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**BYLAWS
O F**

DANIELS PRESERVE ASSOCIATION, INC.

ARTICLE I

IDENTITY

SECTION 1. NAME. The name of the corporation is Daniels Preserve Association, Inc. (the "Association").

SECTION 2. PRINCIPAL OFFICE. The principal office of the Association is 7370 College Parkway, Suite 201, Fort Myers, FL 33907

SECTION 3. ADOPTION. These Bylaws have been adopted as the Bylaws of the Association.

SECTION 4. DEFINITIONS. The words and terms used in these Bylaws defined in the Declaration of General Protective Covenants, Conditions and Restrictions of Daniels Preserve (the "**Declaration**") have the same meaning in these Bylaws as in the Declaration. The capitalization of a word or term not normally capitalized in normal usage indicates the word or term is defined in the Declaration.

ARTICLE II

**POWERS AND DUTIES OF THE
ASSOCIATION AND THE EXERCISE THEREOF**

The Association has all powers granted to it by Florida law, the Declaration, the Articles of Incorporation, and these Bylaws, all of which may be exercised by its Board of Directors unless the exercise thereof is otherwise restricted in the Declaration, the Articles, these Bylaws or by law. The powers of the Association include, but are not limited to, the following:

1. All of the powers specifically provided for in the Declaration and in the Articles of Incorporation, as well as those powers necessary to perform its duties and enforce its rights specifically provided for in the Declaration and in the Articles of Incorporation;
2. The power to adopt a corporate seal for the Association;
3. The power to levy and collect Assessments against Owners as provided for in the Declaration;
4. The power to expend monies collected for the purpose of paying the expenses of the Association;
5. The power to purchase equipment, supplies and materials required in the maintenance, repair, replacement, operation and management of Common Areas;
6. The power to employ the personnel required for the maintenance and operation of the Association and Common Areas;
7. The power to pay utility bills for utilities serving the Common Areas;
8. The power to contract for the management of the Association and to delegate to its contractor as manager, those powers and duties as the Board may determine;
9. The power to make reasonable Rules and Regulations and to amend them from time to time;
10. The power to enforce by any legal means the provisions of the Articles of Incorporation, the Bylaws, the Declaration, and the Rules and Regulations promulgated by the Association;
11. The power to enforce by any legal means the provisions of the Declaration, including without

- limitation the architectural and use restrictions;
12. The power to control and regulate the use of the Common Areas by the Owners;
 13. The power to enter into a long term contract with any person, firm, corporation or real estate management agent of any nature or kind, to provide for the maintenance, operation, repair and upkeep of the Common Areas, of any facilities on lease to the Association or otherwise provided for the Association Members usage. The contract may provide that the total operation of the managing agent, firm or corporation will be at the cost of the Association as a Common Expense. The contract may further provide that the managing agent will be paid from time to time a reasonable fee either stated as a fixed fee or as a percentage of the total costs of maintenance, operation, repair and upkeep or of the total funds of the Association handled and managed by the managing agent. The fee is another of the management function costs to be borne by the Association as a Common Expense, unless the contract provides to the contrary;
 14. The power and irrevocable right of access to each Lot during reasonable hours as necessary for the maintenance, repair or replacement of any Common Areas or for making repairs to prevent damage to the Common Areas;
 15. The power without the joinder of any members, may modify or move any easement for ingress or egress or for utility purposes if the easement constitutes part of or crosses the Common Areas;
 16. The power to obtain and maintain adequate insurance to protect the Association and the Common Areas. If the Association may be exposed to liability in excess of insurance coverage in any legal action, it shall give notice of the exposure to all Members, who shall have the right to intervene and defend;
 17. The power to provide any Member, mortgagee, or other record lien holder a certificate showing the amount of unpaid Assessments respecting the Lot;
 18. The power to repair or reconstruct improvements after casualty;
 19. No Member shall have the authority to act for or on behalf of the Association solely by virtue of being a Member.

