

**NOTE: SUBSTANTIAL AMENDMENTS OF ENTIRE BYLAWS.
FOR ORIGINAL TEXT SEE ORIGINAL BYLAWS.**

**SECOND AMENDED AND RESTATED BYLAWS
OF
KENSINGTON PARK MASTER ASSOCIATION, INC.**

ARTICLE 1
GENERAL

These are Bylaws of Kensington Park Master Association, Inc., hereinafter the "Master Association", a corporation not for profit organized under the laws of Florida as a community association for the purpose of operating a residential community. All prior Bylaws, if any, are hereby revoked and superseded in their entirety.

1.1 Principal Office. The principal office of the Master Association shall be at 2700 Pine Ridge Road, Naples, Florida 34109, unless otherwise changed by the Board of Directors.

1.2 Seal. The seal of the Master Association shall be inscribed with the name of the Master Association, the year of its organization, and the words "Florida" and "corporation 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. All capitalized terms used but not otherwise defined herein will have the meaning set forth in that certain Second Amended and Restated Master Declaration of General Protective Covenants, Conditions and Restrictions for Kensington Park (the "Declaration").

ARTICLE 2
MEMBERS

The Regular Members of the Master Association are the record owners of legal title to the Lots. In the case of a residential Lot subject to an agreement for deed, the purchaser in possession shall be deemed the Owner of the residential Lot solely for purposes of determining use rights. Limited Members, as defined by the Declaration, are the Country Club members and shall only be permitted to vote on matters coming before the Master Association as set forth below and in the Declaration. Unless specifically stated otherwise, any reference to "Member" within these Bylaws shall be synonymous with "Regular Member".

2.1 Change of Membership. A change of membership for Regular Members shall become effective after all the following events have occurred.

(A) Recording in the Collier County, Florida Public Records of a deed or other instrument evidencing legal title in the Lot to the member.

(B) Delivery to the Master Association of a copy of the recorded deed or other instrument evidencing title.

(C) Designation, in writing, of a Primary Occupant, which is required when title to a Lot is held in the name of two (2) or more persons who are not married, or by a trustee or a corporation or other entity which is not a natural person.

2.2 Voting Interests. The Regular Members of the Master Association are entitled to one (1) vote for each residential Lot owned by them. The total number of possible votes (the Voting Interests) of the Master Association is the total number of Lots in Kensington Park, which is 566. The vote of a Lot is not divisible. The right to vote may be suspended for non-payment of any monetary obligations that are delinquent in excess of ninety (90) days. If a Lot is owned by one (1) natural person, the right to vote shall be established by the record title to the Lot. If a Lot is owned jointly by two (2) or more natural persons, that Lot's vote may be cast by any one (1) of the record Owners. If two (2) or more Owners do not agree among themselves how their one (1) shall be cast on any issue, that vote shall not be counted for any purpose. If the Owner of a Lot is other than a natural person, the vote of that Lot shall be cast by the Lot's Primary Occupant. All votes must be cast by an Owner or Primary Occupant. The Board may suspend the voting rights of Regular Members for failure to pay Assessments or any other monetary obligation to the Master Association that are delinquent in excess of ninety (90) days. In any matter in which the Limited Members are entitled to vote, the Voting Interests shall be the sum of the above Regular Members and the number of Limited Members as provided by the Country Club.

2.3 Approval or Disapproval of Matters. Whenever the decision or approval of the Regular Members is required upon any matter, whether or not the subject of a Master Association meeting, the decision or other response may be expressed by any person authorized to cast the vote of the Lot at a Master Association meeting, as stated in Section 2.2 above, unless the joinder of all record Owners is specifically required. Limited Members, sometimes referred to as the Country Club, shall have no voting rights in any Master Association matter unless expressly provided for in the Governing Documents.

2.4 Change of Membership. A change of membership in the Master Association shall be established by the new Member's membership becoming effective as provided for in Section 2.1 above. At that time the membership of the prior Owner shall be terminated automatically.

2.5 Termination of Membership. The termination of membership in the Master Association does not relieve or release any former Regular or Limited Member from liability or obligation incurred under or in any way connected with the Master Association during the period of membership, nor does it impair any rights or remedies the Master 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.

ARTICLE 3
MEMBERS' MEETINGS; VOTING

3.1 Annual Meeting. There shall be an annual meeting of the Regular Members in each calendar year. The annual meeting shall be held in Collier County, Florida, each year on a day and at a time in the month of March designated by the Board of Directors, for the purpose of electing Directors and transacting any other business duly authorized to be transacted by the Members.

