



**BY-LAWS
OF
BAY RUN HOMEOWNERS' ASSOCIATION, INC.
A NONPROFIT CORPORATION**

1. Definitions. When used in these By-laws, the terms defined in Article III of the Articles of Incorporation of the BAY RUN HOMEOWNERS' ASSOCIATION, INC. ("the Articles") shall have the same meanings as in the Articles.

2. Identity. These are the By-laws of BAY RUN HOMEOWNERS' ASSOCIATION, INC., a corporation not for profit organized pursuant to Chapter 720 (formerly Chapter 617), Florida Statutes (the "Association").

2.1 Fiscal Year. The fiscal year of the Association shall be October 1st through September 30th.

2.2 Seal. The seal of the Association shall bear the name of the corporation, the word, "Florida", the words, "Corporation not for profit", and the year of incorporation.

3. Members.

3.1 Qualification. The foregoing is not intended to include persons or entities who hold an interest merely as security for performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of the Parcel.

3.2 Change of Membership. Change of membership in the Association shall be established by recording in the Public Records of Orange County, Florida, a deed or other instrument establishing record title to Parcel under the jurisdiction of the Association. The Owner designated as grantee by such instrument thus becomes a Member of the Association and the membership of the prior owner is terminated. The new Owner shall notify the Association of such property transfer and furnish the Association a copy of the recorded deed, the new Owners's address, and the Owner's local agent, if any, in the event that the Owner is located outside the State of Florida. Any notice requirements set out in these By-laws and in the Articles shall be deemed to be complied with if notice to an Owner is directed to the address of said Owner as then reflected in the Association's records.

3.3 Voting Rights. Voting rights of each Member of the Association shall be as set forth in the Master Declaration and the Articles, and the manner of exercising such voting rights shall be as set forth in the By-laws.

3.4 Designation of Voting Representative. If a Parcel is owned by one person or entity, its rights to vote shall be established by the record title to the Parcel. If a Parcel is owned by more than one person or entity, the person entitled to cast the votes for the Parcel shall be designated and filed with the Secretary of the Association at the annual meeting. If a Parcel is owned by a general or limited partnership, the person entitled to cast the votes for the Parcel shall be designated by a certificate of appointment signed by one of the general partners and filed with the Secretary of the Association. If a Parcel is owned by a corporation, the person entitled to cast the votes for the Parcel shall be designated by a certificate of appointment signed by the President or Vice President of the corporation and filed with the Secretary of the Association. If a Parcel is owned in trust, the person entitled to vote for the Parcel shall

be designated by a certificate of appointment signed by the trustee of record for the trust and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superceded by a subsequent certificate or until a change in the ownership of the Parcel concerned. A certificate designating the person entitled to cast the votes of a Parcel may be revoked in writing by any Owner thereof. Provided, however, that no Parcel shall vote in excess of the voting rights allocated to that Parcel pursuant to the Master Declaration.

3.5 Approval or Disapproval of Matters. Whenever the decision of an Owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the votes of such Owner if at an Association meeting, unless the joinder of record Owners is specifically required by the Master Declaration, the Articles, or by these By-laws.

3.6 Restraint Upon Assignment of Shares in Assets. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to that Owner's Parcel.

4. Members Meetings.

4.1 Annual Member's Meetings. The annual Members meeting shall be held in Orange County during the month of March each year for the purpose of appointing directors and of transacting any other business authorized to be transacted by the members.

4.2 Special Members Meetings. Special meetings of the Members may be called by any one of the following persons or groups:

- (a) The Board of Directors, or
- (b) The holders of not less than one-fourth (1/4) of all votes of the membership.

4.3 Notice of All Meetings of Members. Written notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered to each Member entitled to vote at such meeting not less than ten (10) or more than sixty (60) days before the date of the meeting, either personally or by first class mail by or at the direction of the President, the Secretary, or the officer, or persons calling the meeting. If the notice is mailed at least thirty (30) days before the date of the meeting, it may be done by a class of United States mail other than first class. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears in the books of the Association, with postage thereon prepaid.