ARTICLE III

MEMBERSHIP VOTING

The Association has the following two (2) classes of Membership: Class "A" Members and Class "B" Members, as described in the Declaration and Articles of Incorporation.

ARTICLE IV

VOTING

For purposes of voting rights only, the Association has two (2) categories of membership: (1) Class A Memberships, which include all Owners of Lots within Daniels Preserve; (2) One Class B Membership which is held exclusively by the Declarant and its designated successors and assigns.

SECTION 1. Membership. Only Owners of Lots, and Declarant prior to the turnover date as defined in Appendix A, of the Declaration are Members of the Association. Each Owner accepts membership and agrees to be bound by the Declaration, the Articles and By-Laws of the Association, and the Rules and Regulations adopted pursuant hereto. Membership may not be transferred separate and apart from a transfer of ownership of a Lot. Membership commences upon acquisition, and terminates upon sale or transfer, of an Owner's interest in a Lot whether voluntary or involuntary. An Owner's grant of a security interest in a Lot

as security for an obligation neither terminates the Owner's membership in the Association, nor makes the creditor secured thereby a Member.

SECTION 2. Voting Rights. For purposes of voting rights only, the Association has two (2) categories of membership: (1) Regular Memberships, which include all Owners of Lots within The Properties; and (2) Declarant Membership which is held exclusively by the Declarant and its designated successors and assigns.

1.1. **Regular Membership (Class A).** Regular Members are entitled to one (1) vote for each Lot owned by that Regular Member; provided, however, that multiple Owners of a Lot have a total of only one (1) vote for one (1) Lot.

1.2. **Declarant Membership (Class B).** The Declarant Member is the Declarant, its assignee or designee to whom the Declarant assigns all or part of its voting rights as a Declarant Member. The Declarant has the number of votes at any meeting in which votes are to be taken equal to the total of all Regular Members plus one vote. Declarant Membership terminates and converts to Regular membership within three (3) months of the date Declarant conveys at least ninety percent (90%) of the Lots within The Properties to Owners other than the Declarant or any Sub-Developer, or on an earlier date as the Declarant may elect to terminate its Declarant Membership.

1.3. **Election of Board of Directors.** Directors of the Association will be elected and removed, and vacancies on the Board of Directors will be filled, as provided in the Articles and these By-Laws.

1.4. **Control of Board of Directors During Development.** During the time Declarant is a Declarant Member, Declarant has the right to designate, elect and remove members of the Board, and the Directors designated by Declarant need not be Members. In addition, as long as Declarant owns at least five percent (5%) of the Lots within The Properties and owns them for sale in the ordinary course of its business, Declarant is entitled to appoint at least one (1) Director. The Declarant may waive its right to elect at least one (1) Director.

1.5. **Successor by Foreclosure.** In the event a mortgagee or other person or entity acquires title to a Lot by foreclosure or deed in lieu of foreclosure, that mortgagee, or the other person or entity, has the category of membership last held by the Owner of the Lot from whom title was acquired.

1.6. **Majority.** When reference is made herein, or in the Articles, Rules and Regulations, management contracts or otherwise, to a "majority" or specific "**percentage of Members,**" that reference is reference to a majority or specific percentage of the votes of Members represented at a duly constituted meeting (i.e., one for which proper notice has been given and at which a quorum exists) and not of all the Members of the Association.

1.7. **Effect of Dissolution.** In the event of the termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance, if any, of the Surface Water Management System will be transferred to and accepted by an entity approved by the South Florida Water Management District and the County (if applicable) prior to termination, dissolution or liquidation.

1.8. **Joint Ownership, Entities.** Voting rights may be exercised by a Member or the Member's spouse, subject to the provisions of the Declaration, the Articles and these Bylaws. In the event more than one person holds an interest in a Lot, the vote for the respective Lot may be exercised by any (but only) one of those persons: provided, however, the persons holding the interest in the Lot notifies the secretary of the Association, in writing, prior to or during any meeting of the manner in which the vote for the Lot will be exercised, and the absence of notice, the Lot's vote will be suspended if more than one person attempts to exercise it. The voting rights of a Member that is a corporation, partnership or other entity will be exercised by the individual designee from time to time by the Owner in a written instrument provided to the Secretary, subject to the laws of the state of Florida.

