalf of the Association or cause these things to be done. As Treasurer, the Secretary/Treasurer shall attend all meetings of the Board, have custody of the funds of the Association, collect monies due, including Assessments, keep or supervise the keeping of accounts of all financial transactions of the Association in books belonging to the Association and deliver such books to his successor. He shall prepare the annual budget for the Association and present it to the Board for its consideration. The Secretary/Treasurer shall perform such other duties as the Board may from time to time determine.

ARTICLE VIII
FISCAL MANAGEMENT

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

2. Records. The Association shall maintain accounting records according to generally accepted accounting principles which shall be open to inspection by Members at the Association's offices during regular business hours. A register for the names of all Institutional Mortgagees who have notified the Association of their liens, and to which lienholders the Association will give notice of default in payment of Assessments, if required, shall also be maintained.

3. Budget. At the annual meeting the Board shall adopt a budget for the next fiscal year that shall include the estimated funds required to defray the Common Expenses and to provide and maintain funds for the account established by the Board of Directors in accordance with generally accepted accounting principles.

4. Expenses. The receipts and disbursements of the Association may be credited and charged to accounts as the Board may determine in accordance with generally accepted accounting principles.

ARTICLE IX
ASSESSMENTS

1. Initial Capital Assessment. An Initial Capital Assessment of Six Hundred and 00/100 Dollars (\$600.00) per site shall be levied against all Owners, including initial

Site Owners (other than the Developer), and all successor Owners, and shall be collected at closing.

2. Annual Assessments.

A. Purposes: The Association shall have the power and authority to levy and collect Annual Assessments for purposes of operating the Association, including, but not limited to the following purposes: operation, maintenance and management of that part of the Association, the Association Property and Common Areas and the operation, maintenance and management of the Sites which are the responsibility of the Association; operation and maintenance of the surface water and stormwater management system; property taxes and assessments against and insurance coverage for the Association Property and Common Areas; legal and accounting fees; maintenance of the streets and sidewalks, if necessary; security costs; management fees; normal repairs and replacements; charges for utilities used upon the Association Property and Common Areas; cleaning services; expenses and liabilities incurred by the Association in the enforcement of its rights and duties against the Members, Owners or others; maintenance of vacant property; the creation of reasonable reserves; and all other expenses deemed by the Board to be necessary and proper for management, maintenance, repair, operation and enforcement, including any necessary expenses associated with the Foundation.

B. Levy and Collection. Prior to the beginning of each fiscal year, the Board shall by Resolution establish the amount of Annual Assessment necessary to fund the budget as approved by the Board. The Annual Assessments shall be collectible in advance quarterly and shall be delinquent on the first day of each quarter. The Association shall bill and collect the Assessments from all Members. All bills shall indicate the amount due and the date of delinquency.

3. Special Assessments. Purposes: The Association shall have the power and authority to levy and collect Special Assessments for payment of the following: the acquisition of property by the Association; the cost of construction of capital improvements to the Association Property and Common Areas; the cost of construction, reconstruction, unexpected repair or replacement of a capital improvement, including the necessary fixtures and personal property related thereto; the expense of indemnification of each Director and Officer of the Association; and other valid expenses deemed necessary by the Board; any assessment charged by the Foundation.

4. Delinquencies. All delinquent Assessments shall bear interest at the maximum rate permitted by Florida law.

ARTICLE X
MISCELLANEOUS

1. Amendments. These Bylaws may be amended, altered or repealed by a majority vote of the Board and the consent of a majority of the Members.

2. Construction. These Bylaws shall not be construed to conflict with any provision of the Articles of Incorporation or the Declaration.