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ce 994 Becker & Poliakoff, PA
13515 Bell Tower Dr #101
Fort Myers FL 33907

FILE 910680 OR BK 02033 PG 1120 RECD 04/29/2002 09:44:35 AM BARBARA T. SCOTT, CLERK, CHARLOTTE CO
REC FEE 114.00

CERTIFICATE OF RECORDING
SECTION 23, PROPERTY OWNER'S ASSOCIATION, INC.

WHEREAS, PUNTA GORDA ISLES, SECTION 23 ("PUNTA GORDA ISLES SECTION 23") is described in Plat Book 12, Pages 2A - 2Z-41, Public Records of Charlotte County, Florida.

WHEREAS, Section 23, Property Owner's Association, Inc. ("Association"), a homeowners association under Section 720.301 *et seq*., Florida Statutes (2001); and

WHEREAS, Association was the defendant in that certain action styled: *IN THE CIRCUIT COURT OF THE TWENTIETH JUDICIAL CIRCUIT IN AND FOR CHARLOTTE COUNTY, FLORIDA, CIVIL ACTION, CASE NO. 01-141-CA, KENNETH F. BARNES, Plantiff, vs. SECTION 23 PROPERTY OWNER'S ASSOCIATION, INC., Defendants*; and

WHEREAS, by Order dated September 25, 2001 ("the Court Order"), the Court ruled that a portion of the 1997 amendments to Article IV(b) of the Articles of Incorporation and the 1997 amendments to the Association's By-Laws were *void ab-initio*; and

WHEREAS, the Board of Directors has adopted Restated Articles of Incorporation in conformance with Section 617.1007, Florida Statutes, reinstating the provisions of Article 4.2 of the original Articles of Incorporation and removing the provisions of the Articles which the Court Order determined to be *void ab-initio*; and

WHEREAS, the Restated Articles of Incorporation were accepted by the Florida Secretary of State by filing on March 19, 2002 at document number N03233; and

WHEREAS, the Association wishes to place record notice in the Public Records of Charlotte County, Florida as to the filing of the Restated Articles of Incorporation; and

WHEREAS, Association further wishes to place record notice of its intent to operate pursuant to the By-Law in addition prior the 1997 Amended and Restated By-Laws, which were determined to be *void ab-initio* by the Court Order.

NOW THEREFORE, Association places record notice of the following:

1. Association is responsible for the operation of the following properties

Tracts B; F; G; H; I; and J Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12 page 2-A through 2-Z-41 of the Public Records of Charlotte County, Florida (See Declaration of Restrictions recorded at O.R. Book 393, Pages 592 *et seq*., Charlotte County Public Records).

Blocks 630 through 634 inclusive; Blocks 636 through 639 inclusive; Block 640, Lots 1 through 15 inclusive; Block 641; Blocks 661 through 682 inclusive; Blocks 684 through 735 inclusive; Block 740; 742; and 743; Blocks 747 through 757 inclusive; Blocks 762 through 830 inclusive; Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12 pages 2-A through 2-Z-41 of the Public Records of Charlotte County. (See Declaration of Restrictions recorded at O.R. Book 393, Pages 600 *et seq*., Charlotte County Public Records).

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Block 629 and 635; Block 640, Lots 16 and 17; Blocks 642 through 660 inclusive; Block 683; Block 736 through 739 inclusive; Blocks 741, 744, 745, 746, 758, 759, 760 and 761; Tract C and Tract D, Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12 pages 2-A through 2-Z-41 of the Public Records of Charlotte County, Florida (See Declaration of Restrictions recorded at O.R. Book 393, Pages 608 *et seq*., Charlotte County Public Records).

Block 629 and 635; Block 640, Lots 16 and 17; Blocks 642 through 660 inclusive; Block 683; Block 736 inclusive; Blocks 741, 744, 745, 746, 758, 759, 760 and 761; Tract C and Tract D, Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12 pages 2-A through 2-Z-41 of the Public Records of Charlotte County, Florida (See Amended Declaration of Restrictions recorded at O.R. Book 411, Pages 979 *et seq*., Charlotte County Public Records).

Blocks 630 thru 634 inclusive; Blocks 636 thru 639 inclusive; Block 640, Lots 1 thru 15 inclusive; Block 641; Blocks 661 thru 682 inclusive; Blocks 684 thru 735 inclusive; Block 740; 742 and 743; Blocks 747 thru 757 inclusive; Blocks 762 thru 830 inclusive; Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12 pages 2-A through 2-Z-41 of the Public Records of Charlotte County. (See Amended Declaration of Restrictions recorded at O.R. Book 539, Pages 858 *et seq*., Charlotte County Public Records).

Block 629 and 635; Block 640, Lots 16 and 17; Blocks 642 thru 660 inclusive; Block 683; Block 736 thru 739 inclusive; Blocks 741, 744, 745, 746, 758, 759, 760 and 761; Tract C and Tract D, Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12 pages 2-A through 2-Z-41 of the Public Records of Charlotte County, Florida (See Amended Declaration of Restrictions recorded at O.R. Book 539, Pages 860 *et seq*., Charlotte County Public Records).

Lots 1 through 15, inclusive, Block 808, PUNTA GORDA ISLES, Section 23, according to the Plat thereof as recorded in Plat Book 12, Pages 2A through 2-Z-41, of the Public Records of Charlotte County, Florida (See Amended Declaration of Restrictions recorded at O.R. Book 539, Pages 891 *et seq*., Charlotte County Public Records).

TRACTS B; F; G; H; I; AND J PUNTA GORDA ISLES, SECTION 23 ACCORDING TO PLAT BOOK THEREOF AS RECORDED IN PLAT BOOK 12 PAGE 2-A THROUGH 2-Z-41 OF THE PUBLIC RECORDS OF CHARLOTTE COUNTY, FLORIDA (See Amended Declaration of Restrictions recorded at O.R. Book 729, Pages 332 *et seq*., Charlotte County Public Records).

Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12, Pages 2-A through 2-Z-41 of the Public Records of Charlotte County, Florida. (See Second Amendment to Declaration of Restrictions recorded at O.R. Book 783, Pages 570 *et seq*., Charlotte County Public Records).

Blocks 630 through 634 inclusive; Blocks 636 through 639 inclusive; and Block 640 Lots 1 through 15 inclusive and Block 641; Blocks 661 through 682 inclusive; Blocks 684 through 735 inclusive; Blocks 740, 742 and 743; Blocks 747 through 757 inclusive;

Blocks 762 through 808 inclusive; Bock 809 Lots 1 through 13 inclusive and Blocks 810 through 830 inclusive, Punta Gorda Isles, Section 23, as recorded in Plat Book 12, pages 2-A through 2-Z-41 of the Public Records of Charlotte County, Florida. (See Amendments to the Declaration of Restrictions - Single Family - Residential recorded at O.R. Book 1515, Pages 1909 *et seq.*, Charlotte County Public Records).

Blocks 629 and 635; Block 640, Lots 16 and 17; Block 642 through 660 inclusive; Block 683; Block 736 through 739 inclusive; Block 741, 744, 746, 748, 756, 759, 760, and 761; Tract C and Tract D, Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12, pages 2-A through 2-Z-41 of the Public Records of Charlotte County, Florida. (See Amended and Restated Declaration of Restrictions - Multi-Family Residential recorded at O.R. Book 1652, Pages 1944 *et seq.*, Charlotte County Public Records).

2. The Court Order is attached as Exhibit "1" to this Certificate for record notice.

3. The Restated Articles of Incorporation are attached as Exhibit "2" to this Certificate for record notice.

4. The By-Laws of the Association which are currently operative are attached as Exhibit "3" to this Certificate for record notice.

5. The Amendments to the Declaration of Restrictions - Single Family Residential recorded at O.R. Book 1515, Pages 1909 *et seq.*, Charlotte County Public Records on February 26, 1997, and as subsequently amended is not effected by the Court Order and stands in full force and effect.

6. The aforementioned documents, in addition to any Rules and Regulations of the Association, shall constitute the Governing Documents for the Association, until amended as provided therein.

WITNESSES:
(TWO)

Gladwin Unrau
Signature
Gladwin UNRAU
Printed Name

Sandra Howard
Signature
SANDRA Howard
Printed Name

SECTION 23, PROPERTY OWNER'S ASSOCIATION, INC.

BY: MaryLou Gleeson, President
MaryLou Gleeson, President

Date: 2/28/02

(CORPORATE SEAL)

Attest: Teresa Boucher
Teresa Boucher, Secretary

STATE OF FLORIDA)
) SS:
COUNTY OF CHARLOTTE)

The foregoing instrument was acknowledged before me this 28 day of February, 2002 by MaryLou Gleeson as President of Section 23, ~~Property Owner's~~ Association, Inc., a Florida Corporation, on behalf of the corporation. She is personally known to me or has produced (type of identification) ________________ ~~as identification~~ and did take an oath.

Teresa Lynn Boucher
Commission # CC 912373
Expires Feb. 21, 2004
Bonded Thru
Atlantic Bonding Co., Inc.

Teresa Lynn Boucher
Notary Public
TERESA LYNN BOUCHER
Printed Name

My commission expires: 2/21/04

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IN THE CIRCUIT COU .T OF THE TWENTIETH JUDICIA_ CIRCUIT IN AND FOR CHARLOTTE COUNTY, FLORIDA CIVIL ACTION

KENNETH F. BARNES,

Plaintiff,

vs. Case No. 01-141-CA

SECTION 23 PROPERTY OWNER'S ASSOCIATION, INC.,

Defendant.

______________________________/

FINAL JUDGMENT FOR PLAINTIFF

This cause came before this Court for trial on September 5, 2001 and the Court having reviewed all documents moved into evidence, stipulation of facts by counsel and all proffered evidence, oral argument of counsel and the Trial Memorandums submitted by counsel and being otherwise duly advised of the premises and law, the Court finds and rules as follows:

FINDINGS OF FACTS

1. That the Declaration of Restrictions for the subject community lying in Section 23 was first recorded on July 11, 1972 and;

2. That Articles of Incorporation for Section 23 Property Owner's Association were filed with the Secretary of State on or about May 22, 1984 creating the Defendant homeowner's association to govern this community.

3. In 1992, the Substantial Rewording of By-Laws was adopted by the Board of Directors pursuant to Article 8 of the Articles of Incorporation which provided that the first By-Laws of the corporation shall be adopted by the Board of Directors and further

provided that the first B; .aws may be altered, amended, or r .inded by the Board of Directors.

4. In 1997, prior to the Amended and Restated Articles of Incorporation and Amended and Restated By-Laws, there was an amendment made to the Declaration of Restrictions adopting and containing a provision which provided there would be no voting by proxy.

5. In 1997, the Amended and Restated Articles of Incorporation and the Amended and Restated By-Laws were adopted.

6. There were subsequent amendments thereafter to the Amended and Restated Articles of Incorporation and Amended and Restated By-Laws.

7. The Defendant homeowner's association is governed by Chapter 720 as a Florida corporation, responsible for the operation of a community or a mobile home subdivision in which voting membership is made up of the parcel owners and membership is a mandatory condition of ownership. The community is defined as the real property subject to the recorded declaration of covenants which is defined as a written, recorded instrument in the nature of covenants running with the land which subjects the land comprising the community to the jurisdiction and control of an association in which the owners of the parcels must be members.

8. Governing documents are defined in Chapter 720 to be the recorded Declaration of Covenants and the Articles of Incorporation and By-Laws of the association along with duly adopted amendments to the Articles of Incorporation and By-Laws.

9. Defendant : support of its position that the A. ..nded and Restated By-Laws were duly adopted in accordance with the governing instruments, relies upon application of Article 8 of the original Articles of Incorporation

10. The Substantial Rewording of By-Laws, see By-Laws for present text, were adopted in 1992, almost ten years after the corporation was incorporated and shortly before the transfer of control by the developer to the association.

11. The Plaintiff by the preponderance of the evidence has shown that the Substantial Rewording of By-Laws were not the initial or first By-Laws of the Defendant corporation.

12. The Substantial Rewording of By-Laws is consistent with the transfer of control to the association and the title is an unusual title and would not normally be found upon By-Laws that were the first or initial By-Laws.

13. Defendant does not dispute that the Amended and Restated By-Laws were not adopted in accordance with the requirements set forth in paragraph 8 (b) of the Substantial Rewording of By-Laws.

14. Florida Statute 617.1002 provides the procedure for amending Articles of Incorporation providing unless the Articles of Incorporation provide an alternative procedure, the amendment to the Articles of Incorporation must be in the manner provided by statute.

