

ADOPTED
AMENDED AND RESTATED BY-LAWS
OF
THE GABLES CONDOMINIUM ASSOCIATION, INC.
SUBSTANTIAL REWORDING OF BY-LAWS - SEE CURRENT
BY-LAWS FOR CURRENT TEXT

1. **IDENTITY** - These are the By-Laws of The Gables Condominium Association, Inc., a nonprofit Florida Corporation formed for the purpose of administering the Gables, a Condominium which is located at Pinellas, County, Florida, upon the lands described in the Declaration of Condominium. (The corporation shall hereafter be referred to as the "Association".)

1.1. **OFFICE** - The office of the Association shall be at the Condominium or such other location within the County as may from time to time be determined by the Board of Directors.

1.2. **FISCAL YEAR** - The fiscal year of the Association shall be the calendar year, unless otherwise determined by the Board of Directors.

1.3. **SEAL** - The seal of the Association shall bear the name or abbreviated name of the Association, the word "Florida," the year of establishment, and shall identify the Association as a not-for-profit corporation.

1.4. **DEFINITIONS** - All terms used in these By-Laws shall have the same meaning, to the extent applicable as set forth in the Declaration of Condominium for The Gables, a Condominium and the Florida Condominium Act, both as amended from time to time.

2. MEMBERS' MEETINGS

2.1. **ANNUAL MEETINGS** - Annual members' meetings shall be held at the Condominium or at such other convenient location as may be determined by the Board of Directors in the month of January of each year, or as otherwise determined by the Board for the purpose of transacting any business authorized to be transacted by the members.

2.2. **SPECIAL MEETINGS** - Special member's meetings shall

be held whenever called by the President, Vice President or by a majority of the Board of Directors and when requested by written notice from 25% of the Association voting interests. Members meetings to recall a member or members of the Board of Directors may be called by 10% of the Association voting interests giving notice of the meeting and stating the purpose of the meeting pursuant to F.S. 718.112(2)(k)(1991), or as amended from time to time.

2.3. NOTICE OF MEMBERS' MEETINGS - Notice of all members meetings shall be sent to each unit owner by United States mail, unless waived in writing, at least 14 days prior to the meeting, provided however, that any members meeting or election at which one or more Directors are to be elected must be noticed as provided for in Section 2.4 next following. An officer of the Association shall execute an affidavit of mailing per F.S. 718.112 (2) (d) (2), and as the same may be amended from time to time, which shall be retained in the official records of the Association as proof of such mailing. Notice of a meeting of members, stating the time and place and the purpose(s) for which the meeting is called, shall be given by the president or secretary. The notice shall include an agenda for all known substantive matters to be discussed, or have such an agenda attached to it. A copy of the notice, and agenda, shall be posted at a designated location on the Condominium Property not less than 14 days prior to the date of the meeting. The Board, upon notice to unit owners, shall by rule designate a specific location on the condominium property upon which all notices of unit owner meetings shall be posted.

Notice of specific meetings may be waived before the meeting and the attendance of any member (or person authorized to vote for such member) shall constitute such member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

2.4. BOARD OF DIRECTORS ELECTION MEETINGS - NOTICE AND ←

PROCEDURE - The regular election shall occur on the date of the annual meeting.

2.4.1. Not less than 60 days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of the election. Any member desiring to be a candidate for the board of administration shall give written notice to the Secretary of the Association not less than 40 days before scheduled election. Not less than 30 days before the election, the Association shall then mail or deliver a second notice of the election to all unit owners entitled to vote therein, together with a written ballot which shall include an information sheet, no larger than 8 1/2 inches by 11 inches furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association. The election of Directors shall occur on the same day as the annual meeting. As to items to be considered at the meeting other than the election of Directors, the notice and agenda shall comply with Section 2.3 above.

2.4.2. At the discretion of the Board of Directors, either ballots or a voting machine will be available for use owners in connection with the election of Directors. A unit owner who needs assistance in voting due to blindness, disability or inability to read or write may obtain assistance but no unit owner shall permit another person to cast his ballot for electing Directors and any such ballots improperly cast shall be deemed invalid.

2.4.3. There is no quorum requirement or minimum number of votes necessary for election and elections shall be decided by a plurality of those votes cast.

2.4.4. The Board of Directors may appoint a committee to explain the role of Board members, encourage eligible persons to volunteer to serve on the Board, and generally strive to ensure that a sufficient number of candidates will respond to the

first election notice to allow all vacancies to be filled.

2.5. QUORUM - A quorum at members' meetings shall consist of persons entitled to cast a majority of the voting interests of the entire membership. Decisions made by a majority of the voting interests represented at a meeting at which a quorum is present in person or by proxy shall be binding and sufficient for all purposes except such decisions as may be required by F.S. 718 or the Condominium Documents require a larger percentage in which case the percentage required in F.S. 718 or the Condominium Documents shall govern.

