

DUNEDIN PALMS HOMEOWNERS ASSOCIATION, INC.
BY-LAWS

ARTICLE I	2
ASSOCIATION OFFICES	2
ARTICLE II	2
PURPOSE.....	2
ARTICLE III	2
UNIT OWNERS AND STOCK DISTRIBUTION	2
ARTICLE IV	3
DIRECTORS	3
ARTICLE V	7
OFFICERS	7
ARTICLE VI.....	8
CERTIFICATES FOR SHARES	8
ARTICLE VII.....	9
MEETINGS OF UNIT OWNERS.....	9
ARTICLE VIII.....	11
BOOKS AND RECORDS	11
ARTICLE IX.....	12
FISCAL YEAR	12
ARTICLE X.....	12
CORPORATE SEAL	12
ARTICLE XI.....	12
RULES AND REGULATIONS.....	12
ARTICLE XII.....	12
AMENDMENT	12
ARTICLE XIII.....	13
BUDGET	13
ARTICLE XIV	14
COSTS AND ASSESSMENTS.....	14
ARTICLE XV	15
ARBITRATION	15
ARTICLE XVI	15
SALE OF PARK	15
ARTICLE XVII	16
CONTROL OF DOCUMENTS	16

**DUNEDIN PALMS HOMEOWNERS ASSOCIATION, INC.
BY-LAWS**

**ARTICLE I
ASSOCIATION OFFICES**

The registered office of Dunedin Palms Homeowners Association, Inc. ("DPHAI") in the State of Florida shall be located in the County of Pinellas at:

24701 US Hwy 19 N. Suite 102
Clearwater, FL, 33763

**ARTICLE II
PURPOSE**

The Board of Administration a/k/a Board of Directors (the "Board") shall govern DPHAI in accordance with these Bylaws and the Florida Cooperative Act for the use and benefit of the Unit Owners. The terms "Articles," "Assessment," "Bylaws," "Common Expenses," "Common Surplus," "Cooperative Property," "Park," "Rules," "Special Assessment," "Tenant," and "Unit Owner" shall have the meanings defined in the Master Occupancy Agreement. The terms "Association," "Board of Administration," "Common areas," "Cooperative," and "Cooperative parcel," and "Unit" shall have the meanings defined in § 719.103, *Florida Statutes*.

**ARTICLE III
UNIT OWNERS AND STOCK DISTRIBUTION**

Membership in DPHAI shall be limited to Unit Owners who have purchased Stock Certificates in DPHAI. Each Member shall be limited to ownership of (1) Stock Certificate for each Unit occupied by a manufactured home owned by that member. A Unit Owner shall be limited into entering into no more than two (2) Occupancy Agreements with the Corporation. A Unit Owner shall be limited to owning no more than (2) Units and no more than two (2) Stock Certificates at any one time. The Units and Stock Certificates owned by a Unit Owner must be appurtenant to one another. Further, any Unit, its appurtenant Stock Certificate, and the title to the manufactured home located on the Unit, must all three bear the same ownership name. In the event that a Unit Owner owns two (2) Units, the Unit Owner shall reside only in one (1) Unit and shall be allowed to rent, after prior approval by DPHAI in accordance with the Master Occupancy Agreement, the second Unit.

Ownership of Cooperative parcels in DPHAI is limited to owners of manufactured homes located upon Units in the Park. There shall be one (1) share for each Unit. Shares appurtenant to unsold Cooperative parcels shall be held by DPHAI. Unsold Cooperative parcels may be leased or sold by the Association upon such terms and conditions as may be established from time to time by the Board. If a Unit Owner sells his or her manufactured home, the purchaser of the manufactured home must purchase the seller's Cooperative parcel.

ARTICLE IV DIRECTORS

Section 1: Function. All corporate powers shall be exercised by or under the authority of the Board. The business affairs of DPHAI shall also be managed under the direction of the Board.

Section 2: Qualification. Directors (members of the Board) must be Unit Owners of the Association.

Section 3: Compensation. The Unit Owners, by majority vote, shall determine the rate of compensation, if any, for the Directors and Officers.