3.2 Special Members' Meetings. Special Members' meetings must be held whenever called by the President or by a majority of the Directors, and a special Members' meeting may also be called by Members having at least fifteen percent (15%) of the Regular Members or upon receipt of a written request by the Country Club. The business at any special Members' meeting shall be limited to the items specified in the notice of meeting.

3.3 Notice Meetings; Waiver of Notice. Notices of all Members' meetings must state the date, time and place of the meeting. Notice of special meetings must include a description of the purpose or purposes for which the meeting is called. The notice must be mailed to each Regular Member and, if applicable, each Limited Member, at the member's address as it appears on the books of the Master Association, or may be furnished by personal delivery or electronic transmission to those Members consenting to receive notice by electronic mail. The Members are responsible for providing the Master Association with any change of address. The notice must be mailed, transmitted or delivered at least fourteen (14) days prior to the date of the meeting. If ownership of a Lot is transferred after notice has been mailed or transmitted, 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. A Member may also waive notice of any meeting at any time by written waiver.

3.4 Quorum. A quorum at a Members' meeting shall be attained by the presence, either in person or by proxy, of persons entitled to cast at least thirty percent (30%) of the votes of the Voting Interest entitled to vote on a particular Master Association matter.

3.5 Vote Required. The acts approved by a majority of the votes cast by eligible voters at a meeting of the Members at which a quorum has been attained shall be binding upon all Members for all purposes, except where a different number of votes is expressly required by law or by any provision of the Governing Documents.

3.6 Proxy Voting. Members may cast their votes at a meeting in person or by proxy. A proxy shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting. No proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the Lot, specify the date, time and place of the meeting for which it is given, and must be delivered to the Secretary by the appointed time of the meeting or adjournment thereof. No proxy shall be valid if it names more than one (1) 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. Limited proxies may be used in election of Directors in accordance with Section 4.3 of these Bylaws and other matters requiring a vote of the Owners. General proxies may not be used in the election of Directors, but may be used for other matters for which limited proxies are not required. In addition, the Board shall have the authority to adopt reasonable Rules and Regulations regarding the use of a power of attorney, including the ability of any agent in fact to attend a meeting of the Members or a meeting of the Board of Directors.

3.7 Participation at Meeting By Remote Communication. Unless prohibited by the Chapter 720, Florida Statutes, if authorized by the Board of Directors as provided in Section 617.0721 Florida Statutes, and subject to such guidelines and procedures as the Board of Directors may adopt, Members and proxy holders who are not physically present at a meeting may, by means of remote communication:

- (A) Participate in the meeting.
- (B) Be deemed to be present in person and vote at the meeting if:
 1. The corporation implements reasonable means to verify that each person deemed present and authorized to vote by means of remote communication is a member or proxy holder; and
 2. The corporation implements reasonable measures to provide such Members or proxy holders with a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Members, including an opportunity to communicate and to read or hear the proceedings of the meeting substantially concurrent with the proceedings.

3.8 Adjourned Meetings. Any duly called meeting of the Members may be adjourned to be reconvened at a later time by vote of the majority of the Voting Interests present, regardless of whether a quorum has been attained. When a meeting is so adjourned it shall not be necessary to give further notice of the time and place of its continuance if such are announced at the meeting being adjourned. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted when the meeting is reconvened, but only if a quorum is present.

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

- (A) Call of the roll or determination of quorum
- (B) Reading and approval of minutes of last Members' meeting
- (C) Reports of Officers
- (D) Reports of Committees

(E) Election of Directors (annual meeting only)

(F) Unfinished Business

(G) New Business

(H) Adjournment

3.10 Minutes. Minutes of all meetings of the Members and of the Board of Directors shall be kept in a businesslike manner, available for inspection by Members or their authorized representatives at all reasonable times.

3.11 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall guide the conduct of the Master Association meetings when not in conflict with the law, with the Declaration, or with the Articles or 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.

ARTICLE 4 BOARD OF DIRECTORS

The administration of the affairs of the Master Association shall be by a Board of Directors. All powers and duties granted to the Master Association by law, as modified and explained in the Declaration, Articles and Bylaws, shall be exercised by the Board, subject to approval or consent of the Owners only when such is specifically required.

4.1 Number and Terms of Office. The number of Directors which shall constitute the whole Board of Directors shall be nine (9). The number of Directors may be increased or decreased by the Board from time to time without amendment to these Bylaws, but shall never be less than three (3) Directors. All Directors shall be elected for a term of two (2) years each. The Master Association shall continue the use of staggered terms.