4.4 Quorum. Quorum at the Members meetings shall consist of a majority of all votes in the Association, whether represented in person or by proxy. If a quorum is present, the affirmative vote of a majority of votes represented at a meeting and entitled to vote on the subject matter shall constitute the acts of the Members, except when approval by a greater number of Members is required by the Master Declaration, a Supplemental Declaration, these By-laws or the Articles. After a quorum has been established at a Members meeting, the subsequent withdrawal of Members so as to reduce the number of votes at the meeting below the number required for a quorum shall not affect the validity of any action taken at the meeting or any adjournment thereof. If any proposed meeting cannot be organized because a quorum has not been attained, the meeting may be adjourned to another time or place. The voting interest of the Association required to constitute a quorum at the new time or place of the adjourned meeting shall be reduced by 50%; it being intended that in the event a majority quorum cannot be

obtained at any meeting of the Members, that the quorum requirements be reduced for the purposes of the new meeting in order to conduct the business of the original meeting. The quorum of any adjourned meeting shall not be reduced to less than 25% of the entire voting membership.

4.5 Proxies. Every Member entitled to vote at a meeting of Members or to express consent or dissent without a meeting, or his duly authorized attorney-in-fact, may authorize another person or persons to act for him by proxy. Every proxy must be signed by the Member or his attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it and shall expire upon the transfer of title to the Parcel giving rise to the voting rights to which the proxy pertains. The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the Member who executed the proxy unless, before the authority exercised, written notice of an adjudication of such incompetence or of such death is received by the Association officer responsible for maintaining the list of Members.

4.6 Adjourned Meetings. When a meeting is adjourned to another time or place it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting which the adjournment is taken, and any business may be transacted at the adjourned meeting that might have been transacted on the original date of the meeting. 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 in compliance with these By-laws to each Member on the new record date entitled to vote at such meeting.

4.7 Order of Business. The order of business at annual Members meetings, and as far as practical at all other Members meetings, shall be:

- (a) Calling of the roll and certifying of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Report of officers.
- (e) Reports of Committees.
- (f) Appointment of directors.
- (g) Unfinished business.
- (h) New business.
- (i) Adjournment.

4.8 Minutes of Meetings. The Association shall maintain minutes of each meeting of the membership and of the Board of Directors in a businesslike manner. The minutes shall be kept in a book available for inspection by Members or their authorized representatives at any reasonable time. The Association shall retain these minutes for a period of seven (7) years.



5. Board of Directors.

5.1 Number. The affairs of the Association shall be managed by a Board comprised of five (5) directors. The number of Directors may be increased from time to time. In the event that the number of directors is changed, such change in number shall be implemented by the Board of Directors or by plurality vote by the members in the upcoming annual meeting.

5.2 Term of Office. The Members shall elect the directors as provided in the Declaration of Covenants and Restrictions. Each director shall hold office for the term of one (1) year which he is elected or until his successors shall have been elected and qualified or until his earlier resignation, removal from office or death.

5.3 Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members. In the event of the death, resignation or removal of a director, his successor shall be selected by the remaining directors and shall serve for the unexpired term of his predecessor.

5.4 Directors Fees. Directors shall serve without compensation or fees; provided, however, nothing herein shall be deemed to prevent reimbursement of out-of-pocket expenses approved by the Board and incurred on behalf of the Association.

5.5 Election. Election to the Board of Directors shall be by written ballot as hereinafter provided. At such election, the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles. The names receiving the largest number of Votes for each vacancy shall be elected.

5.6 Nominations. Candidates for election to the Board of Directors shall be nominated by the members at the floor of the annual meeting.

5.7 Ballots. All elections to the Board of Directors shall be made on written ballot, which shall: (a) describe the vacancies to be filled; (b) contain a space for a write-in vote.

5.8 Number of Ballots. Each Member shall receive as many ballots as it has votes. Notwithstanding that a Member may be entitled to several votes, it shall exercise on any one ballot only one vote for each vacancy shown thereon. The completed ballot shall be returned to the Secretary or designee at the annual meeting.

6. Meetings of Directors.

6.1 Regular Meetings. Regular meeting of the Board of Directors shall be held at least quarterly with notice at such place and hour as may be fixed from time to time by resolution of the Board. Regular meetings of the Board of Directors shall be open to the Members.