Section 4: Duties of Directors. The Directors shall have a fiduciary responsibility to DPHAI. A Director shall perform his/her duties as a Director, including his/her duties as a member of any committee of the Board upon which he/she may serve, in good faith, in a manner he/she reasonably believes to be in the best interests of DPHAI, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

In performing his/her duties, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case, prepared or presented by:

- (a) one or more officers or employees of DPHAI whom the Director reasonably believes to be reliable and competent in the matters presented;
- (b) counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such person's professional or expert competence; or
- (c) a committee of the Board upon which he/she does not serve, duly designated in accordance with a provision of the Articles or Bylaws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if he/she has knowledge concerning the matter in question that would cause such reliance described above to be unwarranted.

A person who performs his/her duties in compliance with this section shall have no liability by reason of being or having been a Director of DPHAI. DPHAI shall indemnify and hold harmless any Directors from liability for corporate action.

Section 5: Presumption of Assent. A Director who is present at a meeting of the Board at which action on any DPHAI matter is taken shall be presumed to have assented to the action taken unless he/she votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. A member of the Board or a committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

Section 6: Number. The Board shall contain seven (7) Directors to manage DPHAI. The number of Directors may be increased or decreased from time to time by amendment to these Bylaws, but no decrease shall have the effect of shortening the terms of any incumbent Director. No decrease shall have the effect of reducing the number of Directors to less than five (5). The past Board president shall have the right to act as an advisor to the current Board; however, said past president's role shall be advisory only and such individual shall not be a member of the Board and shall not have the authority to act as agent or otherwise on behalf of the Board.

Section 7: Election and Term. At each annual meeting, the Unit owners shall elect Directors to hold office. The four officers as defined in Article V of these Bylaws shall be Directors of DPHAI and shall serve one (1) year terms concurrent with their terms of office; the remaining three Directors shall serve for a term of three (3) years. This staggering of Directors' terms is intended to provide continuity to the management of DPHAI. Every election of Board members, whether by regular election or election due to vacancy, resignation or removal, shall be by written ballot and shall comply with any rules governing election of Directors as set forth by the Florida Department of Business and Professional Regulation, Division of Florida Condominiums, Timeshares, and Mobile Homes. The regular election of Directors shall occur on the date of the annual meeting of Unit Owners.

Section 8: Search Committee. It shall be the duty of the Board to appoint, not less than sixty (60) days prior to the annual meeting, a search committee for nominations consisting of not less than three (3) members. No member of the Board may serve on such committee. Notwithstanding the recommendations of the search committee, any Unit Owner or other eligible person desiring to be a candidate for the Board shall give written notice to the Secretary of DPHAI not less than forty (40) days before a scheduled election. Not less than sixty (60) days before a scheduled meeting, DPHAI shall mail or deliver, whether by separate mailing or included in another Association mailing or delivery including regularly published newsletters, or the Dunedin Palms website, to each Unit Owner entitled to vote, a first notice stating the place, day and hour of the meeting and the purpose for which the meeting is called. Not less than thirty (30) days before the election meeting, the Secretary of DPHAI shall mail the second notice of the election meeting to all Unit Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, DPHAI shall include an information sheet, no larger than 8 1/2 x 11 inches, furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing to be borne by DPHAI. DPHAI is not responsible for the accuracy of information provided by candidates.

Section 9: Vacancies. Any vacancy occurring in the Board, including any vacancy created by reason of an increase in number of Directors, shall be filled by the remaining Directors, who shall appoint such replacement Directors as are necessary to fill any vacancies. A Director so elected will serve until the next annual meeting, at which time a replacement Director shall be elected in the manner provided by these Bylaws, who shall serve the remainder of the unexpired term.

Section 10: Recall and Removal of Directors. At a meeting of the Unit owners called expressly for that purpose, any Director or the entire Board may be removed, with or without cause, by a vote or agreement in writing of a majority of all Unit Owners then entitled to vote at an election of Directors. A special meeting of the Unit Owners to recall a member or

members of the Board may be called by ten percent (10%) of the Unit Owners giving notice of the meeting as required for a meeting of the Unit Owners and stating the purpose of the meeting.

(a) If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall shall be effective immediately, and each recalled member of the Board shall turn over to the Board any and all records of DPHAI in his/her possession within five (5) business days after the meeting.

(b) If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing shall be served on DPHAI by certified mail. The Board shall call a meeting of the Board five (5) business days after receipt of the agreement in writing and shall either certify the written agreement to recall members of the Board, in which case such members shall be recalled immediately and shall turn over to the Board, within seventy-two (72) hours, any and all records of DPHAI in their possession, or proceed as described in subparagraph (c).