A Director's term will end at the annual meeting at which his successor is to be duly elected, unless the Director sooner resigns or is recalled as provided for in Section 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 for in Section 4.4 below.

4.2 Qualifications. Directors may serve no more than two (2) consecutive terms and shall not be permitted to serve again for a three (3) year period thereafter, provided that Directors elected or appointed to less than a one (1) year to fill Board vacancies shall be eligible to be elected to two (2) successive terms after such vacancy term. Each Director must be an Owner or Primary Occupant or the spouse of an Owner or Primary Occupant. In the case of a Lot owned by a corporation, any Officer is eligible for election to the Board of Directors. If a Lot is owned by a partnership, any partner is eligible to be a Director. If a Lot is held in trust, the trustee, grantor or settlor of the trust, or any one of the beneficial owners residing in the Lot is eligible to be elected to the Board of Directors. No more than one (1) Director may serve on the Board for any Lot at any

one time, regardless of the number of eligible persons. Within 90 days after being elected or appointed to the Board, each Director shall certify in writing to the secretary of the Master Association that he or she has read the Governing Documents, that he or she will work to uphold such documents and policies to the best of his or her ability, and that he or she will faithfully discharge his or her fiduciary responsibility to the Master Association's members. Within 90 days after being elected or appointed to the board, in lieu of such written certification, the newly elected or appointed director may submit a certificate of having satisfactorily completed the educational curriculum administered by a division-approved education provider within 1 year before or 90 days after the date of election or appointment.

4.3 Nominations and Elections. At each annual meeting the Members shall elect as many Directors as there are regular terms of Directors expiring. The Board shall prescribe the opening date and the closing date of a reasonable filing period in which each and every eligible person may file as a candidate for any position to be filled by votes of the Members. The Board also may establish such other Rules and Regulations as it deems appropriate to conduct the nomination of Directors in a fair, efficient and cost-effective manner. Directors shall be elected by a plurality of the votes cast. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these Bylaws. The persons receiving the largest number of votes shall be elected, except that a run-off shall be held to break a tie vote. Cumulative voting is not permitted.

4.4 Resignation; Vacancies on the Board. Any Director may resign at any time by giving written notice to the Master Association, and unless otherwise specified therein, the resignation shall become effective upon receipt. If the office of any Director becomes vacant for any reason, a successor shall be appointed by the remaining Directors at a regular or special meeting of the Board of Directors of the Master Association. The successor so appointed shall fill the term of the Director being replaced until the expiration of the term of the office being filled. If for any reason there shall arise circumstances in which no Directors are serving and the entire Board is vacant, the Members shall elect successors at a special meeting.

4.5 Removal of Directors. Any Director may be removed, with or without cause, by a majority vote of the Regular Members, either by a written petition or at a meeting called for that purpose. If a special meeting is called by ten percent (10%) of the Regular Members 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 fourteen (14) days nor more than sixty (60) days from the date that notice of the meeting is given. If removal is effected by petition, the vacancy or vacancies shall be filled as provided for in Section 4.4 above. If removal is effected at a meeting, any vacancies created thereby shall be filled by the Regular Members at the same meeting. Any Director who is removed from office is not eligible to stand again for election to the Board until the next annual election, and must turn over to the Master Association within seventy-two (72) hours any and all records and other property of the corporation in his possession. If a Director who is removed does not relinquish his office or turn over records as required, the circuit court in the county where the Master Association has its principal office may summarily order the Director to relinquish his office and turn over corporate records upon application of any member. In any such action, the prevailing

party shall be entitled to recover its attorney fees and costs.

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

4.7 Other Meetings. Meetings of the Board may be held at such time and place within Collier County, Florida as shall be determined from time to time by the President or by a majority of the Directors. Notice of meetings shall be given to each Director, personally or by mail, telephone, or electronic transmission at least forty-eight (48) hours before the meeting.

4.8 Notice to Owners. Meetings of the Board of Directors shall be open to Regular Members except for meetings between the Board and its attorney with respect to personnel matters and proposed or pending litigation where the discussion would otherwise be governed by the attorney-client privilege, and notices of all Board meetings, together, shall be posted conspicuously in the community at least forty-eight (48) continuous hours in advance of each Board meeting, except in an emergency. Notice of any Board meeting at which rules affecting the use of a parcel or Special Assessments are to be considered shall specifically contain a statement that rules or Special Assessments will be considered and the nature of the rule or Assessments and shall be mailed, delivered or electronically transmitted and posted at least fourteen (14) days in advance. Notice may be given by electronic mail to those Members who consent to receive notice by electronic mail.