ARTICLE V 

MEETINGS OF THE MEMBERS

SECTION 1. DATE AND PLACE OF MEETINGS. Meetings of the Members will be held on the date and at the place designated by the Board of Directors.

SECTION 2. ANNUAL MEETINGS OF THE MEMBERS. An annual meeting of the Members will be held each year in January. At each annual meeting, the Members will elect the Board of Directors of the Association and may conduct other business as may properly be brought before the meeting. No meeting of

the Membership at large is required until Turnover of the Association by the Declarant.

SECTION 3. SPECIAL MEETINGS. The President of the Association may call special meetings of the Members to consider any matter which, pursuant to the Declaration or Articles, requires a vote of the Members. In addition, it is the duty of the President to call a special meeting of the Members if so directed by resolution of a majority of the Board of Directors or, upon a petition signed by Members representing at least twenty percent (20%) of the total votes in the Association. The notice of any special meeting will state the date, time, and place of the meeting and the purpose thereof. No business may be transacted at a special meeting except as stated in the notice.

SECTION 4. ADVISORY MEETINGS. The President of the Association may call advisory meetings of the Members. Advisory meetings are for purposes of discussion only and no official vote of Members may be taken at an advisory meeting, although straw polls may be solicited,

SECTION 6. NOTICE OF MEETINGS. Written or printed notice stating the place, day and hour of any meeting of the Members will be delivered, either personally or by mail, to each Member, not more than fifty (50) nor fewer than fourteen (14) days before the date of a meeting, by or at the direction of the President or the Secretary. If mailed, the notice of a meeting is deemed delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association.

SECTION 6. QUORUM. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of Members representing thirty percent (30%) of the total votes in the Association constitutes a quorum at all meetings of the Association.

SECTION 7. ADJOURNMENT OF MEETINGS. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present may adjourn the meeting to a time not fewer than five (5) nor more than thirty (30) days from the time the original meeting was scheduled. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally scheduled may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting will be given to Members in the manner prescribed in Section 5.

SECTION 8. VOTE REQUIRED. When a quorum is present at any meeting, a majority of the vote represented by the Members represented at the meeting decides any question brought before the meeting, unless the Declaration, the Articles of Incorporation, these Bylaws or any applicable law provides otherwise.

SECTION 9. CONDUCT OF MEETINGS. The President will preside over all meetings of the Association and the Secretary will keep the minutes of the meeting and record in the Association's minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

SECTION 10. ACTION WITHOUT A MEETING. Any action which may be taken at a meeting of the Members, may be taken without a meeting if written consent setting forth the action taken is signed by all Members entitled to vote.

SECTION 11. BUDGET WORKSHOP. After Turnover, each year in October, November, or December, the Board of Directors may hold a budget workshop meeting which the Members may attend and comment on the next fiscal year's proposed budget. Each Member will be provided a minimum of fourteen (14) days' notice of the budget workshop along with copies of the proposed budget. Unless otherwise required by applicable Florida law, there is no requirement that a quorum of Members attend the budget workshop, and it is not necessary that Members vote to approve the budget.

ARTICLE VI ▲

ELECTION OF BOARD OF DIRECTORS

SECTION 1. NUMBER OF DIRECTORS. The governance and administration of the affairs of the Association is vested in a Board of Directors. The number of Directors of the Association may not be fewer than three (3) nor more than seven (7). The initial Board consists of the three (3) persons named in the Articles of Incorporation.

SECTION 2. ELECTION OF DIRECTORS. Prior to Turnover, Directors will be appointed by the Declarant. Directors elected by the Members at the meeting immediately subsequent to Turnover serve for annual terms. At

the expiration of the initial term of office of each elected Director, and at each annual meeting thereafter, a successor Director will be elected to serve a term of one (1) year. Prior to Turnover, the Declarant is entitled to appoint all Directors to the Board. All elections must be by written ballot (unless dispensed with by unanimous consent). No cumulative voting is allowed.