6.2 Special Meetings. Special meetings of the Directors may be called by the President of the Association, or by any two (2) directors. No less than (2) days notice of the special meeting shall be given to each director personally or by first-class mail telegram, or cablegram, which notice shall state the time, place and purpose of the meeting. Except in the case of any emergency, notice of such meetings shall be posted conspicuously on the Properties forty-eight (48) hours in advance for the attention of the Members. All special meetings of the Board of Directors shall be open to the Members.



6.3 Action Taken Without a Meeting. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice of a quorum is present and, if either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to the holdings of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the Association's records and made a part of the minutes of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

6.4 Defects in Notice, etc. Waived by Attendance. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver if any and all objections to the place of the director states, at the beginning of the meeting, any objection to the transaction of business because the meeting is not lawfully called or convened. Directors may participate in a meeting of such Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participants by such means shall constitute presence in person at a meeting.

6.5 Quorum. A quorum at directors meetings shall consist of a majority of all votes of the entire Board of Directors. The acts approved by a majority of those votes represented at a meeting at which a quorum is present shall constitute the act of the Board of Directors, except where approval by a greater number of directors is required by the master Declaration, a Supplemental Declaration, the Articles, or these By-laws.

6.6 Adjourned Meetings. A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another time and place. Notice of any such adjourned meeting shall be given to the directors who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors.

6.7 Action By Directors Without a Meeting. Any action required to be taken at a meeting of the directors or a committee thereof, may be taken without a meeting if a consent in writing setting forth the action so to be taken signed by all of the directors or all the members of the committee, as the case may be, as filed in the minutes of the proceedings of the Board or of the committee. Such consent shall have the same effect as a unanimous vote.

6.8 Presiding Officer. The presiding officer of directors meetings shall be the President. In the absence of the President, the Vice President shall preside, and in the absence of both, the directors present shall designate one of their numbers to preside.

6.9 Powers and Duties of the Board of Directors. All of the powers and duties of the Association existing under Chapter 720, Florida Statutes, the Master Declaration, a Supplemental Declaration, the Articles, and these By-laws, shall be exercised by the Board of Directors, subject only to approval by Members when such is specifically required.

7. Officers.

7.1 Officers and Election. The executive officers of the Association shall be a President, who shall be selected from the Board of Directors, a Vice President, who also shall be selected from the Board of Directors, a Treasurer, and a Secretary, all of who shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting. Any person may hold two or more offices except that the President shall not also be the Secretary. The Board of



Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find necessary or convenient to manage properly the affairs of the Association.

7.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of an Association, including but not limited to the power to appoint committee from among the Members from time to time as he may in his discretion determine appropriate to assist in the conduct of the affairs of the Association. He shall serve as chairman of all Board and Members meetings.

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

7.4 Secretary. The Secretary shall keep the minutes of all proceedings of the directors and the Members. He shall attend to the giving and serving of all notices to the Members and directors and other notice required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the Secretary of an association and as many be required by the directors or the President. The duties of the Secretary may be fulfilled by a manager employed by the Association.

7.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices and provide for collection of assessments; and he shall perform all other duties incident to the office of Treasurer. The duties of the Treasurer may be fulfilled by a manager employed by the Association.

8. Books and Records. The books, records and papers of the Association shall at all time during reasonable business hours, be subject to inspection by any Member, The Master Declaration, any Supplemental Declaration, the Articles and the By-laws of the Association shall be available for inspection by any Member at the principle office of the Association, where copies may be purchased at reasonable cost.

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

9.1 Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications and any other classifications as shall be appropriate, when authorized and approved by the Board of Directors. The receipts shall be entered by their amounts and by accounts and receipt classifications. Expenses shall be entered by their amounts and by accounts and expense classifications.

(a) Current Expense. The Current expense account shall include all receipts and expenditures to be made within the year for which the expenses are budgeted and may include a reasonable allowance for contingencies and working funds. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year or to fund reserves. This may include but not be limited to:

- (1) Professional, administration and management fees and expenses;
- (2) Taxes on Common Property or Village Common Property;



(3) Expense for utility services and maintenance expense relating to the Areas of Common Responsibility, Common Property and Village Common Property;

(4) Insurance Costs;

(5) Administrative and Salary expenses;

(6) Operating Capital; and

(7) Other Expenses.