4.9 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver is deemed equivalent to the giving of notice.

4.10 Quorum of Directors. A quorum at a Board meeting shall be attained by the presence in person of a majority of all Directors. Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting.

4.11 Vote Required. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum has been attained shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the governing documents or by applicable statutes. A Director who is present at a meeting of the Board is deemed to have voted in favor of every action taken, unless he voted against such action 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 of each meeting. Directors may not vote by proxy or secret ballot at Board meetings, except that secret ballots may be used in the election or removal of Officers.

4.12 Adjourned Meetings. A majority of the Directors present at any meeting of the Board of Directors, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a specified later time. When the meeting is reconvened, provided a quorum is present, any business that might have been transacted at the meeting originally called may be transacted.

4.13 The Presiding Officer. The President of the Master Association, or in the President's absence, the Vice-President, is the presiding Officer at all meetings of the Board. If neither Officer is present, the presiding Officer shall be selected by majority vote of the Directors present.

4.14 Directors' Fees and Reimbursement of Expenses. 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 related to the proper discharge of their respective duties.

4.15 Committees.

(A) Appointment. The President may, subject to Board approval, organize such committees as are deemed necessary to assist the Board in its supervisory and oversight functions. Chairmen of the appointed committees need not be Directors, however, they must be Regular Members of the Master Association. Notwithstanding anything in these Bylaws to the contrary, any such Regular Member appointed may attend Board meeting but shall not be entitled to vote. Committee members shall be appointed by the Chairman of each Committee, subject to approval by the Board.

(B) President's Council. The President or a designated representative of each of the Neighborhood Associations as well as a representative from other areas not organized as an association shall form a President's Council. A member of the Master Association's Board of Directors shall chair the Council and report to the Board on the deliberations of the Council. The purpose of the Council is to provide input and receive feedback from the Board on matters affecting both the Neighborhoods and Kensington Park.

(C) Powers of Committees. The committees shall only make recommendations to the Board. In all cases, final decisions shall be made by the Board. No committee, or any member thereof, shall have any powers or duties except as expressly assigned to it in the resolution creating the committee. It is expressly intended that only the Board of Directors and to the extent delegated, the officers of the Master Association, shall have any power or authority with regard to the use and maintenance of the Common Property or any other duty or obligation of the Master Association. At the discretion of the Board of Directors, all committees created may be disbanded, functions changed, regrouped or renamed from time to time. All notice requirements and attendance rights of these Bylaws shall also apply and be complied with when any committee will make a final decision regarding (a) the expenditure of Master Association funds and (b) approval or disapproval of architectural decisions with respect to a specific Lot or any other portion of the Property.

4.16 Emergency Powers. In the event of any "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, Members who are not Directors, which assistant Officers shall have the same authority as the executive Officers to whom they are assistant during the period of the emergency, to accommodate the incapacity of any Officer of the Master 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 a meeting shall constitute a quorum.

(D) Corporate action taken in good faith during what is reasonably believed to be an emergency under this Section to further the ordinary affairs of the Master Association shall bind the Master Association; and shall have the rebuttal presumption of being reasonable and necessary.

(E) Any Officer, Director, or employee of the Master 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) An "emergency" exists for purposes of this Section during the time when a quorum of the Board cannot readily be assembled because of the occurrence or imminent occurrence of a catastrophic event, such as a hurricane, act of war, civil unrest or terrorism, or other similar event. An "emergency" also exists during the period of time that civil authorities have declared that a state of emergency exists in, or have ordered the evacuation of, the area in which Kensington Park is located, or have declared that area a "disaster area". A determination by any two (2) Directors, or by the President, that an emergency exists shall have presumptive validity.

ARTICLE 5 OFFICERS.

5.1 Officers and Elections. The executive Officers of the Master Association shall be a President, Vice-President, Treasurer and a Secretary, all of whom must be Directors and shall be elected annually by a majority vote of the Board of Directors. Any Officer may be removed with or without cause at any meeting by vote of a majority of the Directors. Any Officer so removed shall return all books, records and property of the Master Association to the Master Association within seventy-two (72) hours of their removal. Any person except the President may hold two (2) or more offices. The Board may, from time to time, appoint such other Officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Master Association. If the Board so determines, there may be more than one (1) Vice-President.