SECTION 3. QUALIFICATIONS FOR ELECTION. Directors appointed by Declarant prior to Turnover need not be Members. Directors elected after Turnover must be Members.

SECTION 4. NOMINATION OF DIRECTORS. Prior to each annual meeting of the Members, the Board will appoint a nominating committee consisting of three (3) individuals, using procedures as the Board may establish. The nominating committee, using procedures established by the Board, will nominate no fewer than one individual for each vacancy to be filled. Nominations may also be accepted by written recommendation from Members. Notice of the annual meeting will state the names and qualifications of candidates for election. Nominations may also be made from the floor at the annual meeting of the Members.

SECTION 5. REMOVAL OF DIRECTORS AND VACANCIES. Any Director appointed or elected by the Declarant may be removed, with or without cause, only by the Declarant. Any Director elected by the Members may be removed, with or without cause, by the vote of sixty (60%) percent of the Members. Upon removal of a Director, a successor will be elected by the Members to fill the vacancy for the remainder the removed Director's term. A Director may resign by providing written notice to the Board. Any Director who has three (3) consecutive unexcused absences from Board meetings, as determined by the Board, or who is delinquent in the payment of any Assessment or other charges due the Association for more than thirty (30) days, may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the remaining Directors. In the event of the death, disability, removal, or resignation of a Director, the Members of the Board may elect a successor to fill the vacancy for the remainder of the term of that Director's term.

SECTION 6. COMPENSATION. No Director will be paid a salary or any other compensation whatsoever by the Association for acting as Director, but a Director will be reimbursed for expenses reasonably incurred on behalf of the Association.

SECTION 7. FIDUCIARY DUTY. The Directors will act in good faith in a manner they reasonably believe to be in the best interests of the development of Daniels Preserve and the goals of the Association.

ARTICLE VII

MEETINGS OF BOARD OF DIRECTORS

SECTION 1. ORGANIZATIONAL MEETING. The organizational meeting of the Board of Directors will be held within ten (10) days after the annual meeting of the Members at the time and place fixed by the Board of Directors.

SECTION 2. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at the time and place determined from time to time by a majority of the Directors, but at least two (2) regular meetings must be held during each fiscal year; provided, however, that the annual meeting constitutes a regular meeting. Notice of the time and place of any meeting, other than an annual meeting, must be communicated to the Directors not fewer than fourteen (14) days prior to the meeting.

SECTION 3. SPECIAL MEETINGS. Special meetings of the Board of Directors will be held when called by written notice signed by the President or by any three (3) Directors. The notice must specify the time and place of the meeting and the nature of any special business to be considered. The notice must be given to each Director by personal delivery, first class mail or telephone at least fourteen (14) days prior to the date of the meeting, unless the special business is of a nature which, in the President's discretion, requires more immediate action, and then a minimum of twenty-four (24) hours notice is sufficient.

SECTION 4. WAIVER OF NOTICE. Any action taken at a meeting of the Board of Directors, however called and noticed or wherever held, is as valid as when taken at a meeting duly held after regular call and notice if: (a) a quorum is present; and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. Notice of a meeting is considered given to any Director who attends the meeting without protesting about the lack of adequate notices before or at its commencement.

SECTION 5. QUORUM OF BOARD OF DIRECTORS. At all meetings of the Board of Directors, a majority of

the Directors constitutes a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present constitutes the decision of the Board of Directors. If any meeting of the Board of Directors cannot be held because a quorum is not present, a majority of the Directors who are present at the meeting may adjourn the meeting to a time not fewer than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which may have been transacted at the meeting originally called may be transacted without further notice.

SECTION 6. CONDUCT OF MEETINGS. The President presides over all meetings of the Board of Directors and the Secretary will keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at those meetings.