(b) Reserve for the Deferred Maintenance. If required by the Board of Directors, there shall be established a reserve account for deferred maintenance which shall include funds for majority maintenance items which are the obligation of the Association and which occur less frequently than annually.

(c) Reserve for Replacement. If required by the Board of Directors, there shall be established a reserve account for replacement which shall include funds for repairs or replacements which the Association is obligated to make resulting from damage, depreciation or obsolescence.

9.2 Budget. The Board of Directors shall adopt an operating budget for the Properties in advance for each fiscal year which shall include the estimated funds required to defray the current expenses and shall provide funds for the foregoing reserves.

9.3 Depository. The depository of the Association will be such banks in Orange County, Florida, as shall be designated from time to time by the directors. The withdrawal of monies from such accounts shall be only by checks signed by such persons as authorized by the directors; provided, however, that the provisions of a management agreement between the Association and a manager relative to the subject matter of this section shall supercede the provisions hereof.

10. Parliamentary Rules. When necessary to maintain order, Roberts Rules of Order (late edition) shall govern the conduct of Association meetings, when not in conflict with these By-laws.

11. Amendment. Amendments to these By-laws shall be proposed and adopted in the following manner:

11.1 Resolution. The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of Members, which may be either the annual or a special meeting.

11.2 Notice. Within the time and in the manner provided in these By-laws for the giving of meeting of Members, written notice setting forth the proposed amendment or a summary of the changes to be affected thereby shall be given to each Member of record entitled to vote thereon. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

11.3 Vote. At such meeting, a vote of the Members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the both the affirmative a vote of majority of the Members qualified to vote.

11.4 Multiple Amendments. Any number of amendments may be submitted to the Members and voted upon by them at one meeting.

11.5 Agreement. If all of the directors and the majority of the Members eligible to vote sign a written statement manifesting their intention that an amendment to these By-laws be adopted, then the amendment shall thereby be adopted as though Subsections 11.1 through 11.3 had been satisfied.

11.6 Action Without Directors. The Members may amend these By-laws, without an act of the directors, at a meeting for which notice of changes to be made is given.

11.7 Recording. A copy of each amendment shall be recorded in the Public Records of Orange County, Florida, as soon as possible after adoption.

11.8 Proviso. No amendment shall make any changes in the qualifications for membership nor the voting rights of Members without approval in writing by all Members. No amendment shall be made that is in conflict with Chapter 720, Florida Statutes, or with the Master Declaration or Articles of Incorporation.

12. Pronouns. Whenever the context permits, the singular shall include the plural and one gender shall include all.

The foregoing were adopted as the By-laws of BAY RUN HOMEOWNERS' ASSOCIATION, INC., a nonprofit corporation established under the laws of the State of Florida.



IN WITNESS WHEREOF, the parties hereto have set their hands and seal this _____ day of _____, 2002.

WITNESSES

Signed in the presence of:

Signature: Julie Solis

Print Name: Julie Solis

Signature: Laura M. Muellehoff

Print Name: Laura M. Muellehoff

ASSOCIATION:

BAY RUN HOMEOWNER'S ASSOCIATION, INC., a Florida corporation not-for-profit

By: Philip W. Perreault

Print Name: Philip W. Perreault

Title: President Bay Run Homeowners Association

(CORPORATE SEAL)

STATE OF FLORIDA
COUNTY OF ORANGE

I HEREBY CERTIFIED, that on this day, before me an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgements, personally appeared ROBERT SMITH, to me known to as the President of BAY RUN HOMEOWNERS ASSOCIATION, INC., a Florida Not-For-Profit Corporation on behalf of the association, and to me known to be the person described in and who executed the foregoing instrument, and he acknowledged before me that he executed the same.

WITNESS my hand and official seal in the County and State last aforesaid the 30 day of September, 2002.

Robert Palmer
NOTARY PUBLIC

My Commission Expires:

