

EXHIBIT "B"

BYLAWS  
OF  
THE PROMENADES PROPERTY OWNERS' ASSOCIATION, INC.,  
a Florida corporation not-for-profit

1. General.

1.1 Identity. These are the Bylaws of The Promenades Property Owners' Association, Inc. (the "Association"), a corporation not-for-profit formed under the laws of the State of Florida. The Association has been organized for the purposes stated in the Articles of Incorporation (the "Articles"), and the Declaration of Protective Covenants and Restrictions for The Promenades (the "Declaration"). Any capitalized term used herein which is not defined herein shall have the meaning defined in the Declaration. The Association shall have all of the powers provided in these Bylaws, the Articles, the Declaration (collectively, the "Governing Documents"), and any other statute or law of the State of Florida or any other power incident to any of the above powers.

1.2 Principal Office. The principal office of the Association shall be at such place as the Board may determine from time to time.

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

1.4 Seal. The Seal of the Association shall have inscribed upon it "The Promenades Property Owners' Association, Inc.," the year of its incorporation and the words "Corporation Not-For-Profit". The seal may be used by causing it, or a facsimile thereof, to be impressed, affixed or otherwise reproduced upon any instrument or document executed in the name of the Association.

1.5 Inspection of Books and Records. The records of the Association shall be open to inspection by any Member of the Association, upon request, during normal business hours or under other reasonable circumstances. The official records of the Association shall include:

1.5.1 General Records.

1.5.1.1 A copy of any plans, specifications, permits, warranties, and other items related to improvements constructed on the Common Areas or other property which the Association is obligated to maintain, repair or replace.

1.5.1.2 A copy of the Bylaws of the Association and of each amendment to the Bylaws.

1.5.1.3 A certified copy of the Articles of Incorporation of the Association, and of each amendment thereto.

1.5.1.4 A copy of the Declaration of Protective Covenants and Restrictions For The Promenades, and of each amendment thereto.

1.5.1.5 A copy of the current rules of the Association.

Exhibit C

1.5.1.6 A book or books that contain the minutes of all meetings of the Association, of the Board of Directors, and of Members, which minutes shall be retained for a period of not less than seven (7) years.

1.5.1.7 A current roster of all Members and their mailing addresses, and, if known, telephone numbers.

1.5.1.8 All current insurance policies of the Association, or a copy thereof, which policies must be retained for at least seven (7) years.

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

1.5.1.10 A copy of all bids received by the Association for work to be performed, which must be retained for one (1) year.

1.5.2 Financial and Accounting Records. Financial and accounting records for the Association and separate accounting records for each Lot or Tract, which shall be maintained according to good accounting practices. All accounting records shall be maintained for a period of not less than seven (7) years. The financial and accounting records shall include, but are not limited to:

1.5.2.1 Accurate, itemized, and detailed records of all receipts and expenditures.

1.5.2.2 A current and a periodic statement of the account for each Member of the Association, designating the name and address of the Member, the due date and amount of each Assessment or other charge against a Member, the amount paid upon the account, and the balance due.

1.5.2.3 All tax returns, financial statements and financial reports of the Association.

1.5.2.4 Any other records that identify, measure, record or communicate financial information.

1.5.3 Inspection and Copying of Records. The foregoing official records shall be maintained within the State and must be open to inspection and available for photocopying by Members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access. This subsection may be complied with by having a copy of the official records available for copying within the community. The Association may adopt reasonable rules and regulations governing the frequency, time, location, notice and manner of inspections and may impose fees to cover the costs of providing copies of official records, which shall not exceed its actual costs for reproducing and furnishing the documents.

1.5.3.1 The Association shall be required to make available to prospective purchasers of any portion of the Property, current copies of the Governing

Documents and the most recent annual financial statement of the Association, and may charge a fee, not to exceed its actual costs, for reproducing and furnishing the documents.

1.6 Definitions. Unless the context otherwise requires, all terms used in these Bylaws shall have the same meaning as are attributed to them in the Declaration and the Articles.

2. Membership in General.

2.1 Qualifications. The qualification of Members, the manner of their admission to membership, changes in membership, and the termination of such membership, shall be as set forth in the Declaration and the Articles.