SECTION 7. OPEN MEETINGS. All meetings of the Board are open to all Members, but no Members other than Directors may participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Director and granted by the President. In that event, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session, excluding Members, when that action is necessary in the reasonable judgment of the President.

SECTION 8. TELEPHONE MEETINGS. Any regular or special meeting of the Board of Directors may be held by telephone conference, at which each participating Director can hear and be heard by all other participating Directors.

SECTION 9. ACTION WITHOUT A MEETING. Any action to be taken at a meeting of the Directors or any action that may be taken without a meeting if a consent in writing setting forth the action so taken, is signed by all of the Directors, and the consent has the same force and effect as an unanimous vote.

ARTICLE VIII

OFFICERS

SECTION 1. OFFICERS. The officers of the Association are President, Vice President, Secretary, and Treasurer to be elected from among the Members of the Board. The Board of Directors may appoint other officers, including one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, as it deems desirable, officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Vice-President, President and Secretary or President and Treasurer.

SECTION 2. ELECTION, TERM OF OFFICE AND VACANCIES. The officers of the Association will be elected annually by the Board of Directors at the first meeting of the Board of Directors during a fiscal year. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 3. REMOVAL. Any officer may be removed by a majority vote of the Board of Directors in the sole discretion of the Board and the removal of a Director who also is an officer automatically act as a removal from the Director's position as an officer.

SECTION 4. RESIGNATION. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Resignation will take effect on the date of the receipt of notice or at a later time specified in the notice and unless otherwise specified in the notice, the acceptance of the resignation is not necessary to make it effective.

ARTICLE IX

DUTIES OF OFFICERS

The officers of the Association each have those powers and duties as generally pertain to their respective offices, as well as those powers and duties as are from time to time specifically conferred or imposed by the Board of Directors.

SECTION 1. PRESIDENT. The President is the chief executive officer of the Association and will:

- (a) act as presiding officer at all meetings of the Members and the Board of Directors;
- (b) call special meetings of the Members and the Board of Directors;
- (c) sign, with the Secretary or Treasurer if the Board of Directors so requires, all checks, contracts, promissory notes, leases, subleases and other instruments on behalf of the Association, except those which the Board of Directors specifies may be signed by other persons;
- (d) perform all acts and duties usually required of a chief executive to ensure that all orders and resolutions of the Board of Directors are carried out; and
- (e) act as an ex-officio Member of all committees and render an annual report at the annual meeting of the Members.

SECTION 2. VICE PRESIDENT. The Vice President, in the absence or disability of the President, will exercise the powers and perform the duties of the President. The Vice President will also assist the President generally, and exercise other powers and perform other duties as prescribed by the Directors.

SECTION 3. SECRETARY. The Secretary has the following duties and responsibilities:

- (a) attend all regular and special meetings of the Members and the Board of Directors and keep all records and minutes of proceedings thereof. The Secretary will provide copies of minutes of Members and Board meetings to the Members and Directors no later than sixty (60) days after the date of the meeting;
- (b) have custody of the corporate seal, if any, and affix it when necessary or required;
- (c) attend to all correspondence on behalf of the Board of Directors, prepare and serve notice of meetings and keep Membership books;
- (d) have custody of the minute book of the meetings of the Board of Directors and the Members and act as agent for the transfer of the corporate books.

SECTION 4. TREASURER. The Treasurer will:

- (a) receive funds as are paid into the Treasurer's hands for the account of the Association and disburse funds as may be ordered by the Board of Directors, taking proper vouchers for disbursements and be custodian of all contracts, leases and other important documents of the Association which he will keep safely deposited;
- (b) supervise the keeping of accounts of all financial transactions of the Association in books belonging to the Association and deliver the books to his successor; the Treasurer will prepare and distribute to all of the Members of the Board of Directors prior to each annual meeting, and whenever else required, a summary of the financial transactions and condition of the Association from the preceding year; the Treasurer will make a full and accurate report on matters and business pertaining to his office to the Members at the annual meeting and make all reports required by law; the Treasurer is the chairman of the Finance Committee, if any; and
- (c) the Treasurer may obtain the assistance of an accountant or auditor, who may be employed by the Association; in the event the Association enters into a management agreement, it is proper to delegate any or all of the Treasurer's functions to the management agent as is deemed appropriate by the Board of Directors.