5.2 President. The President shall be the chief executive Officer of the Master 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 Master 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 and documents requiring the seal of the Master 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 Master Association.

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

5.4 Secretary. The Secretary shall attend 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 standing committees when required. The Secretary shall give, or cause to be given, proper notice of all meetings of the Members, and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. The Secretary shall keep in safe custody the seal of the Master 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 Founding Documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

5.5 Treasurer. The Treasurer shall have the custody of Master Association funds and securities, and be responsible for the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Master Association. The Treasurer is responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Master Association in such depositories as are selected by the Board of Directors. The Treasurer shall oversee the disbursement of Master Association funds, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at meetings of the Board, or whenever they may require it, a full accounting of all transactions and of the financial condition of the Master Association. The Treasurer shall prepare an annual budget of estimated revenues and expenses to present to the Board of Directors for approval. Any of the foregoing duties may be performed by an Assistant Treasurer, if one is elected.

5.6 Compensation of Officers. No compensation shall be paid to any Officer for services as an Officer of the Master Association. This provision does not preclude the Board of Directors from employing Officers as employees of the Master Association.

ARTICLE 6 FISCAL MATTERS.

The provisions for fiscal management of the Master Association set forth in the Declaration shall be supplemented by the following provisions.

6.1 Depository. The Master Association shall maintain its funds at financial institutions 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. In order to optimize the return on invested funds, the Board may invest Master Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities and other similar reasonable and sound investment vehicles as the Board deems appropriate, with private deposit insurance being acceptable.

6.2 Accounts of the Master Association. The Master Association shall maintain its accounting books and records according to generally accepted accounting principles. There shall be an account for each Lot. Such accounts shall designate the name and mailing address of each Lot, the amount and due date of each Assessment or charge against the Lot, amounts paid, date of payment and the balance due.

6.3 Budget. The Treasurer shall prepare and the Board of Directors shall adopt a budget of Master Association estimated revenues and expenses for each coming fiscal year at least ten (10) days prior to the beginning of that fiscal year. Once adopted, the Master Association shall provide to each member a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member. The proposed budget shall be detailed and shall show the amounts budgeted by accounts and revenue and expense classifications. The estimated surplus or deficit as of the end of the current year shall be shown and all fees or charges for recreational amenities shall be set out separately. If an annual budget for a new fiscal year has not been adopted, or if notice of any increase has not been made at the time the payment for the first quarterly installment is due, it shall be presumed that the amount of such installment is the same as the last quarterly installment, and payments shall be continued at such rate until a budget is adopted and new annual Assessments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each Lot's next due quarterly installment.

6.4 Reserves. The Board of Directors may establish in the budget one or more reserve accounts for capital expenditures, deferred maintenance, or contingency reserves for unanticipated operating expenses. Board adopted reserve funds are not controlled by Chapter 720 Florida Statutes and therefore may be spent, waived or used as approved by the Board. The purpose of reserves is to provide financial stability and to avoid the need for Special Assessments. The annual amounts proposed to be so reserved shall be shown in the annual budget.

6.5 Assessments; Installments. The Master Association has the right to obtain funds with which to operate by assessing its Regular Members and, as applicable, the Country Club, in accordance with the provisions of the Declaration, the Articles and these Bylaws. Assessments and charges not paid when due shall bear interest from the date when due at the highest rate permitted under Florida law, or such lesser rate of interest as set by the Board, and shall also be subject to late fees and administrative charges as provided by law and may result in the suspension of voting privileges for any period of nonpayment and shall incur a late fee in the highest amount allowed by law.

6.6 Fidelity Bonds. The President, Treasurer, and all other persons who are authorized to sign checks, shall be bonded in such amounts as may be required by law or otherwise determined by the Board of Directors, but shall in no event be less than the maximum funds that will be in the custody of the Master Association or its management agent at any one time. The premiums on such bonds are a Common Expense.

6.7 Financial Reports. Not later than ninety (90) days after the close of each fiscal year, the Board shall cause to be prepared a financial report as prescribed in 720.303, Florida Statutes. The Master Association shall provide each member with a copy of the financial report or a written notice that a copy of the financial report is available upon request at no charge to the member.

6.8 Audits. A formal, certified audit of the accounts of the Master Association, if required by law, by vote of a majority of the Voting Interests, or by a majority of the Directors, shall be made by a certified public accountant, and a copy of the audit report shall be available to all Members. Notwithstanding the Master Association's ability to waive or reduce its financial reporting obligations, the Master Association may not waive the obligation to obtain a certified audit more than two (2) consecutive years.

6.9 Application of Payments and Co-Mingling of Funds. All monies collected by the Master Association may be co-mingled in a single fund or divided into two (2) or more funds, as determined by the Board of Directors. Regardless of any restrictive endorsement all payments on account by an Owner shall first be applied to interest, late fees, costs, attorney fees, other charges, fines and then to regular or Special Assessments.

6.10 Association Borrowing and Pledging. The Association may, in the discretion of the Board, borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred if first approved by Board and with no requirement of approval by the Regular or Limited Members.;

6.11 Fiscal Year. The fiscal year for the Master Association shall begin on the first day of January of each calendar year and end on December 31 that same calendar year.

ARTICLE 7 RULES AND REGULATIONS; USE RESTRICTIONS.

The Board of Directors may, from time to time, adopt and amend administrative Rules and Regulations governing the use, maintenance, management and control of the Common Areas, the Lots and the operation of the Master Association and duties and obligations of the Country Club. Copies of such Rules and Regulations shall be furnished to each Owner.

ARTICLE 8
COMPLIANCE AND DEFAULT; REMEDIES.

In addition to the remedies provided in the Declaration, the following shall apply.

8.1 Fines; Suspensions. The Board of Directors may levy fines and/or suspensions against Members, or Members' Tenants or Guests, or both, who commit violations of Chapters 617 or 720, Florida Statutes, the provisions of the Governing Documents, or the Rules and Regulations, or who condone such violations by their Family members, Guests or Tenants. Fines shall be in amounts deemed necessary by the Board to deter future violations, but in no event shall any single fine exceed the maximum amount allowed by law. The maximum fine for a continuing violation shall be \$1,000.00 or as otherwise determined by the Board, but shall in no event be greater than maximum amount permitted by law. If allowed by law, fines shall be secured by a lien on the Owner's Lot. Suspensions of the use of Common Areas, facilities and common non-essential services (e.g. gate access barcodes, bulk cable tv and/or internet) may be imposed for a reasonable period of time to deter future violations. The procedure for imposing fines or suspending use rights shall be as follows:

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

- (1) a statement of the date, time and place of the hearing;
- (2) a short and plain statement of the specific facts giving rise to the alleged violation(s); and
- (3) the possible amounts of any proposed fine and/or possible use rights of Common Areas or facilities to be suspended.

(B) Hearing. At the hearing the party against whom the fine and/or suspensions may be levied shall have a reasonable opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved, and to review, challenge, and respond to any evidence or testimony presented by the Master Association. The hearing shall be conducted before a panel of three (3) Owners appointed by the Board, none of whom may then be serving as Directors or Officers, or who are employees of the Master Association, or the spouse, parent, child, brother or sister of an Officer, Director or employee. If the committee, by majority vote, does not agree with the proposed fine and/or suspension, it may not be levied or imposed. If the committee agrees with the proposed fine and/or suspensions, the Board of Directors shall levy the same.

8.2 Suspensions and Fines without Hearing. The foregoing notwithstanding, as provided in 720.305(2)(b), Florida Statutes, no prior notice or opportunity for a hearing is required for the imposition of a fine or suspension upon any Member because of the failure of the Member to pay Assessments or other charges when due.

8.3 Correction of Health and Safety Hazards. Any situation, condition or violation of the Master Association rules which creates conditions of the property which are deemed by the Board of Directors to be a hazard to the public health or safety may be dealt with immediately as an emergency matter by the Master Association, and the cost thereof shall be charged to the member.

ARTICLE 9
AMENDMENT OF BYLAWS.

Amendments to these Bylaws shall be proposed and adopted in the following manner.

9.1 Proposal. Amendments to these Bylaws shall be proposed by a majority of the Board or upon petition of one-fourth (1/4th) of the Voting Interests, and shall be submitted to a vote of the Members not later than the next annual meeting.

9.2 Vote Required: Except as otherwise required by Florida law or as provided elsewhere in these Bylaws, these Bylaws may be amended if the proposed amendment is approved by the affirmative vote of at least two thirds (2/3rds) of all Regular Members of the Master Association.

9.3 Effective Date: An amendment shall become effective upon the recording of a copy in the Public Records of Collier County, Florida with the same formalities as are required in the Declaration for recording amendments to the Declaration.

ARTICLE 10
MISCELLANEOUS.

10.1 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.

10.2 Severability. If any portion of these Bylaws is void or become unenforceable, the remaining provisions shall remain in full force and effect.

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