2.2 Member Register. The Secretary of the Association shall maintain a register in the office of the Association showing the names and addresses of the Members of the Association. Each Subassociation Member shall at all times advise the Secretary of the names of the officers and members of the Board of the Subassociation Member, and of the names and address of the Owners of Residential Units subject to the jurisdiction of the Subassociation Member. Each Member shall at all times advise the Secretary of any change of address, or any change of ownership of the property which is subject to the jurisdiction of the Member, and of any change in the number of Residential Units which are approved for construction on said property. The Association shall not be responsible for reflecting any changes until notified of such change in writing.

3. Membership Voting.

3.1 Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum is present, shall be binding upon all Members for all purposes, except where otherwise provided by law or in the Governing Documents.

3.2 Determination of Voting Rights. The total number of Residential Property Units, which may be constructed within Metrowest are governed by the Master Development Plan. Members' voting rights shall be determined as follows:

3.2.1 Residential Property Units. The Developer, in its sole discretion, shall determine the number of Residential Property Units ("Residential Units") which may be constructed on any portion of the Property. Such number of Residential Units shall be assigned to that portion of the Property and be allocated to the purchaser of such portion of the Property at the time of the delivery of the deed therefor. Portions of the Property to be used for residential purposes shall be entitled to one (1) vote for each Residential Unit assigned to it. If the portion of the Property is submitted to the jurisdiction of a Subassociation, that Subassociation Member shall have a number of votes equal to the number of Residential Units under the jurisdiction of that Subassociation. A Subassociation Member shall be represented by and cast its votes in the manner provided in the Declaration.

3.2.2 Developer. The number of votes attributable to the Developer shall be the total number of votes determined by the Master Development Plan reduced by the number of votes attributable to the Residential Units sold to Owners.

3.2.3 Number of Votes. The total number of outstanding votes may be determined at any time from the Master Development Plan. If the Master Development Plan is amended to increase the number of Residential Units, the total number of votes will be adjusted accordingly. If, after the conveyance of a Tract to an Owner, such Owner is granted the right to increase the number of Residential Units, the Subassociation Member's number of votes shall increase correspondingly. Such increase in the number of Residential Units may take place before or after completion of initial construction and the number of votes will be increased when the construction is completed (certificate of occupancy issued by the appropriate authorities). Further, the subjecting of additional lands to the jurisdiction of the Association will make the Subassociations having jurisdiction of real property within such additional lands Members of the Association, which will increase the total number of votes. Therefore, the number of votes which may be cast at any meeting of the Members is the sum of (1) the total number of Residential Units constructed and (2) the total number of Residential Units approved under the Master Development Plan but not constructed.

3.2.4 Subassociation Members. The President of a Subassociation shall be the Representative to act on behalf of the Subassociation at all meetings of the Members of the Association. The Officers of the Subassociation shall be designated by a certificate signed by the Secretary of the Subassociation, and filed with the Secretary of the Association prior to the time all proxies are due. The President, in the absence of a revocation of same, shall conclusively be deemed to be the person entitled to cast the votes for the Subassociation Member at any meeting. In the event the President does not appear in person or by proxy at any meeting, the votes of the Subassociation Member may be cast at any meeting by the Vice President, Secretary, or Treasurer, in that order, of the Subassociation Member.

3.3 Proxies. Every Member or Representative of a Subassociation Member entitled to vote at a meeting of the Members, or to express consent or dissent without a meeting, may authorize another person to act on the Member's or Representative's behalf by a proxy signed by such Member or Representative. Any proxy shall be delivered to the Secretary of the Association or the person acting as Secretary at the meeting, at or prior to the time designated in the order of business for so delivering such proxies. No proxy shall be valid after the expiration of eleven (11) months from the date thereof, unless otherwise provided in the proxy. Every proxy shall be revocable at any time at the pleasure of the Member or Representative executing it. Any proxy issued by a Representative of a Subassociation Member may authorize only a member of the Board or officer of the Subassociation to act on the Representative's behalf.

3.4 Right of the Developer. Notwithstanding anything contained in these Bylaws, the Articles or the Declaration to the contrary, so long as the Developer owns any portion of MetroWest, and the Developer has not caused to be recorded in the Public Records of Orange County, Florida, a Certificate of Termination of Interest in The Promenades, no vote of the Members shall be effective without approval in writing by the Developer. The Certificate of Termination of Interest in The Promenades will terminate any and all right, title and obligation of the Developer in the operation and control of the Association.

3.5 Calculation of Votes. Any question concerning the number of votes which may be cast by a Member shall be decided by the Board.

4. Membership Meetings.

4.1 Who May Attend. As to a Subassociation Member, any of its directors or officers may attend any meeting of the Members. As to any other Member, any person entitled to cast the votes of the Member, may attend any meeting of the Members. However, the votes of any Member shall be cast in accordance with the provisions of Section 3 above. Any person not expressly authorized to attend a meeting of the Members, as set forth above, may be excluded from any meeting of the Members by the presiding officer of the meeting.

4.2 Place. All meetings of the Members shall be held at the principal office of the Association or at any other location as designated by the Board and stated in the notice of meeting.

4.3 Quorum Requirements. Except as set forth hereinafter or unless otherwise so provided, at any regular or special meeting of the Members the presence in person or by proxy of Members entitled to cast a majority of the votes of the entire membership at the time of such vote shall constitute a quorum. If any meeting of the Members cannot be organized because a quorum is not present, a majority of the votes of the Members present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirements shall be the presence in person or by proxy of Members holding at least twenty-five percent (25%) of the votes of the entire membership. Such an adjourned meeting may be held without notice thereof as provided in subsection 4.4, provided that notice is given by announcement at the meeting at which such adjournment is taken. If, however, such an adjourned meeting is actually attended, in person or by proxy, by Members entitled to cast less than one-third (1/3) of the total votes of the membership, notwithstanding the presence of a quorum, no matter may be voted upon except such matters notice of the general nature of which was given pursuant to subsections 4.4 and 4.7 hereof. If a meeting of the Members is adjourned for more than thirty (30) days from the originally scheduled meeting date, or if the Members adjourn a meeting without specifying a date for holding the adjourned meeting, the quorum and notice requirements for the holding of such adjourned meeting shall then be the same as the notice and quorum requirements prescribed for special meetings.

4.4 Notices. Written notice stating the location, day and hour of any meeting and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each Member not less than five (5) nor more than sixty (60) days before the date of the meeting, by or at the direction of the President, the Secretary, or the Officer or persons calling the meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The notice of any meeting at which members of the Board are to be elected shall include the names of all those who are nominees at the time the notice is given to the Members. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the Member at the Member's address as it appears on the records of the Association, unless such Member shall have filed a written request with the Secretary of the Association stating that notices to him should be mailed to some other address. All notices shall be dated and shall be mailed to the Members as soon after the date of the notice as is practical. The date of the notice shall be the date used for the purpose of determining Members entitled to notice of, or to vote at, any meeting of the Members of the Association, or in order to make a

determination of the Members for any other purpose. The Board shall not be required to take into account any changes in membership occurring after that date but may, in their sole and absolute discretion, do so. Notice to a Subassociation shall be made to its Representatives, and in the absence of a Representative shall be sent to the Secretary of the Subassociation.

4.5 Waiver of Notice. Whenever any notice is required to be given to any Member under the provisions of the Articles or these Bylaws, or as otherwise provided by law, a waiver in writing signed by the Person or Persons entitled to such notice whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting except when the Member objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

4.6 Annual Meeting. The annual meeting for the purposes of electing members of the Board and transacting any other business shall be held at 9:00 a.m. on the first Saturday in April or at such other time in the month of April as shall be selected by the Board. If the Board fails to call the annual meeting by the end of April, then within thirty (30) days after the written request of any Member, Officer or member of the Board of the Association, the Secretary shall call the annual meeting.

4.7 Special Meetings. Special meetings of the Members may be requested by written notice to the Secretary by any member of the Board, the President, or any Members having not less than ten percent (10%) of the votes of the entire membership, or as otherwise provided by law. Such request shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice of meeting. Notice of any special meeting shall be given in accordance with subsection 4.4 to all of the Members within thirty (30) days after a special meeting is duly requested.

4.8 Adjournments. Any meeting may be adjourned or continued by a majority of the votes present at the meeting in person or by proxy, regardless of a quorum, or if no Member entitled to vote is present at a meeting, then any Officer of the Association may adjourn the meeting. If any meeting is adjourned or continued to another time or place, it shall not be necessary to give any notice of the adjourned meeting, if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and any business may be transacted at the adjourned meeting that might have been transacted at the original meeting. If the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, notice of the adjourned meeting may be given to Members not present at the original meeting, without giving notice to the Members who were present at such meeting.

4.9 Organization. At each meeting of the Members, the President, or in his absence, the Vice President shall act as chairman of the meeting. The Secretary, or in his absence or inability to act, any person appointed by the chairman of the meeting shall act as Secretary of the meeting.

4.10 Minutes. The minutes of all meetings of the Members shall be kept in a book available for inspection by the Members or their authorized representatives, and the members or the Board, at any reasonable time.

4.11 Actions Without a Meeting. Any action required or permitted to be taken at any annual or special meeting of the Members may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent, notice shall be given to those Members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. As to a Subassociation Member, such consent may be signed by the President or Vice President of the Subassociation.

5. Board.

5.1 Number of Members on the Board.

5.1.1 The affairs of the Association shall be managed by a Board comprised of not less than three (3) nor more than nine (9) members. So long as the Developer is entitled to appoint all members of the Board pursuant to the Articles, the number of members of the Board will be determined, and may be changed from time to time, by the Developer by written notice to the Board. In the absence of such notification, there shall be three (3) members of the Board.

5.1.2 When the Developer is no longer entitled to appoint all members of the Board, the number of members of the Board shall be increased to at least five (5).

5.1.3 Notwithstanding the foregoing, in no event shall there be less than three (3) members of the Board, and the number of members of the Board shall always be an odd number. The Members shall not have the right to change the number of members of the Board so long as the Developer has the right to determine the number of members of the Board as set forth above.

5.2 Election of Members of the Board. Election of members of the Board to be elected by the Members of the Association shall be conducted in the following manner.

5.2.1 At any time after the Developer no longer has the right to appoint one or more members of the Board or upon the earlier voluntary relinquishment by the Developer of its right to appoint any or all members of the Board, the existing Board shall appoint a nominating committee composed of Members (or the representative of Subassociation Members). The Board shall send a notice to all Members advising of the impending election of members to the Board, the names and addresses of members of the nominating committee, and the date the committee will make decisions concerning nominations for election to the Board, which date shall be no less than fifteen (15) days after the date of the notice. Members may then submit names in writing of proposed members of the Board to members of the nominating committee.

5.2.2 The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies what

are to be filled (see subsection 5.1). Such nominations may be made from among Owners or Non-Owners as the committee in its discretion shall determine. The nominating committee shall not nominate a Person so that if elected there shall be more than one (1) member of the Board from a particular Subassociation. For purposes of this subsection, a member of the Board who is a member, officer, director or Representative of a Subassociation shall be deemed to be "from the Subassociation". Each nominee must agree in writing to his nomination and the placement of his name on the ballot. Nominations shall be placed on a written ballot provided in subsection 5.2.3 for the mailing of such ballots to the Members.

5.2.3 All elections to the Board shall be made by written ballot which shall:

5.2.3.1 indicate the number of vacancies to be filled;

5.2.3.2 set forth the names of those nominated by the nominating committee;

5.2.3.3 contain a space for write-in vote by the Members; and

5.2.3.4 contain a requirement that each Member must cast the same number of votes as the number of vacancies on the Board. For example, if the Member has one (1) vote, there are five (5) nominees and three (3) vacancies, the Member must vote for no more and no less than three (3) nominees or the ballot will not be counted. If the Member, is entitled to, for instance, seventy-five (75) votes, in the example in the previous sentence, the Member must vote his seventy-five (75) votes as a block for no more and no less than three (3) nominees; or the ballot will not be counted. That is, three (3) nominees on that ballot must receive exactly seventy-five (75) votes each.

Such ballots shall be prepared and mailed by the Secretary to the Members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the day before the annual meeting). The Secretary shall include with the ballot a brief summary and description of each Person nominated by the Board.

5.2.4 The completed ballot shall be returned as follows:

5.2.4.1 Each ballot shall be placed in a sealed envelope which shall bear on its face the name and signature of the Member or his proxy, the number of votes of that Member, and such other information as the Board may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary at the address of the Association.

5.2.5 Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set forth for the return of all ballots. On that day the envelopes containing the ballot(s) shall be turned over, unopened, to a separate Election Committee which shall consist of five (5) Persons appointed by the Board. The Election Committee shall then adopt a procedure which shall:

5.2.5.1 establish that the number of votes set forth on the envelope and on the ballot corresponds to the number of votes allowed to the Member or his proxy; and

5.2.5.2 that the signature of the Member or his proxy on the outside envelope is genuine; and

5.2.5.3 if the vote is by proxy that a proxy has been filed with the Secretary as provided herein, and that such proxy is valid.

The Election Committee shall proceed to the opening of the envelopes and the counting of the votes. The Election Committee shall immediately send written notice to all Members advising of the results of the election. The ballots and the outside envelopes shall be returned to the Secretary to be kept in a safe or other locked place for a minimum of thirty (30) days. If no Member requests a review of the procedures and vote within said thirty (30) days, the ballots and outside envelopes shall be destroyed.

5.3 Term of Office. On the first occasion that the Members, other than the Developer, have the opportunity to elect any members of the Board, the Members shall have the right to elect at least two (2) members of the Board. The term of office of the member of the Board receiving the highest number of votes shall be two (2) years and the term of office of the member of the Board receiving the next highest number of votes at such meeting shall be one (1) year. One (1) member of the Board shall hold office until the third annual meeting after his election, and the other member of the Board shall hold office until the second annual meeting after his election. Each member of the Board shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence. Just prior to each annual meeting thereafter, new members of the Board shall be elected to fill vacancies created by the death, resignation, removal, judicial adjudication of mental incompetence or expiration of the terms of past members of the Board and the term of each such member of the Board shall be two (2) years.

On the first occasion that the Members, other than the Developer, have the opportunity to elect all members of the Board, the new members of the Board shall be elected to replace the members of the Board appointed by the Developer as provided in these Bylaws. The term of office of the two (2) members of the Board receiving the highest number of votes shall be two (2) years and the term of office of the other member of the Board shall be one (1) year. It is the intention of this provision to create staggered terms so that at least one-third (1/3) of the members of the Board shall be elected each year. The term of office of each member of the Board elected to fill a vacancy created by the expiration of the term of office of the respective past member of the Board shall be two (2) years. The term of office of each member of the Board elected or appointed to fill a vacancy created by the resignation, death or removal of his predecessor shall be the balance of the unserved term of his predecessor. Any Person serving as a member of the Board may be re-elected, and there shall be no limitation on the number of terms during which he may serve.

5.4 Organization Meeting. The newly elected Board shall meet for the purpose of organization, the election of officers and the transaction of other business immediately after their election or within ten (10) days of same at such place and time as shall be fixed by the members of the Board at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

5.5 Regular Meetings. Regular meetings of the board may be held at such time and place as shall be determined, from time to time, by a majority of the members of the Board.

5.6 Special Meetings. Special meetings of the Board may be called by any member the Board, or by the President if not otherwise a member of the Board, at any time.

5.7 Board Action Without a Meeting. Any action required to be taken at a meeting of the members of the Board, or any action which may be taken at a meeting of the members of the Board, may be taken without a meeting if a consent in writing setting forth the action so to be taken is signed by all members of the Board and is filed in the minutes of the proceedings of the Board. Such consent shall have the same effect as a unanimous vote.

5.8 Notice of Meetings. Notices of each meeting of the Board shall be given by the Secretary, or by any other officer or member of the Board, stating the day, location and time of the meeting. Notice of such meeting shall be delivered to each member of the Board either personally or by telephone or telegraph, at least twenty-four (24) hours before the time at which such meeting is to be held, or by first class mail, postage prepaid, at least three (3) days before the day on which such meeting is to be held. Notice of a meeting of the Board need not be given to any member of the Board who signs a waiver of notice either before or after the meeting. Attendance of a member of the Board at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place, the time or the manner in which the meeting has been called or convened, except when a member of the Board states, at the beginning of the meeting, an objection to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in any notice or waiver of notice of such meeting.

5.9 Attendance at Board Meetings. All meetings of the Board shall be open to all Members. A member of the Board may appear at a Board meeting by telephone conference, but in that event a telephone speaker shall be attached so that any discussion may be heard by the members of the Board and any Members present as in an open meeting.

5.10 Quorum and Manner of Actions. A majority of the Board shall constitute a quorum for the transaction of any business at a meeting of the Board. The act of the majority of the members of the Board present at a meeting at which a quorum is present shall be the act of the Board unless the act of a greater number of members of the Board is required by statute or the Governing Documents.

5.11 Adjourned Meetings. A majority of the members of the Board present at a meeting, whether or not a quorum exists, may adjourn any meeting of the Board to another location and time. Notice of any such adjourned meeting shall be given to the members of the Board who are not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other members of the Board. Any business that might have been transacted at the meeting as originally called may be transacted at any adjourned meeting without further notice.

5.12 Presiding Officer. The presiding officer of the meetings of the Board shall be the Chairman of the Board if such an officer is elected; and if none, the President of the Association shall preside if the President is a member of the Board. In the absence of the presiding officer, the members of the Board shall designate one of their members to preside.

5.13 Minutes of Meetings. The minutes of all meetings of the Board shall be kept in a book available for inspection by the Members or members of the Board.

5.14 Committee. The Board may by resolution appoint committees. Any committee may exercise such powers, duties and functions as may be determined by the Board which may include any powers which may be exercised by the Board.

5.15 Resignation. Any member of the Board may resign at any time by giving written notice of his resignation to the Secretary. Any resignation shall take effect at the time specified therein or, if the time when such resignation is to become effective is not specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.

5.16 Removal of Members of the Board. Members of the Board may be removed as follows:

5.16.1 Any member of the Board other than a member appointed by the Developer may be removed by majority vote of the remaining members of the Board if such member has been absent for the last three consecutive Board meetings, and/or adjournments and continuances of such meetings.

5.16.2 Any member of the Board other than a member appointed by the Developer may be removed with or without cause by a majority of the votes the Members cast at a special meeting of the Members called by Members having not less than twenty-five percent (25%) of the votes of the entire membership expressly for that purpose. The vacancy on the Board caused by any such removal may be filled by the Members at such meeting or, if the Members shall fail to fill such vacancy, by the Board as in the case of any other vacancy on the Board.

5.17 Vacancies. Vacancies on the Board of any member of the Board appointed by the Developer shall be filled by appointments by the Developer. Unless the vacancy is filled by the Members in accordance with the subsection 5.16.2, vacancies on the Board of any member of the Board elected by Members may be filled by a majority vote of the members of the Board then in office, through less than a quorum, or by a sole remaining member of the Board. If there are no members of the Board in office, then a special meeting election of the Members shall be called to elect the members of the Board to fill the vacancies.

5.18 Members of the Board Appointed by the Developer. Notwithstanding anything contained herein to the contrary, the Developer shall always have the right to appoint the maximum number of members of the Board in accordance with the privileges granted to the Developer pursuant to the Articles. All members of the Board appointed by the Developer shall serve at the pleasure of the Developer, and the Developer shall have the absolute right, at any time, and in its sole discretion, to remove any member of the Board appointed by it, and to

replace such member with another person to serve on the Board. Replacement of any member of Board appointed by the Developer shall be made by written notice to the Association which shall specify the name of the person designated as successor member of the Board. The removal of any member of the Board and the designation of his successor by the Developer shall become effective immediately upon delivery of such written notice by the Developer. The Developer may waive its right to appoint one or more members of the Board which it has the right to appoint at any time upon written notice to the Association, and thereafter such member(s) of the Board shall be elected by the Members.

5.19 Compensation. The Board shall not be entitled to any compensation unless the Members elect to pay them compensation and set the amount of such compensation, at any meeting of the Members.

5.20 Power and Duties. The Board shall have the right to exercise all of the powers and duties of the Association, express or implied, existing under these Bylaws, the Articles, the Declaration, or as otherwise provided by statute or law. Such powers and duties of the Board shall include without limitation (except as limited elsewhere herein), the following:

5.20.1 The operation, care, upkeep and maintenance of the Common Areas, and any other portion of The Promenades determined to be maintained by the Association.

5.20.2 The determination of the expenses required for the operation of the Association.

5.20.3 The collection of Assessments for Common Expenses from Members required to pay same.

5.20.4 The employment and dismissal of personnel.

5.20.5 The adoption and amendment of Rules and Regulations covering the details of the operation and use of property owned and/or maintained by the Association.

5.20.6 Maintaining bank accounts on behalf of the Association and designating signatories required therefor.

5.20.7 Obtaining and reviewing insurance for property owned and/or maintained by the Association.

5.20.8 The making of repairs, addition and improvements to, or alterations of, property owned and/or maintained by the Association.

5.20.9 Purchasing or leasing a Residential Unit for use by a resident superintendent.

5.20.10 Borrowing money on behalf of the Association provided however, that the consent of the Members having at least two-thirds (2/3) of the votes of the entire membership, obtained at a meeting duly called and held for such purpose in accordance with the

provisions of these Bylaws, shall be required for the borrowing of any sum in excess of \$25,000.00

5.20.11 Contracting for the management and maintenance of property owned and/or maintained by the Association. Authorizing a management agent or company to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules, and maintenance, repair and replacement of the Common Areas with such funds as shall be made available by the Association for such purposes. The Association and its Officers shall however, retain at all times the powers and duties granted by all Governing Documents, including but not limited to, the making of Assessments, promulgation or rules, and execution of contracts on behalf of the Association.

5.20.12 Exercising all powers specifically set forth in the Governing Documents, and as otherwise provided by statute or law, and all powers incidental thereto or implied therefrom.