ARTICLE X

COMMITTEES

SECTION 1. AD HOC COMMITTEES. The President, subject to the approval of the Board of Directors, may, from time to time, appoint an ad hoc committee, with powers and composition as the President, with the approval of the Board of Directors, determines.

SECTION 2. POWERS OF COMMITTEES. Committees may act only as committees and the individual Members thereof have no power or authority to act on behalf of the Board or the Association.

ARTICLE XI ^A

FISCAL MANAGEMENT

SECTION 1. FISCAL YEAR. The fiscal year of the Association SHALL commence upon the first day of January and conclude on the thirty-first day of December.

SECTION 2. DEPOSITORIES. The funds of the Association will be deposited in accounts selected by the Board of Directors, including checking and savings accounts in one (1) or more banks and/or savings and loan associations, Certificates of Deposit, U.S. Treasury Bills and money market accounts with an investment firm or firms, all in accordance with resolutions approved by the Board of Directors. The funds may only be used for a lawful purpose.

SECTION 3. EXPENSES. The receipts and expenditures of the Association may be credited and charged to accounts as the Board of Directors determines, in accordance with good accounting practices as set forth in Section Seven below.

SECTION 4. RESERVE ACCOUNTS. The Association may establish and maintain an adequate reserve account for the periodic maintenance, repair and replacement of the Common Areas.

SECTION 5. BUDGET. The Board of Directors will adopt a budget for each fiscal year that will include the estimated funds required to defray the expenses of the Association for the fiscal year and to provide and maintain funds for the accounts established by the Board of Directors, in accordance with good accounting practices as set forth in Section Seven below.

SECTION 6. FIDELITY BONDS. To the extent available at a reasonable cost, the Association may purchase blanket fidelity bonds for all Directors, officers and employees of the Association and for any management agent who controls or disburses funds of the Association and any contractor handling or responsible for Association funds. The following provisions govern the Association's purchase of the bonds:

- (a) each fidelity bond purchased by the Association will name the Association as an obligee of the bond;
- (b) the premium for a bond will be paid by the Association;
- (c) a fidelity bond will cover the maximum funds that will be in the custody of Directors, officers or employees of the Association, or a management agent, at any time while the bond is in force; and
- (d) each bond will include a provision requiring ten (10) days' written notice to the Association before the bond can be canceled or substantially modified for any reason.

SECTION 7. ACCOUNTS AND REPORTS. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- (a) accrual accounting (exclusive of depreciation and amortization), as defined by generally accepted accounting principles, will be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) cash accounts of the Association will not be commingled with any other accounts;
- (d) no remuneration will be accepted by a Manager from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise;
- (e) any financial or other interest which a Manager may have in any firm providing goods or services to the Association will be disclosed promptly to the Board of Directors;
- (f) commencing at Turnover, financial reports will be prepared for the Association at least annually containing:
 - (i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

- (ii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
- (iii) a balance sheet as of the last day of the preceding period; and
- (iv) a delinquency report listing all Owners who are delinquent in paying any Assessments at the time of the report and describing the status of any action to collect those Assessments which remain delinquent (an Assessment is considered delinquent fifteen [15] days after the date due unless otherwise determined by the Board of Directors).

(g) after Turnover an annual report consisting of at least the following will be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above will be reviewed by a Certified Public Accountant selected by the Board of Directors.

SECTION 8. AGREEMENTS, CONTRACTS, DEEDS, LEASES, CHECKS, ETC. All agreements, contracts, deeds, leases, checks, and other instruments of the Association will be executed by the President and Secretary or by another Member of the Board or officer of the Association as may be designated by resolution of the Board of Directors.