(c) If the board fails to duly notice and hold a board meeting within 5 full business days of service of an agreement in writing or within 5 full business days of the adjournment of the unit owner recall meeting, the recall shall be deemed effective and the board members so recalled shall immediately turn over to the board any and all records and property of the association.

(d) If a vacancy occurs on the board as a result of a recall and less than a majority of the board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, notwithstanding any provision to the contrary contained in this chapter. If vacancies occur on the board as a result of a recall and a majority or more of the board members are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the division, which rules need not be consistent with this chapter. The rules must provide procedures governing the conduct of the recall election as well as the operation of the association during the period after a recall but prior to the recall election.

(e) If the Board determines not to certify the written agreement to recall members of the Board, or if the recall by a vote at a meeting is disputed, the Board shall, within five (5) business days, file with the Florida Department of Business and Professional Regulation, Division of Florida Condominiums, Timeshares, and Mobile Homes, a petition for binding arbitration pursuant to the procedures of Section 719.1255, *Florida Statutes*. The Unit Owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member of the Board, the recall shall be effective upon service of the final order of arbitration upon DPHAI.

Section 11: Quorum and Voting. A majority of the number of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

Section 12: Executive and Other Committees. The Directors, by resolution adopted by a majority of the full Board, may designate from among its members an executive committee and other committees, and each such committee shall serve at the pleasure of the Board with

the authority contained in the Florida Statutes. The Board, by resolution, may designate one or more Directors as alternate members of any such committee, who may act in the place and stead of any absent member or members at any meeting of such committee.

Section 13: Regular Meetings. Regular monthly meetings of the Directors shall be held monthly from November to April and at a date and time set by the Board of Directors. These meetings shall be open to all DPHAI Unit Owners and notice shall be deposited in a conspicuous place on the Park at least forty-eight (48) continuous hours in advance of the meeting. Each Unit Owner attending any meeting of the Board of Directors shall have the right to participate in the meeting, with reference to designated agenda items only, pursuant to the guidelines of participation established by the Board. Members of the Board of Directors may participate in a meeting of the Board by means of a conference telephone or similar communications equipment, as outlined in Section 16. Participation by such means shall constitute presence in person at a meeting. Any Unit Owner attending said meetings shall have the right to electronically record and/or videotape the meeting. Meetings of the Board shall be held in the Park clubhouse or other location deemed appropriate by the Board.

Section 14: Special Meetings. Special meetings of the Board may be called by the President or by any two (2) Directors. Members of the Board of Directors may participate in a meeting of such Board by means of a conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. Such meetings must be open to all Unit Owners, with the rights and privileges as stated in Section 13 above and notice given as above.

Section 15: Notice. Except in case of emergency, written notice of the time and place of any meetings of Directors or committees established by the Board at which a quorum is present shall be given to each Director either by personal delivery or by mail, telegram or cablegram and by notice posted in a conspicuous place in the Park at least forty-eight (48) continuous hours before the meeting. The business to be transacted at or the purpose of any meeting of the Directors shall be specified in the notice. Any meeting at which non-emergency Special Assessments, or at which amendment to the Rules will be proposed, discussed, or approved, shall be mailed or delivered to the Unit Owners and posted conspicuously in the Park not less than fourteen (14) continuous days prior to the meeting. The Secretary of DPHAI shall file an affidavit stating that DPHAI has complied with the notice requirements or place among the official records of DPHAI a certificate of mailing obtained from the United States Postal Service.

(a) Notice of any meeting at which regular Assessments against Unit Owners are to be discussed for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such Assessment.

(b) The Board shall mail a meeting notice and copies of the proposed annual budget of expenses to the Unit Owners not less than thirty (30) days prior to the meeting at which the budget will be considered. A copy of the budget shall be posted in a conspicuous place in the Park.

Section 16: Telephonic Meeting Attendance. When some or all of the Board or committee members meet by telephone conference, those Board or committee members attending by

telephone conference may be counted toward obtaining a quorum and may vote by telephone. A telephone speaker shall be utilized so that the conversation of those Board or committee members attending by telephone may be heard by the Board or committee members attending in person, as well as by Unit Owners present at a meeting.