5.20.13 Entering into and upon any portion of the Property, including Residential Units, when necessary to maintain, care and preserve any property in the event the respective Subassociation or Owner fails to do so.

5.20.14 Collecting delinquent Assessments by suit or otherwise, abating nuisances, and enjoining or seeking damages from the Members and/or Owners for violations of these Bylaws and the terms and conditions of the Declaration or of the Rules and Regulations of the Master Association.

5.20.15 Acquiring and entering into agreements whereby the Association acquires leaseholds, memberships, and other possessory or use interest in lands or facilities, whether or not contiguous to the lands operated by the Association, intended to provide for the enjoyment, recreation, or other use and benefit of the Members and/or Owners and expenses in connection therewith to be Common Expenses; all in such form and in such manner as may be deemed by the Board to be in the best interest of the Association; and the participation in the acquisition of any interest in lands or facilities for the foregoing purposes may be direct or indirect, meaning, without limiting the generality of the foregoing, by direct ownership of land or acquisition of stock in a corporation owning land.

6. Officers.

6.1 Positions and Qualifications. The Officers of the Association shall include a President, a Vice President, a Treasurer and a Secretary, all of whom shall be elected by the Board and may be pre-emptively removed from office with our without cause by vote of the Board at any meeting by concurrence of a majority of the members of the Board. Any person may hold two or more offices except that the President shall not also be the Secretary. The Board may, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be appropriate to manage the affairs of the Association. Each Officer shall hold office until his successor shall have been elected, qualified, or until his death, resignation, or removal.

6.2 Resignation. Any Officer of the Association may resign at any time by giving written notice of his resignation to any member of the Board, the President or the Secretary. Any resignation shall take effect at the time specified therein, or if there is no time specified therein, immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make such resignation effective.

6.3 Vacancies. A vacancy in any office, whether arising from death, resignation, removal or any other cause may be filled for the unexpired portion of the term of the office which shall be vacant in the manner prescribed in these Bylaws for the regular election or appointment of such office.

6.4 The President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of president of an association or corporation including, but not limited to, the power to appoint committees to assist in the conduct of the affairs of the Association.

6.5 The Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also assist the President generally and exercise such other powers and perform such other duties as may be prescribed by the Board.

6.6 The Secretary. The Secretary shall be responsible for preparing and keeping the minutes of all proceedings of the Board and the Members. He shall be responsible for attending to the giving and servicing of all notices to the Members and the members of the Board and other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal. He shall keep the records of the Association, except those of the Treasurer, and shall perform or direct performance of all other duties incident to the office of Secretary of the Association, and as may be required by the Board or the President.

6.7 The Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall oversee the keeping of books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board for examination at reasonable times. He shall cause a Treasurer's Report to be submitted to the Board at reasonable intervals and shall perform or cause to be performed all other duties incident to the office of Treasurer. He shall collect, or direct collection of, all Assessments and shall report promptly to the Board the status of collections.

6.8 Compensation. The Officers of the Association shall not be entitled to compensation unless the Board specifically votes to compensate them. However, neither this provision, nor the provision that members of the Board will not be compensated unless otherwise determined by the Members, shall preclude the Board from employing a member of the Board or an Officer as an employee of the Association and compensating such employee, nor shall they preclude the Association from contracting with a member of the Board for the management of the Common Areas or any portion thereof, or for the provisions of services to the Association, including, but not limited to, engineering, architectural, planning, landscape planning, accounting

or legal services, and in either such event to pay such member of the Board a reasonable fee for such management or provision of services.

7. Finances and Assessments.

7.1 Adoption of the Budget

7.1.1 By October 31<sup>st</sup> of each year, or as soon thereafter as is reasonably possible, the Board shall adopt a budget for the next fiscal year, necessary to defray the Common Expenses of the Association for such fiscal year as set out in the Declaration. The Common Expenses of the Association shall include all expenses of any kind or nature whatsoever anticipated to be incurred, by the Association for the next fiscal year. In the event the Board fails to adopt an annual budget for any year, the prior year's budget shall remain in effect until a new budget is adopted or the existing budget is amended or revised.

7.1.2 If, after the adoption of any budget, it shall appear that the adopted budget is insufficient to provide adequate funds to defray the Common expenses of the Association for the fiscal year in which the adopted budget applies, the Board may adopt an amended budget to provide such funds. All of the above provisions shall apply to the adoption of an amended budget.

7.2 Assessments and Assessment Roll.

7.2.1 Pursuant to the terms of the Declaration, the Board shall fix and determine the amount and frequency of the Members' Assessments for Common Expenses. Such Assessments shall be due not more frequently than monthly, and shall each be in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses previously incurred. Any periodic Assessments for Common Expenses, whether quarterly, monthly, or otherwise, shall be equal unless the Board determines unequal Assessments are required to provide funds in advance for the expenses of the Association. As soon as practicable after the determination of the Assessments for Common Expenses, the Association shall notify each Member, in writing, of the amount, frequency and due date of such Members Assessments, provided, however, that no Assessment shall be due in less than ten (10) days from the date of such notification.

7.2.2 In the event the expenditure of funds by the Association is required that cannot be paid from the Assessments for Common Expenses, the Board may make Special Assessments in the manner as set out in the Declaration.

7.2.3 The Association shall maintain an Assessment roll for each Member, designating the name and current mailing address of the Member, the amount of each Assessment payable by such Member, the dates and amounts in which the Assessments come due, the amounts paid upon the account of the Member, and balance due.

7.3 Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined and approved by appropriate resolutions of the Board from time to time. Funds shall be withdrawn only upon checks and demands for money signed by such officers, members of the Board or other persons as may be designated by the Board.

7.4 Application of Payments and Commingling of Funds. All sums collected by the Association from Assessments may be commingled in a single fund or divided into more than one fund, as determined by the Board. Reserve Funds shall be deposited in separate interest bearing accounts.

8. Parliamentary Rules.

8.1 Roberts' Rules of Order (latest edition) shall govern the conduct of the meetings of Members when not in conflict with the Governing Documents.

9. Amendments

9.1 Initiation. A resolution to amend these Bylaws may be proposed by any member of the Board, or by Members holding not less than ten percent (10%) of the votes of the entire membership of the Association.

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

9.3 Adoption of Amendments.

9.3.1 As long as the Developer appoints a majority of the members of the Board, the Developer shall have the right to unilaterally amend these Bylaws without the joinder or approval of any member of the Board or any Member. No amendments to these Bylaws shall be effective without the written approval of the Developer as long as the Developer owns any portion of the Property.

9.3.2 A resolution for the adoption of the proposed amendment shall be adopted by Members having not less than a majority of the votes of the entire membership of the Association.

9.4 No amendment shall make any changes in the qualification for membership nor in the voting rights or property rights of Members without approval by all of the Members. So long as the Developer owns any portion of the Property, no amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, the Developer, unless the Developer shall join in the execution of the amendment.

9.5 Execution and Recording. No modification of, or amendment to, these Bylaws shall be valid unless recorded in the Public Records of Orange County, Florida.

10. Rules and Regulations. The Board may, from time to time, adopt or amend previously adopted, Rules and Regulations concerning the use of the Common Areas and concerning the use, operation and maintenance of other portions of the Property in order to further implement and carry out the intent of the Governing Documents. The Board shall make available to any Member, upon request, a copy of the Rules and Regulations adopted from time to time by the Board.

11. Miscellaneous.

11.1 Tenses and Genders. The use of any gender or of any tense in these Bylaws shall refer to all genders or to all tenses, wherever the context so requires.

11.2 Partial Invalidity. Should any of the provisions hereof be void or become unenforceable at law or in equity, the remaining provisions shall, nevertheless, be and remain in full force and effect.

11.3 Conflicts. In the event of any conflict, any applicable Florida statute, the Master Declaration, the Articles of the Master Association, the Bylaws of the Master Association, the Declaration, Articles, and Bylaws, and the Rules and Regulations of the Association shall govern, in that order. Provided, the lack of a provision in one Governing Document with respect to a matter for which provision is made in another Governing Document shall not be deemed an inconsistency between such Governing Documents.

11.4 Captions. Captions are inserted herein only as a matter of convenience and for reference, and in no way are intended to or shall define, limit or describe the scope of these Bylaws or the intent of any provisions hereof.

11.5 Waiver of Objections. The failure of the Board or any Officers of the Association to comply with any terms and provisions of the Governing Documents which relate to time limitations shall not, in and of itself, invalidate the act done or performed. Any such defect shall be waived if it is not objected to by a Member within thirty (30) days after the Member is notified, or becomes aware of the defect. Furthermore, if such defect occurs at a general or special meeting, the defect shall be waived as to all Members who received notice of the meeting and failed to object to such defect at the meeting.