SECTION 9. BOOKS AND RECORDS.

(a) Inspection by Owners and Mortgagees. The Declaration, Articles of Incorporation, Bylaws, Membership register, books of account and minutes of meetings of the Members, the Board, and committees will be made available for inspection and copying by any Mortgagee, Owner or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as an Owner at the office of the Association. Records include a record of receipts and expenditures and accounts for each Owner, which accounts will designate the names and addresses of the Owners, the due dates and amount of each Assessment, the amounts paid upon the account and the balance due. Accounts of Owners will only be available for inspection by the Board, the officers and the Owner or Owner's Mortgagee. Minutes of grievance hearings will not be released to any person other than the person subject to the disciplinary action. Books and records of the Association may be kept at the Association office at the Property or off-site at the office designated by the Declarant.

(b) Rules for Inspection. The Board will establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every Director will have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

SECTION 10. INSURANCE. The Association will procure, maintain and keep in full force and effect insurance as may be required by the Declaration to protect the interests of the Association and the Owners.

SECTION 11. NATURE OF ASSOCIATION. The Association is a not-for-profit corporation, and the income of the Association will be used only for the purposes of the Association described in the Declaration, Articles of Incorporation and these Bylaws. No part of the income will be distributed to the Members, Directors or officers of the Association.

ARTICLE XII 

MISCELLANEOUS

SECTION 1. PARLIAMENTARY RULES. Robert's Rules of Order (then current edition) will govern the conduct of Association meetings when not in conflict with Florida law, the Articles of Incorporation, the Declaration, or these Bylaws.

SECTION 2. CONSTRUCTION. If there are conflicts between the provisions of Florida law, the Articles of Incorporation, the Declaration, these Bylaws, and/or the Rules and Regulations, the provisions of Florida law,

the Declaration, the Articles of Incorporation, the Bylaws and the Rules and Regulations (in that order) will prevail.

SECTION 3. VALIDITY. If any Bylaw or Rule or Regulation is adjudicated to be invalid, that fact does not affect the validity of any other Bylaw or Rule or Regulation.

SECTION 4. NOTICES. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws must be in writing and will be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

- (a) if to an Owner or Member, at the address which the Owner or Member has designated in writing and filed with the Secretary or, if no address has been designated, at the address of the Lot of the Owner or Member; or
- (b) if to the Association, the Board of Directors, or the manager, at the principal office of the Association or the manager, if any, or at another address as designated by notice in writing to the Owners pursuant to this Section.

ARTICLE XIII

AMENDMENTS

Until Turnover, Declarant may unilaterally amend these Bylaws. After Turnover, the Declarant may unilaterally amend these Bylaws at any time and from time to time if the Amendment is: (a) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, or judicial decision; (b) correct any stenographic, scrivener's or surveyor's error or any error of a nature; provided however, any Amendment may not adversely affect the title to Lots unless the Owner thereof consents thereto in writing. So long as Declarant still owns any of the property for development or sale in Daniels Preserve, the Declarant may unilaterally amend these Bylaws for any other purpose, provided the Amendment does not adversely effect any right of any Owner. Thereafter or otherwise, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing sixty-seven percent (67%) of the Members; provided, however, the percentage of votes necessary to amend a specific clause will not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. No Amendment affecting the surface Water Management System will be of any force and effect unless the South Florida Water Management District consents to it. To be effective an Amendment must be recorded in the public records of Lee County, Florida. If an Owner consents to any Amendment of these Bylaws or the Bylaws, it will be conclusively presumed that the Owner has the authority to consent and no contrary provision in any mortgage or contract between the Owner and a third party will affect the validity of that Amendment. No Amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of that right or privilege.

ARTICLE XIV

LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

Termination of membership in the Association does not relieve or release a former Member from any liability or obligations incurred with respect to the Member during the period of membership, nor impair any rights or remedies that the Association may have against the former Member arising out of his membership and the covenants and obligations incident to that membership.

END OF BYLAWS