2.6. INDIVISIBLE VOTE - Each unit shall have one indivisible vote. If multiple owners of a unit cannot agree on a vote, the vote shall not be counted as to the issue upon which disagreement exists. Voting certificates are not authorized.

2.7. PROXIES - Votes may be cast in person or by proxy. Proxies shall be in writing, signed and dated and shall be valid only for the particular meeting designated therein or an adjournment thereof, but in no event for more than 90 days, and must be filed with the Association before or at the voter registration immediately preceding the meeting. Except as specifically otherwise provided by law, unit owners may not vote by general proxy, but may vote by limited proxies substantially conforming to a limited proxy form adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes. Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes regarding reserves; for votes taken to waive financial statement requirements; for votes taken to amend the Declaration; for votes taken to amend the Articles of Incorporation or By-Laws; and for any other matter which F.S. 718 requires or permits a vote of the unit owners. No proxy, limited or general, shall be used in the election of Board members. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for nonsubstantive changes to items for which a limited proxy is required and given. An executed telegram or cablegram appearing to

have been transmitted by the proxy giver, or a photographic, photostatic, facsimile or equivalent reproduction of a proxy is a sufficient proxy. Owners may retroactively cure any alleged defect in a proxy by signing a statement ratifying the owner's intent to cast a proxy vote.

2.8. NO QUORUM - If any meeting of members cannot be organized because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.9. ORDER OF BUSINESS - The order of business at annual members' meetings and, as far as applicable at all other members' meetings, shall be:

- (a) Call to order by the President;
- (b) At the discretion of the President, appointment by the President of a chairman of the meeting (who need not be a member or a director);
- (c) Appointment of inspectors of election;
- (d) Election of Directors; (The election shall take place even if there is not a quorum present), provided however that the Board may elect to hold the election before the appointed time of the annual meeting (but on the same day) and shall publish the results of the election at the annual meeting.
- (e) Calling of the roll, certifying of proxies and absentee ballots, and determination of a quorum; or, in lieu thereof, certification and acceptance of registration procedures establishing the number of persons present in person or by proxy;
- (f) Proof of notice of the meeting or waiver of notice;
- (g) Disposal of unapproved minutes;
- (h) Reports of Officers;
- (i) Reports of Committees;
- (j) Unfinished business;
- (k) New business;
- (l) Adjournment.

2.10. Action without a meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any annual or special meeting of members,

or any action which may be taken at any annual or special meeting of such members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members (or persons authorized to cast the vote(s) of any such member as elsewhere herein set forth) having not less than the minimum number of voting interests that would be necessary to authorize or take such action at a meeting of such members at which a quorum of such members (or authorized persons) entitled to vote thereon were present and voted. Within 10 days after obtaining such authorization, notice thereof shall be sent to members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. Members may also consent in writing to action taken at a meeting, by providing a written statement to that effect and their vote shall be fully counted as though they had attended the meeting.

3. BOARD OF DIRECTORS

3.1. NUMBER, TERM, AND QUALIFICATIONS. The affairs of the Corporation shall be governed by a Board composed of not less than three or more than seven Directors. All Directors shall be Members or the spouse of a member. All officers of a corporation, trust, partnership or other such owner shall be deemed to be members so as to be eligible for Board membership. Directors shall be elected by the Voting Interests on the date of the annual meeting for a two year staggered term. The Board shall determine among itself as to the stagger in order to ensure continuity after an election. The term of each Director's service shall extend until their elected term is completed and thereafter until their successor is duly elected and qualified or until the Director is recalled in the manner provided in the Condominium Act or resigns. A seat held by a Director who ceases to be an owner, shall thereby automatically become vacant.

3.2. BOARD VACANCIES - Vacancies in the Board of Directors occurring between annual meetings of members shall be filled by appointment by a majority vote of the remaining Directors

for the remainder of the unexpired term as provided in Article 3.1; provided that a Director who has been recalled by the membership, if the membership does not choose to fill the vacancy by election, may not be appointed to fill the vacancy created by his removal.

3.3. ORGANIZATION MEETING - The organizational meeting of each newly elected Board of Directors to elect officers shall be held at such place and time as shall be fixed by the Directors, provided a quorum shall be present. Unless otherwise noticed, it shall be held immediately following the annual meeting.

3.4. REGULAR MEETINGS - Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings, unless fixed by Board resolution, shall be given to each Director personally or by mail, telephone or telecopier at least three days prior to the day named for such meeting.

3.5. SPECIAL MEETINGS - Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of any two (2) Directors. Not less than three day's notice of the meeting (except in an emergency) shall be given personally or by mail, telephone or telecopier, which notice shall state the time, place and purpose of the meeting.

3.6. WAIVER OF NOTICE - Any Director may waive notice of a meeting before, at or after the meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at a meeting shall constitute waiver of notice of the meeting.

3.7. NOTICE TO OWNERS OF BOARD MEETINGS - Notice of meetings, which notice shall specifically include an agenda, shall be posted conspicuously on the condominium property at least 48 continuous hours in advance for the attention of unit owners, except in an emergency. Meetings at which a regular monthly or quarterly assessment is to be considered shall contain a statement

that assessments will be considered and the nature of such assessments. However, written notice of any meeting at which non-emergency special assessments, or at which amendment to rules regarding unit use will be proposed, discussed, or approved, shall be mailed or delivered to the unit owners and posted conspicuously on the condominium property not less than 14 continuous days prior to the meeting. Evidence of compliance with this 14-day notice shall be by an affidavit executed by the Secretary of the Association and filed among the official records of the Association. The Board shall by rule designate a specific location on the condominium property upon which all notices of Board meetings shall be posted, and shall notify the owners of same.

3.8. OWNER PARTICIPATION IN BOARD AND COMMITTEE MEETINGS - Meetings of the Board of Directors and any committee thereof at which a majority of the members of that committee are present shall be open to all unit owners. The right to attend such meetings includes the right to speak with reference to all designated agenda items provided however, the Association may adopt reasonable rules governing the frequency, duration and manner of unit owner statements.

3.9. BOARD MEETINGS, QUORUM AND VOTING - A quorum at Directors' Meetings shall consist of a majority of the Directors. The acts approved by a majority of Directors present at a meeting shall constitute the acts of the Board. Directors may not vote by proxy or by secret ballot at Board meetings and a vote or abstention for each member present shall be recorded in the minutes. Directors may not abstain from voting except in the case of an asserted conflict of interest. If at any meeting of the Board there be less than a quorum present, the Director(s) present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, which must be properly noticed, any business which might have been transacted at the meeting as originally called may be transacted. Absent Directors may later sign written joinders in Board actions, but such joinders may not be used for purposes of creating a quorum.

3.10. PRESIDING OFFICER - The presiding officer at Directors' meetings shall be the President and in his absence, then the Vice President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

3.11. DIRECTOR COMPENSATION - Directors shall serve without pay but shall be entitled to reimbursement for expenses reasonably incurred.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS - All of the powers and duties of the Association existing under the Florida Corporation Statutes, the Condominium Act, the Declaration of Condominium, the Articles of Incorporation, these By-laws, and the Rules and Regulations of the Association shall be exercised exclusively by the Board of Directors, or its duly authorized agents, contractors, or employees subject only to the approval by unit owners when such is specifically required. Such powers and duties of the Directors shall include, but shall not be limited to, the following:

4.1. TO ADOPT BUDGETS AND MAKE AND COLLECT ASSESSMENTS AGAINST owners to defray the costs of the Association.

4.2. TO USE THE PROCEEDS OF ASSESSMENTS in the exercise of its powers and duties.

4.3. THE MAINTENANCE, REPAIR, REPLACEMENT AND OPERATION of the Condominium property.

4.4. TO ENACT RULES AND REGULATIONS concerning the transfer, use, appearance, occupancy of the units, common elements, and limited common elements subject to any limitations contained in the Declaration of Condominium.

4.5. THE RECONSTRUCTION OF COMMON ELEMENTS IMPROVEMENTS AFTER CASUALTY and further improvement of the property.

4.6. TO APPROVE OR DISAPPROVE PROPOSED TRANSACTIONS in the manner provided by the Condominium Declaration and to charge a preset fee, not to exceed the maximum permissible by law, in connection with such approval. In connection with the lease of units, the Board may require the posting of a security deposit to

protect against damages to the common elements, in the manner provided by law.

4.7. TO ENFORCE by legal means the provisions of applicable laws and the condominium documents, and to interpret said condominium documents, as the final arbiter of their meaning.

4.8. TO CONTRACT FOR MANAGEMENT of the Condominium.

4.9. TO CARRY INSURANCE for the protection of the unit owners and the Association.

4.10. TO PAY THE COST OF ALL UTILITY SERVICES rendered to the Condominium and not billed to owners of individual units.

4.11. TO EMPLOY PERSONNEL and designate other officers for reasonable compensation and grant them such duties as seem appropriate for proper administration of the purposes of the Association.

4.12. TO BRING AND DEFEND SUITS, MAKE AND EXECUTE CONTRACTS, DEEDS, MORTGAGES, NOTES, AND OTHER EVIDENCE OF INDEBTEDNESS, LEASES and other instruments by its officers and to purchase, own, lease, convey and encumber real and personal property. To grant easements and licenses over the condominium property necessary or desirable for proper operation of the Condominium.

4.13. CONTRACTS FOR PRODUCTS AND SERVICES - All contracts for the purchase, lease or renting of materials or equipment, or which are not to be fully performed within one year, and all contracts for services shall be in writing. As to any such contract which requires payment exceeding \$5,000.00 except for contracts with employees of the Association, for attorneys, and for accountants, the Association shall obtain competitive bids unless the products and services are needed as the result of an emergency or unless the desired supplier is the only source of supply within the County serving the Association. The Association need not accept the lowest bid.

5% of Budget

4.14. FINES - The Directors may, pursuant to F.S. 718.303, impose fines against a unit not to exceed the maximum permissible by law, for failure to comply with the provisions of

the condominium documents, including the rules and regulations, by owners, occupants, licensees, tenants and invitees. A fine may be imposed for each day of continuing violation with a single notice and opportunity for hearing, provided that no fine shall in the aggregate exceed \$1,000.00, or such maximum amount as is permissible by law.

4.15. The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:

1. A statement of the date, time and place of the hearing;
2. A statement of the provisions of the Declaration, Articles of Incorporation, By-laws, or Rules and Regulations which have allegedly been violated; and
3. A short and plain statement of the matters asserted by the association.

4.16. The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the association. Should the Association be required to initiate legal proceedings to collect a duly levied fine, the prevailing party in an action to collect said fine shall be entitled to an award of costs, and a reasonable attorney's fee incurred before trial, at trial, and on appeal.

4.17. COMMITTEES - The Directors may appoint committees. All committees and committee members shall serve at the pleasure of the Board. All committees of the Association shall conduct their affairs in the same manner as provided in these By-Laws for Board of Director meetings, provided however, that committees may meet and conduct their affairs in private without prior notice or owner participation, if (1) the Board of Directors has determined that it is in the best interests of the Association, including but not

limited to, a consideration by the Board of pending adversarial matters, and (2) such meetings and activities are lawful.

4.18. FIRE SAFETY COMPLIANCE - The Directors may accept a Certificate of Compliance from a licensed electrical contractor or electrician as evidence of compliance of the condominium units with the applicable Fire and Life Safety Code.

4.19. HURRICANE SHUTTERS - The Board of Directors shall adopt hurricane shutter specifications for each building within the condominium which shall include color, style, and other factors deemed relevant by the Board. All specifications adopted by the Board shall comply with the applicable building code, or shall be structured to ensure that installed shutters are in compliance with the applicable building code. The Board shall not refuse to approve the installation or replacement of hurricane shutters conforming to the specifications adopted by the Board.

5. OFFICERS

5.1. EXECUTIVE OFFICERS - The executive officers of the Association shall be the President, the Past President (when appropriate) one or more Vice Presidents, a Secretary, a Treasurer, and such assistant officers as may be desired, all of whom shall be elected annually by and from the Board of Directors, and who may be peremptorily removed by a majority 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. Assistant officers need not be Directors.

5.2.1. PRESIDENT - POWERS AND DUTIES - The President shall be the chief executive officer of the Association, shall preside at all meetings of the Board of Directors and Association meetings. The President shall have general supervision over the affairs of the Association and shall have all of the powers and duties which are usually vested in the office of President of a corporation.

5.2.2 IMMEDIATE PAST PRESIDENT - POWERS AND DUTIES - THE IMMEDIATE PAST PRESIDENT of The Association shall, at the conclusion of his term in office, assume the office of Past

President. The primary function of the Past President shall be to provide continuity from his administration to that of his successor and be a source of information, guidance and inspiration to all officers of the Association. President shall be the chief executive officer of the Association, shall preside at all meetings of the Board of Directors and Association meetings. The President shall have general supervision over the affairs of the Association and shall have all of the powers and duties which are usually vested in the office of President of a corporation.

5.3. VICE-PRESIDENT - POWERS AND DUTIES - 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.

5.4. SECRETARY - POWERS AND DUTIES - The Secretary shall keep the minutes of all proceedings of the Directors and the members; Shall attend to the giving and serving of all notices to the members and Directors and other notices required by law; Shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed; Shall keep and have custody of the records of the Association, except those of the Treasurer; and Shall perform all other duties incident to the office of Secretary of the Association and as may be required by the Directors or the President.

5.5. TREASURER - POWERS AND DUTIES - The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness; Shall keep the assessment rolls and accounts of the members; Shall keep the books of the Association in accordance with good accounting practices; perform such other duties as may be prescribed by the Board or the President and shall perform all other duties incident to the office of the Treasurer of a corporation. The Treasurer shall be bonded by the Association. The duties of the Treasurer may be performed by a manager pursuant to the terms of any Management Agreement with

the Association.

5.6. OFFICERS COMPENSATION - Officers shall not be entitled to compensation for service as such, but shall be entitled to reimbursement of expenses reasonably incurred. This provision shall not preclude the Board of Directors from employing an Officer or Director as an agent or employee of the Association.

5.7. INDEMNIFICATION -

5.7.1. Indemnity. The Association shall indemnify any officer, director or committee member who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, officer or committee member of the Association, against expenses (including attorney's fees and appellate attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) a court of competent jurisdiction finally determines, after all appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court also determines specifically that indemnification should be denied. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. It is the intent of the membership of the Association, by the adoption of this provision, to provide the most comprehensive indemnification possible to their officers, directors and committee members as permitted by Florida law.

5.7.2. To the extent that a director, officer, or committee member of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 5.7.1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees and appellate attorney's fees) actually and reasonably incurred by him in connection therewith.

5.7.3. Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the affected director, officer, or committee member to repay such amount unless it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized by this Article 5.7.

5.7.4. Miscellaneous. The indemnification provided by this Article 5.7 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of members or otherwise, and shall continue as to a person who has ceased to be a director, officer, or committee member and shall inure to the benefit of the heirs and personal representatives of such person.

5.7.5. Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, employee or agent of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

5.7.6. Amendment. Anything to the contrary herein notwithstanding, the provisions of this Article 5.7 may not be amended without the approval in writing of all persons whose interest would be adversely affected by such amendment.

5.8. DELEGATION - To the extent permitted by law, the powers and duties of the directors and officers may be delegated for the purpose of management.

6. MINUTES AND INSPECTION OF RECORDS - Minutes of all meetings of unit owners and of the Board of Directors shall be kept in a businesslike manner and shall be reduced to written form within thirty (30) days and these, plus records of all receipts and expenditures and all other official records, as defined in F.S. 718.111(1991) and as amended from time to time, shall be available for inspection by unit owners and Board members at all reasonable times. Provided, however, that the Directors may adopt reasonable rules regarding the frequency, time, location, notice and manner of record inspections and any copying.

7. FISCAL MANAGEMENT - Shall be in accordance with the following provisions:

7.1. BUDGET - A proposed annual budget of common expenses shall be prepared by the Board of Directors which shall include all anticipated expenses for operation, maintenance and administration of the Condominium including insurance, management fees, if any, and which may include expenses of in-house communications and security, bulk cable television, and which shall include reserves per F.S. 718.112(2)(F)(2)(1991) or as amended, which may later be waived by the owners. The Board may elect to propose to submit the question of waiving reserves to a unit owner vote at the annual meeting, in which case, such waiver may be retroactive to the beginning of the fiscal year. Reserve funds and any accrued interest on the funds 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 the Association, or by the written approval of a majority of the voting interests. The budget will contain a reasonable allowance for contingencies and provide funds for all unpaid operating expenses previously incurred. If at any time a budget shall prove insufficient, it may be amended by the Board of Directors for the

remaining portion of the fiscal year, provided that notice of the Board meeting at which the revised budget will be considered along with a copy of the proposed revisions to the budget shall be mailed to each member as provided in Article 7.2 hereof.

7.2. MAILING - A copy of the proposed annual budget shall be mailed to the unit owners not less than 14 days prior to the meeting of the directors at which the budget will be adopted together with a notice of the meeting.

7.3. ASSESSMENTS - The shares of the unit owners of the common expenses may be made payable in installments due monthly or quarterly (as determined by the Board) in advance and shall become due on the first day of each such period and which shall become delinquent 10 days thereafter. The Association shall have the right to accelerate assessments of an owner delinquent in the payment of common expenses. Accelerated assessments shall be due and payable on the date a claim of lien is filed and may include the amounts due for the remainder of the fiscal year for which the claim of lien was filed.

7.4. SPECIAL ASSESSMENTS - Assessments for common expenses which are not provided for and funded in the Budget or an amendment to the Budget may be made by the Board of Directors, and the time of payment shall likewise be determined by them. Notice of the Board meeting at which such assessments shall be considered shall be posted and mailed to each unit owner as provided in Article 3.6 hereof. The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice. However, upon completion of such specific purpose or purposes, any excess funds will be considered common surplus, and may, at the discretion of the Board, either be returned to the unit owners or applied as a credit towards future assessments.

7.5. ASSESSMENT ROLL - The assessments for common expenses and charges shall be set forth upon a roll of the units which shall be available for inspection at all reasonable times by unit owners. Such roll shall indicate for each unit the name and

address of the owner, and the assessments and charges paid and unpaid. A certificate made by a duly authorized representative of or by the Board of Directors as to the status of a unit's account may be relied upon for all purposes by any person for whom made.

7.6. LIABILITY FOR ASSESSMENTS AND CHARGES - A unit owner shall be liable for all assessments and charges coming due while the owner of a unit, and such owner and owner's grantees after a voluntary conveyance shall be jointly and severally liable for all unpaid assessments and charges due and payable up to the time of such voluntary conveyance. Liability may not be avoided by waiver of the use or enjoyment of any common elements or Association property or by abandonment of the unit for which the assessments are made. Where an institutional mortgagee holding a first mortgage of record obtains title to a unit by foreclosure, such mortgagee and its successors and assigns shall only be liable for such unit's assessments, charges or share of the common expenses which became due prior to acquisitions of title as provided in the Florida Condominium Act, as amended from time to time.

7.7. LIENS FOR ASSESSMENTS - The unpaid portion of an assessment including an accelerated assessment which is due, together with all costs, interest, late fees, and reasonable attorneys' fees for collection, including appeals, shall be secured by a lien upon the unit and all appurtenances thereto when a notice claiming the lien has been recorded by the Association in accordance with the requirements of Florida Statute 718.116, or as amended from time to time.

7.8 LIEN FOR CHARGES - Unpaid charges which are due together with costs, interest, late fees, and reasonable attorney's fees including appeal, for collection shall be secured by a common law lien upon the unit and all appurtenances thereto when a notice claiming the lien has been recorded by the Association.

7.9. COLLECTION - INTEREST; ADMINISTRATIVE LATE FEE; APPLICATION OF PAYMENTS - Assessments or charges paid on or before ten days after the date due shall not bear interest, but all sums

not paid on or before ten days shall bear interest at the highest lawful rate (now 18% per annum) from the date due until paid. In addition to such interest the Association may charge an administrative late fee in an amount not to exceed the greater of \$25.00 or 5% of each installment of the assessment for which payment is late, or the maximum late fee permissible by law. All payments upon account shall be first applied to interest, then the late fee, then to any costs and reasonable attorney's incurred and then to the assessment payment first due. All interest collected shall be credited to the common expense account.

7.10. COLLECTION - SUIT - The Association, at its option, may enforce collection of delinquent assessments or charges by suit at law, by foreclosure of the lien securing the assessments, or by any other remedy available under the laws of the State of Florida, and in any event the Association shall be entitled to recover the payments which are delinquent at the time of collection, judgment or decree, together with those which have become due by acceleration plus interest thereon and all costs incident to the collection and the proceedings, including reasonable attorneys' fees, including appeals. The Association must deliver or mail by certified mail to the unit owner a written notice of its intention to foreclose the lien as provided by law.

7.11. ACCOUNTS - All sums collected from assessments or charges shall be credited to accounts from which shall be paid the expenses for which the respective assessments or charges are made.

7.12. ASSOCIATION DEPOSITORY - The depository of the Association shall be a bank or banks or state or federal savings and loan associations (or other financial institutions as defined in F.S. 655.005 [1991]) with offices in Florida and other insured depositories as shall be designated from time to time by the Directors and in which the monies for the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

7.13. COMMINGLING OF FUNDS PROHIBITED - All funds shall

be maintained separately in the Association's name. In addition, reserve funds shall be maintained separately from operating funds in separate accounts., and shall be maintained in a financial institution as defined in F.S. 635.005 (1991) for so long as same is required by the Florida Condominium Act. No community association manager or business entity required to be licensed or registered under F.S. 468.432, and no agent, employee, officer, or Director of the Association shall commingle any Association funds with his funds or with the funds of any other condominium association or community association as defined in F.S. 468.431, or with those of any other entity.

7.14. **FINANCIAL REPORTS** - A complete financial report of actual receipts and expenditures of the Association shall be made annually which shall comply with Rule 61B-23.004, Florida Administrative Code (1991) or as amended and with F.S. 718.111(13) or (14) (1991) or as amended as determined in the Rule based upon the amount of the Association's budget from time to time. A copy of the report shall be furnished to each member as provided by law

7.15. **FIDELITY BONDING** - The Association shall obtain and maintain adequate fidelity bonding in the minimum principal sum of \$50,000 per person or such other amount provided by law for each person (whether or not a Director) who controls or disburses Association funds. The Association shall bear the cost of bonding. In the case of a licensed manager, the cost of bonding may be reimbursed by the Association as the parties may agree. All persons providing management services to the Association or otherwise having the authority to control or disburse association funds shall provide the Association with a certificate of insurance evidencing compliance with this paragraph, naming the Association as an insured under said policy.

8. **PARLIAMENTARY RULES** - Robert's Rules of Order shall govern the conduct of corporate proceedings when not in conflict with the Declaration, the Articles of Incorporation, the By-Laws of the Association or with the laws of the State of Florida.

9. **BY-LAW AMENDMENTS** - Amendments to the By-Laws shall be

adopted in the following manner:

9.1. NOTICE of the subject matter of a proposed amendment shall be included in the notice of any meeting or the text of any written agreement at which a proposed amendment is considered.

9.2. PROPOSAL OF AMENDMENTS - An amendment may be proposed by either a majority of the Directors or by Twenty-five Percent (25%) of the voting interests.

9.3 ADOPTION OF AMENDMENTS - A resolution or written agreement adopting a proposed amendment must receive approval of a majority of the Board or the membership by a majority vote at a duly noticed meeting of the Board or the Association. Amendments correcting errors or omissions may be adopted by the Board alone.

9.4. EFFECTIVE DATE - An amendment when adopted shall become effective only after being recorded in the Public County Records of Pinellas County, Florida according to law.

9.5. AUTOMATIC AMENDMENT - These By-Laws shall be deemed amended, if necessary, so as to make the same consistent with the provisions of the Declaration of Condominium, the Articles of Incorporation, or the Condominium Act as amended from time to time. The Board of Directors, without a vote of the owners, may adopt by majority vote amendments to these By-Laws as the Board deems necessary or advisable to comply with or take advantage of such operational changes as may be contemplated by future amendments to chapters 607, 617 and 718 of the Florida Statutes, or such other statutes or administrative regulations regulating the operation of the Association.

9.6. PROPOSED AMENDMENT FORMAT - Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended. New words shall be underlined and words to be deleted shall be ~~lined through~~ with hyphens. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying, "SUBSTANTIAL REWORDING OF BY-LAW. SEE BY-LAW NUMBER _____ FOR PRESENT TEXT."

10. **MANDATORY ARBITRATION OF DISPUTES** - If unresolved, disputes between the Board and unit owners as defined in F.S. 718.1255(1)(1990) must be arbitrated in mandatory non-binding arbitration proceedings as provided in the Condominium Act prior to commencing litigation, so long as the Condominium Act requires such arbitration.

11. **INSURANCE, BONDING** - The insurance, other than title insurance, which shall be carried upon the Condominium Property and the property of the Unit Owners shall be governed by the following provisions:

1. Liability Insurance. The Board shall obtain and maintain public liability insurance covering all of the Common Elements, and insuring the Association and the Unit Owners, as their interests appear, in such amount as the Board may determine from time to time, in its sole discretion. Said insurance shall include, but not be limited to, legal liability, hired, automobile, non-owned automobile, and off-premises employee coverages. All liability insurance shall contain cross-liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner.

2. Casualty Insurance.

(a) The Association shall obtain fire and extended coverage insurance, vandalism and malicious mischief insurance, and, if any real property is in an area identified by the Department of Housing and Urban Development as having a special flood hazard, flood insurance. Such insurance shall insure all of the insurable improvements within the Condominium, including personal property owned by the Association, in and for the interest of the Association and all Unit Owners and their Mortgagees, as their interests may appear in an amount equal to the maximum insurable replacement value, in accordance with the original plans and specifications as actually built, including modifications, if any, as determined annually by the Board.

b. All policies purchased by the Association shall be for the benefits of the Association, all Unit Owners, and their Mortgagees, as their interests may appear. Said policies shall

provide that all insurance proceeds payable on account of loss or damage shall be payable to the Association. The Association shall be liable for the payment of premium of premiums and for the removal and sufficiency of policies, the failure to collect any insurance proceeds, and the form or content of the policies. The Association shall receive such proceeds as are paid and held the same for the purposes herein stated, and for the benefit of the Association, the Unit Owners, and their respective Mortgagees (hereinafter sometimes collectively referred to as Beneficial Owners) as their interests shall appear.

(c) Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the Beneficial Owners in the following manner:

(1) Reconstruction or Repair: If the damage, for which the proceeds were paid, is to be repaired and restored, the proceeds shall be paid to defray the cost thereof. Any proceeds remaining after defraying such costs shall be distributed to the Beneficial Owners or retained, pursuant to Subsection (f) below. All remittances to Unit Owners and their Mortgagees shall be payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by same.

(2) Failure to Reconstruct or Repair: If it is determined, in the manner herein provided, that the damage for which the proceeds are paid shall not be repaired and restored, the proceeds shall be disbursed to the Beneficial Owners; remittances to Unit Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by same. In the event of loss or damage to personal property belonging to the Association, and should the Board determine not to replace or repair such personal property as may be lost or damaged, the proceeds shall be distributed to the Beneficial Owners or retained pursuant to Subsection (f), herein.

(3) Record of Beneficial Ownership: In making distribution to Unit Owners and their Mortgagees, the Association may rely upon the Association records as to the names of the Unit

Owners and their Mortgagees and their respective share of the distribution, confirmed in writing by a title insurance company or abstract company authorized to do business in the State of Florida.

(d) Loss Less than "Substantial": Where a loss or damage occurs to more than one Unit, to the Common Elements, or to any Unit or Units and the Common Elements, but said loss is less than "substantial" (as hereinafter defined), it shall be obligatory upon the Association and the Unit Owners to repair or restore the damage caused by said loss. Where such loss or damage is less than "substantial":

(1) The Board shall promptly obtain reliable and detailed estimates of the cost of repairing and restoration.

(2) If the damage or loss is limited to the Common Elements, with no, or inconsequential damage or loss to any individual Unit, and if such damage or loss to the Common Elements is less than \$3,000, the Association shall promptly contract for the repair and restoration of the damage.

(3) If the damage or loss involves any individual Unit as well as Common Elements, or if the damage, is limited to the Common Elements alone, but is in excess of \$3,000, the insurance proceeds shall be disbursed by the Association for the repair and restoration of the property; provided, however, if the loss or damage involves any Units, written approval shall be required of the institutional first Mortgagee of such Unit. The Association may rely upon the records of the Association and the aforesaid first Mortgagee, if said first Mortgagee's written approval is required, as to the payee and the amount to be paid from said proceeds. All payees shall deliver paid bills and waivers of Mechanics' liens to the Association and execute any affidavit required by either by law, by the Association, or by the aforesaid first Mortgagee. In addition to the foregoing, the first Mortgagee whose approval may be required, as aforesaid, shall have the right to require the Association to obtain a completion, performance, and payment bond in an amount and with a bonding company authorized to do business in the State of Florida which is acceptable to said

Mortgagee.

(4) Subject to the foregoing, the Board shall have the right and obligation to negotiate and contract for the repair and restoration of the premises.

(5) If the proceeds of the insurance are insufficient to pay for the estimated cost of restoration and repair (or for the actual cost thereof, if the work has actually been done), the Association shall promptly, upon determination of the deficiency, levy a special Assessment against all Unit Owners in proportion to the Unit Owners' share in the Common Elements.

(e) "Substantial Damage": As used in these By-Laws, or any other context dealing with this Condominium, the term "substantial" damage shall mean loss or damage whereby three-fourths (3/4) or more of the total space in the building comprising the Condominium Property is rendered untenable, or loss or damage whereby seventy-five percent (75%) or more of the total amount of insurance coverage on said building becomes payable. The Board shall promptly obtain reliable and detailed estimates of the cost of repair and restoration thereof. Should each "substantial" damage occur, then:

(1) A membership meeting shall be called by the Board, to be held not later than sixty (60) days after the casualty, to determine the wishes of the membership with reference to the abandonment of the Condominium subject to the following:

(a) If the insurance proceeds available for restoration and repair, are sufficient to cover the cost thereof so that no special Assessment is required, then the Condominium Property shall be restored and repaired unless three-fourths (3/4) of the Voting Representatives of the Condominium eligible to vote shall vote to abandon the Condominium, in which case the Condominium Property shall be removed from the provisions of the law, in accordance with Section 718.117 of the Condominium Act.

(b) If the insurance proceeds available for

restoration and repair, are not sufficient to cover the cost thereof so that a special Assessment will be required, as set forth above, then a vote will be taken of the membership of this Condominium to determine whether said special Assessment should be made, or whether the Condominium should be abandoned. Said Assessment shall be made and the Condominium Property restored and repaired, unless two-thirds (2/3) of the Voting Representatives of this Condominium entitled to vote shall vote to abandon the Condominium. In the absence of such a vote to abandon, the Association shall immediately levy such special Assessment.

(c) Unless it is determined to abandon the Condominium, the Association shall proceed to negotiate and contract for such repairs and restoration subject to the provisions set forth above. The insurance and special Assessment proceeds shall be disbursed by the Association for the repair and restoration of the property, as hereinabove provided.

(2) In the event any dispute shall arise as to whether or not "substantial" damage has occurred, it is agreed that such a finding made by the Board shall be binding upon all Unit Owners.

(f) Surplus: The insurance proceeds shall first be distributed in payment of costs of repair and restoration; and if there is a balance in the funds held by the Association after the payment of all costs of the repair and restoration, such balance may be retained as a reserve, or wholly or partly distributed at the discretion of the Board, unless the Mortgagee holding and owning the first recorded Mortgagee encumbering a Unit requires distribution. In the event of distribution, then the Association shall distribute any such balance to the Beneficial Owners of the fund in the manner elsewhere stated.

(g) Plans and Specifications: Any repair and restoration must be substantially in accordance with the plans and specifications for the original building, or as the building was last constructed, or according to the plans approved by the Board. If any material or substantial change is contemplated, the approval of all first Mortgagee shall also be required.

3. Workman's Compensation. The Board shall obtain Workman's Compensation insurance to meet the requirements of law.

4. Other Insurance. The Board may obtain such other insurance as the Board shall determine from time to time to be desirable.

5. Insurance on Units. Each Unit Owner shall be solely responsible for purchasing, at his own expense, liability insurance to cover accidents occurring within his Unit, and for purchasing insurance upon his personal property and for living expenses.

6. Association's Power to Compromise Claim: The Association is hereby irrevocably appointed agent for each Unit Owner, for the purpose of compromising and settling claims arising under insurance policies purchased by the Association, and to execute and deliver release therefor, upon the payment of claims.

7. Unit Owners' Liability. Anything in this Article XVII to the contrary notwithstanding, each individual Unit Owner shall be responsible to the Association for payment of any deductible from the insurance proceeds required by the Association's liability, casualty, Workman's Compensation and such other insurance policies in force under the terms of this Article, for any claim arising as a result of the Unit Owner's act or omissions, or that of any guest, invitee or lessee of the Unit Owner. The Association shall have the power to assess any Unit Owner for such deductible.

9. Miscellaneous. Premiums for all insurance coverage obtained by the Association, and other expenses in connection with such insurance, shall be paid by the Association and be charged as Common Expense. All such insurance shall be placed with good and responsible companies, authorized to do business in Florida.

10. Fidelity Bonds. The Association shall provide fidelity bonding in the principal sum of not less than \$10,000.00 for all officers or directors who control or disburse funds of the Association.

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TOTAL: \$127.00
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