ARTICLE V OFFICERS

Section 1: Officers. The Officers of DPHAI shall consist of a president, vice president, secretary and treasurer, each of whom shall be elected by the Unit Owners in the same manner provided for the election of Directors. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Board from time to time. The Unit Owners shall elect Officers of DPHAI at the annual meeting of the Unit Owners. Each officer shall hold office until his/her successor shall have been duly elected and shall have qualified or until his/her resignation, or until he/she shall have been removed in the manner provided in these Bylaws. The failure to elect a president, secretary or treasurer shall not affect the existence of DPHAI. The Officers shall also serve as Directors of DPHAI with terms as set forth in Article IV, Section 7.

Section 2: Duties of Officers. The DPHAI Officers shall have the following duties, along with such other duties as assigned or required by the Board, from time to time:

PRESIDENT shall be the chief executive officer of DPHAI, shall have general and active management of the business and affairs DPHAI subject to the directions of the Board, and shall preside at all meetings of the Unit Owners and the Board. The President shall not serve more than two consecutive terms.

VICE PRESIDENT shall preside in the absence of the President and perform the duties of the President in the event of his/her absence or disability, and such other duties as may be prescribed or assigned by the Board or the President.

SECRETARY shall have custody of, and maintain all of DPHAI's records except the financial records, shall record the minutes of all meetings of the Unit Owners and the Board, send out all notices of meetings, and perform such other duties as may be prescribed by the Board or the President.

TREASURER shall have custody of DPHAI's funds and financial records, shall keep full and accurate accounts of receipts and disbursements and render accounts thereof at the annual meetings of the Unit Owners and whenever else required by the Board or the President, and shall perform such other duties as may be prescribed by the Board or the President.

Section 3: Removal. Any officer or agent elected or any officer or agent appointed by the Board may be removed whenever in the Board's judgment the best interest of DPHAI would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4: Fiduciary Relationship. The officers of the Association have a fiduciary relationship to DPHAI and its Unit Owners.

Section 5: Compensation. Officers may be compensated in the same manner as Directors.

ARTICLE VI CERTIFICATES FOR SHARES

Section 1: Issuance. Every Unit Owner shall be entitled to have a certificate, representing the share in DPHAI appurtenant to his or her Unit in the Park.

Section 2: Form. Certificates representing shares of DPHAI shall be signed by the President and Secretary or by such other Officers authorized by the Directors under the laws of the State of Florida and may be sealed with the DPHAI seal or a facsimile thereof. Each certificate shall bear and have the Lot Number of the Unit it represents. All certificates representing shares shall state upon the face thereof: the name of DPHAI; that DPHAI is organized under the laws of the State; the name of the person or persons to whom issued; the par value of each share represented by such certificate or a statement that share is without par value.

Section 3: Lost, Stolen or Destroyed Certificates. DPHAI shall issue a new stock certificate in place of any certificate previously issued if the Unit Owner of record of the certificate:

- (a) makes proof in affidavit form that it has been lost, destroyed or wrongfully taken;
- (b) gives bond in such form as DPHAI may direct, to indemnify DPHAI, the transfer agent, and registrar against any claim that may be made on account of the alleged loss, destruction, or theft of a certificate; and
- (c) satisfies any other reasonable requirements imposed by DPHAI.

Section 4: Transfer of Shares. Upon surrender to DPHAI of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of DPHAI to issue a new certificate to the person entitled thereto, and cancel the old certificate; every such transfer shall be entered on the transfer ledger of DPHAI which shall be kept at its principal office. All such transfers are subject to the condition that only owners of manufactured homes located upon Units within the Park are eligible to be Unit Owners in DPHAI. This restriction on ownership must appear on the face of all stock certificates. DPHAI shall be entitled to treat the holder of record of any share as the holder in fact thereof, and accordingly, will not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, except as expressly provided by the laws of this State.

Section 5: Transfer fees. The assignment, sale, mortgage, lease, sublease or other transfer of a Unit is subject to approval by DPHAI pursuant to these Bylaws and the Master Occupancy Agreement. Before any assignment, sale, mortgage, lease, sublease or other transfer of a Unit is approved:

- (a) If US citizens, prospective new owner(s), at their expense, must pass a one time, favorable credit and criminal background check, along with any other relevant checks (e.g. pet interview/check, etc...). Fees are pre-paid to DPHAI and are non-refundable.

(b) If Canadian citizens, the prospective new owner(s), at their expense, must pass a one time, favorable criminal background check. Fees are pre-paid to DPHAI and are non-refundable.

(c) New lessee/tenant, regardless of citizenship, at their expense, must pass a one time favorable criminal background check. Fees are pre-paid to DPHAI and are non-refundable. A credit check is not required but will be available to those Owners renting their Units.

Closing and title transfers are to be completed by the DPHAI real estate attorney, or their title closing agent for DPHAI with costs as agreed to by parties.

ARTICLE VII MEETINGS OF UNIT OWNERS

Section 1: Annual Meeting. The annual meeting of the Unit Owners of DPHAI shall be held during the month of January of each year. The annual meeting of the Unit owners for any year shall be held no later than thirteen (13) months after the last preceding annual meeting of the Unit Owners. Business transacted at the annual meeting shall include the election of DPHAI's Board. The sitting DPHAI Board of Directors shall conduct the annual meeting. Unit Owners shall have the right to participate at the meeting with reference to all designated agenda items subject to participation guidelines established by the Board which shall govern frequency, duration and manner of the participation. Any Unit Owner may electronically record and/or videotape the annual meeting subject to the guidelines established by the Board.

Section 2: Special Meetings. Special meetings of the Unit Owners shall be held when directed by the President, the Board, or when requested in writing by the holders of not less than ten (10) percent of all the shares entitled to vote at the meeting. A meeting requested by Unit Owners shall be called for a date not less than fourteen (14) nor more than sixty (60) days after the request is made, unless the Unit Owners requesting the meeting designate a later date. The Secretary shall issue the call for the meeting, unless the President, Board, or Unit Owners requesting the meeting shall designate another person to do so. Unit Owners shall have the same rights of participation as those stated in Section I of this Article. The President shall preside at all Special Meetings.

Section 3: Place. Meetings of Unit owners shall be held in the Park. If no designation is made, the place of the meeting shall be the DPHAI Park Clubhouse.

Section 4: Notice. Not less than sixty (60) days before a scheduled meeting at which an election is to occur, DPHAI shall mail or deliver, whether by separate mailing or included in another DPHAI mailing or delivery including regularly published newsletters, to each Unit Owner entitled to vote, a first notice stating the place, day and hour of the meeting and the purpose for which the meeting is called. Not less than thirty (30) days before the meeting, DPHAI shall then mail a second notice of the meeting to all Unit Owners entitled to vote therein, including, but not limited to, the ballot which shall list all candidates. Such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Unit Owner at his/her address as it appears on the stock transfer books of DPHAI, with postage thereon prepaid, except that notices sent to Unit Owners known to be part-time

residents of the Park shall keep their other residence address on file with the DPHAI Secretary and when they are not at their Park address their notices shall be sent to their other official address. A Unit Owner may waive in writing his/her right to receive mail delivery of his/her notice to meetings. The Secretary must keep this written waiver on file. Notice of all Unit Owner meetings must be posted in a conspicuous place on the Cooperative property at least fourteen (14) days prior to all such meetings. Notice of Unit Owner meetings, at which no election is to occur, may be provided not less than fourteen (14) days before the meeting.

Section 5: Notice of Adjourned Meetings. When a meeting is adjourned to another place or time, it shall not be necessary to give any notice of the adjourned meeting if the place and time to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting except that no quorum requirements shall be required for the election of Directors, and the business of election of Directors shall not be adjourned so long as at least one (1) ballot is properly cast. If, however, after the adjournment the Board fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given as provided in this section to each Unit Owner of record on the new record date entitled to vote at such meeting.

Section 6: Closing of Transfer Books and Fixing Record Date. For the purpose of determining Unit Owners entitled to notice of or to vote at any meeting of Unit Owners or any adjournment thereof, or entitled to receive any payment of any dividend, or in order to make a determination of Unit Owners for any purpose, the Board shall provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, sixty (60) days. If the stock transfer books shall be closed for the purpose of determining Unit Owners entitled to notice of or to vote at a meeting of Unit owners, such books shall be closed for at least fifteen (15) days immediately preceding such meeting. When a determination of Unit Owners entitled to vote at any meeting of Unit Owners has been made as provided in this section, such determination shall apply to any adjournment thereof, unless the Board fixes a new record date for the adjourned meeting.

Section 7: Voting Record. The officers or agent having charge of the stock transfer books for shares of DPHAI shall make, at least ten (10) days before each meeting of the Unit Owners, a complete list of the Unit Owners entitled to vote at such meetings or any adjournment thereof; with the address of and the number of shares held by each. The list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered Park office of DPHAI. Any Unit owner shall be entitled to inspect the list at any time during usual business hours. The list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Unit Owner at any time during the meeting. If the requirements of this section have not been substantially complied with, the meeting, on demand of any Unit Owner in person or by proxy, shall be adjourned until the requirements are complied with. If no such demand is made, failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

Section 8: Shareholders Quorum and Voting. A majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Unit owners. If a quorum is present, the affirmative vote of the majority of the shares entitled to vote, in person or by proxy, shall constitute a quorum at a meeting of Unit owners. After a quorum has been established at a Unit owners' meeting, the subsequent withdrawal of Unit owners, so as to

reduce the number of Unit owners entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof. In accordance with Section 719.106(d)(1)(a), *Florida Statutes*, elections shall be decided by a plurality of those votes cast. There is no quorum requirement for election, however at least twenty percent (20) of the eligible voters must cast a ballot in order to have a valid election. Proxies of any kind may not be used for elections as described in Section 10 below.

Section 9: Voting of Shares. Each Unit Owner entitled to vote in accordance with the terms and provisions of the Articles and these Bylaws shall be entitled to one (1) vote for each share of stock owned by such Unit Owner. The vote for Directors shall be by written ballot.

Section 10: Proxies. Every Unit Owner entitled to vote at a meeting of Unit Owners or a Unit Owner's duly authorized attorney-in-fact, may authorize another person or persons to act for him/her by proxy, but no one shall be authorized to hold more than five (5) proxies. The Unit Owner or his/her attorney-in-fact must sign every proxy. Every proxy shall be effective only for the specific meeting for which it has been given and any lawfully adjourned meetings thereof, except that in no event will a proxy be valid for more than ninety (90) days from the date it was executed. Additionally, every proxy shall be revocable at the pleasure of the Unit Owner executing it. Limited proxies shall be used for votes taken to waive or reduce reserves in accordance with Section 719.106(j)(2)(3), *Florida Statutes*, and for votes taken to amend the Articles or Bylaws and for voting for non-substantive changes to items for which a limited proxy is required and given and for any other matter for which a vote of the Unit Owners is required. No proxy of any kind or description may be used for the election of members of the Board, whether at the annual meeting or a special meeting for the purpose of electing Directors by reason of vacancy, removal or resignation. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting or non-substantive changes to items for which a limited proxy is required and given. Notwithstanding the provisions of the section, Unit Owners may vote in person at Unit Owner meetings.

The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the Unit Owner who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by the DPHAI Officer or Director responsible for maintaining the list of Unit Owners.

Section 11: Action by Unit Owners Without a Meeting. Any action required by law, these Bylaws or the Articles to be taken at any annual or special meeting of DPHAI Unit Owners, or any action which may be taken at any annual or special meeting of such Unit Owners, may be taken without a meeting, without prior notice and without a vote, if consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action.

ARTICLE VIII BOOKS AND RECORDS

DPHAI shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Unit Owners, Board, and committees of the Board upon the terms

and conditions provided by law, and shall be available for inspection by Unit Owners, their authorized representatives, and Board members at reasonable times. DPHAI shall retain these minutes and records for a period of seven (7) years. All persons who control or disburse funds of DPHAI shall be bonded in the principal sum of not less than thirty thousand dollars (\$30,000.00) for each such person. DPHAI shall bear the cost of bonding, unless otherwise provided by contract between DPHAI and an independent management company. If the Association has retained an independent management company licensed pursuant to Chapter 468, *Florida Statutes*, said management company must provide evidence of compliance with this Section unless the duties do not include the controlling and disbursing of funds.

ARTICLE IX FISCAL YEAR

DPHAI's Fiscal Year shall begin on the first day of January of each year.

ARTICLE X CORPORATE SEAL

The Board shall provide a Corporate Seal, which shall be circular in form and shall have inscribed thereon the name of DPHAI, State of Incorporation, year of Incorporation and the words "Corporate Seal."

ARTICLE XI RULES AND REGULATIONS

The Rules, as established by the Board of Directors and approved by the Unit Owners, are hereby made a part of these Bylaws, and shall bind all Unit Owners and Tenants until such time as they are amended. New rules and regulations may be approved by the vote of a majority of those present and entitled to vote at any meeting at which there is a quorum.

ARTICLE XII AMENDMENT

These Bylaws may be repealed or amended, and new Bylaws adopted by the affirmative vote of a majority, consisting of fifty percent (50%) plus one, of the total Unit Owners entitled to vote at an annual meeting or a special meeting called for that purpose. A tie vote shall cause the proposed amendment to fail. Text of the proposed change shall be posted in a conspicuous place in the Park at least four (4) weeks prior to the called meeting. No Bylaw shall be revised or amended by reference to the title or the number alone.

Notwithstanding the provisions of this Article, the affirmative vote thresholds established by Florida law, including sections 719.1055(1) through 719.1055(3), *Florida Statutes*, as modified or re-codified by further act of the Florida Legislature, shall apply to any amendments as to the subject matter outlined in the aforementioned statute(s).

Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that the above procedure would hinder the understanding of the proposal, it is not necessary to use the above

procedure. Instead, the following notation must appear immediately preceding the proposed change:

“Substantial rewording of Bylaw. See Bylaw (insert appropriate article and section number for present text).”

ARTICLE XIII BUDGET

The budget shall show the amounts budgeted by account and expense classifications, including but not limited to reserve accounts for capital expenditures, deferred maintenance, roof replacement, building painting, pavement resurfacing, administration of the cooperative, management fees, maintenance, taxes, insurance, security provisions, other expenses, operating capital, and fees payable to the Florida Department of Business and Professional Regulation, Division of Florida Condominiums, Timeshares, and Mobile Homes. Non-budgeted items in excess of \$500.00 must have Board approval.

The proposed annual budget of Common Expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to, those expenses listed in Section 719.504(20), Florida Statutes. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof replacement, building painting, and pavement resurfacing regardless of the amount of deferred maintenance expense or replacement cost, and for any other items for which the expense or replacement cost exceeds ten thousand dollars (\$10,000.00). The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement costs or deferred maintenance expense of each reserve item. DPHAI may adjust replacement reserve assessments annually to take into account any extensions of the useful life of a reserve item caused by deferred maintenance. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a vote of the majority of the voting interests, voting in person or by limited proxy at a duly called meeting of the association. The foregoing shall not apply to any budget in which the Unit Owners of DPHAI have, by vote of the majority of Unit Owners present at a duly called meeting of DPHAI, determined for a fiscal year to provide no reserves or reserves less than adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect. Reserve funds and any interest accruing thereon shall remain in the reserve account for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the voting interests present at a duly called meeting of DPHAI.

The board of administration shall mail, hand deliver, or electronically transmit to each unit owner at the address last furnished to the association, a meeting notice and copies of the proposed annual budget of common expenses to the unit owners not less than 14 days prior to the meeting at which the budget will be considered. Evidence of compliance with this 14-day notice must be made by an affidavit executed by an officer of the association or the manager or other person providing notice of the meeting and filed among the official records of the association. The meeting must be open to the unit owners.

The budget shall be adopted at a meeting of the Board. The Board may, in any event, propose a budget to the Unit Owners at a meeting of Unit Owners or by writing, and if the budget or proposed budget is approved by the Unit Owners at the meeting or by a majority of all Unit Owners in writing, the budget shall be adopted. If a meeting of the Unit Owners has been called and a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board shall go into effect as scheduled.

If the budget adopted by the Board requires Assessments against the Unit Owners in any fiscal or calendar year exceeding 115 percent (115%) of such Assessments for the preceding year, a special meeting of the Unit Owners shall be held upon written application of ten percent (10%) of the Unit Owners. Not less than ten (10) days written notice shall be given to each Unit Owner, but the meeting shall be held within thirty (30) days of delivery of such application to the Board. At the special meeting, Unit Owners may consider and enact a revision of the budget or recall any or all members of the Board and elect their successors.

In determining whether Assessments exceed one hundred fifteen percent (115%) of similar Assessments for prior years, any authorized provisions for reasonable reserves for repair or replacement of Cooperative Property, anticipated expenses by DPHAI which are not anticipated to be incurred on a regular or annual basis, or Assessments for betterments to the Cooperative Property shall be excluded from the computation.

Within sixty (60) days following the end of the fiscal year, the Board shall mail or furnish by personal delivery to each Unit Owner a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amount of receipts by accounts and receipt classifications and shall show the amount of expenses by accounts and expense classifications including, but not limited to: costs of security, professional and management fees and expenses, taxes, costs for recreational facilities, expenses for refuse collection and utility services, expenses for lawn care, costs for building maintenance and repair, insurance costs, administrative and salary expenses, general reserves, maintenance reserves, and depreciation reserves.

ARTICLE XIV COSTS AND ASSESSMENTS

Section 1: Costs. All costs of operating, debt retirement, interests, other expenses and a reserve fund shall be shared equally by the holders of outstanding shares.

Section 2: Assessments. All Assessments shall be made monthly in amounts sufficient to provide funds in advance for payment of all anticipated current operating expenses and for all unpaid operating expenses previously incurred and collected monthly and shall specify what portion is to cover debt retirement and what portion is to cover maintenance and other costs.

Section 3: Late Fees. The Board may establish and enforce the payment of late fees for Assessments not paid within five (5) calendar days from their due date.

Section 4: The Board may enforce the payment of Assessments, Common Expenses, fees properly imposed by the Board, and interest that has accrued on such unpaid Assessments and fees by any method provided by law, including but not limited to the filing of a claim of lien, foreclosure of the owner's interest in DPHAI, and a civil suit for damages. The choice

of any remedy by the Board does not constitute an election or the waiver of any remedy. Any lien established by DPHAI shall also secure reasonable attorney's fees incurred by DPHAI incident to enforcement of such lien. In any foreclosure, the Unit Owner shall pay a reasonable rent for the Cooperative Parcel. If any Assessment is not paid within thirty (30) days after the delinquency date, which shall be set by the Board, the Assessment shall bear interest from the date due at the maximum legal rate, and DPHAI may at any time thereafter bring an action to foreclose the lien against the Unit Owner in a like manner as a foreclosure of a mortgage on real property, or a suit on the personal obligation against the Unit Owner, and there shall be added to the amount of such Assessment the cost of preparing and filing the complaint in such action, including reasonable attorney's fees, and in the event that a judgment is obtained, such judgment shall include interest on the Assessments as provided and a reasonable attorney's fee to be fixed by the Court, together with costs of the action.

Section 5: Subordination to lien of mortgage. The lien of the Assessments for which provision is herein made, as well as in any other article of these Bylaws, shall be subordinate to the lien of any first mortgage to a federal or state chartered bank, mortgage company, life insurance company, federal or state savings and loan association or real estate investment trust which is perfected by law prior to the enforcement of a claim of lien for any such unpaid Assessments by DPHAI. Such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such Unit by deed in lieu of foreclosure of such Unit or pursuant to a decree of foreclosure, and in any other proceeding in lieu of foreclosure of such mortgage, provided, however, any such Unit shall be liable, following such sale, for a pro rata share of any unpaid Assessments against such Unit accruing prior to such sale, in common with all other unit owners. No sale or transfer shall relieve any Unit owner from liability for any Assessments thereafter becoming due, or from the lien of any such subsequent Assessment. The written opinion of DPHAI that the lien is subordinate to a mortgage shall be dispositive of any question of subordination.

ARTICLE XV ARBITRATION

Internal disputes among Unit Owners, DPHAI and their agents and assigns must be subject to mandatory binding arbitration in accordance with § 719.1255, *Florida Statutes*, as the same may be amended from time to time.

ARTICLE XVI SALE OF PARK

In the event that a bona fide offer is made to DPHAI for the purchase of the Park subject to the Master Occupancy Agreement, DPHAI shall notify the Unit Owners in writing ten (10) days after receipt of said bona fide offer. The notice shall contain the name of the proposed Purchaser and the terms of the offer. DPHAI shall also call a Special Meeting of the Unit Owners, as specified by these Bylaws, for the sole purpose of determining whether or not DPHAI shall accept said offer. At the Special Meeting, a vote shall be taken of the Unit Owners indicating whether the Unit Owners approve of such Sale. In order for DPHAI to accept and enter into the bona fide offer, DPHAI must receive the approval of eighty (80%) percent of the Unit Owners.

ARTICLE XVII
CONTROL OF DOCUMENTS

In the event of a conflict between these Bylaws, and the Articles, Master Occupancy Agreement, or Rules, the order of control is as follows: the Articles control over the Bylaws, Master Occupancy Agreement or Rules; the Bylaws control over the Master Occupancy Agreement or Rules; the Rules control over the Master Occupancy Agreement.

Adopted by DPHAI on January 21, 2015