15. The original Articles of Incorporation in sections 9.2 and 9.3 provide an alternative procedure for amendment.

16. The Court must determine in this matter whether proxy voting was voting right.

17. Voting interest is defined by Florida Statutes Chapter 720 to mean the voting rights distributed to the members which in this case is one vote per lot.

18. Florida Statute 720.301 (11) voting interests refers to the number of votes and is not synonymous with or necessarily inclusive of all voting rights.

19. Proxy voting is defined in Florida Statute 720.306 (6) as a voting right.

20. The Court finds proxy voting cannot be eliminated without complying with the procedures set forth in the original Articles of Incorporation, Section 9.3.

21. The Court finds the Amendments to the Declaration of Restrictions is not determinative of the issue by its inclusion of the provision no voting by proxy.

22. The Court finds that the Plaintiff has not waived and is not estopped or barred by laches from asserting these issues in a declaratory judgment.

ORDERS OF THE COURT

Now, therefore, based upon the evidence and foregoing findings this Court hereby holds as follows, to wit:

ORDERED AND ADJUDGED that the portion of Article IV (b) of the Amended and Restated Articles of Incorporation prohibiting proxy voting is void ab-initio.

ORDERED AND ADJUDGED that the Amended and Restated By-Laws of Section 23 Property Owner's Association, Inc. dated December 8, 1997 and recorded at Charlotte County O.R. Book 1576, Page 1258, thru Page 1270 are void ab-initio.

ORDERED AND ADJUDGED that the Amendment to the By-Laws of PGI Section 23 Property Owner's Association, Inc. dated February 23, 1998 and recorded in Charlotte County O.R. Book 1592, Page 0658 is void ab-initio.

ORDERED AND ADJUDGED that the Section 23 Property Owner's Association, Inc., Amendment to the By-Laws dated June 17, 1999 recorded at Charlotte County O.R. Book 1718, Page 2139 is void ab-initio.

ORDERED AND ADJUDGED that the Section 23 Property Owner's Association, Inc. Amendment to the By-Laws dated June 17, 1999 and recorded at Charlotte County O.R. Book 1718, Page 2140 is void ab-initio.

ORDERED AND ADJUDGED that the Section 23 Property Owner's Association, Inc. Amendment to the Amended and Restated By-Laws of Section 23 dated November 25, 1999 and recorded at Charlotte County O.R. Book 1745, Page 2098 is void ab-initio.

ORDERED AND ADJUDGED that Plaintiff, Kenneth F. Barnes, is the prevailing party in this litigation and entitled to recover reasonable attorney's fees and costs and the Court reserves jurisdiction for the purposes of awarding reasonable attorney's fees and costs upon the appropriate motion of the Plaintiff.

DONE AND ORDERED in Chambers in Charlotte County, Punta Gorda, Florida, this 25 day of Sept, 2001.

/S/ HON. SHERRA WINESETT

The Honorable Sherra Winesett
Circuit Court Judge

cc: Michael R. Whitt, Esquire
Darol H.M. Carr, Esquire

#75360

DEBORAH L. HAMSHARIE 9/25/01
JUDICIAL ASSISTANT

FILED
02 MAR 19 AM 10:46
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF THE

SECTION 23, PROPERTY OWNER'S ASSOCIATION, INC.
(A Florida corporation not for profit)

THE BOARD OF DIRECTORS hereby associate themselves as the elected representatives of the members of the Section 23, Property Owners Association, Inc., and do hereby duly adopt these amended and restated Articles of Incorporation on behalf of the Association membership.

ARTICLE I

NAME

The name of the corporation shall be Section 23, Property Owner's Association, Inc., which is also referred to herein as PGI Section 23 or as the "Association" for convenience.

ARTICLE II

PRINCIPAL PLACE OF BUSINESS

The principal place of business and mailing address of PGI Section 23, Property Owner's Association, Inc., shall be, 26217 Rampart Boulevard, Punta Gorda, Florida, 33983.

ARTICLE III

PURPOSES

The general purpose(s) for which the corporation is organized are to; promote the general welfare, health and safety of the property owners; assure that the common properties, i.e., greenbelts, waterways, lakes, swales, easements and other common areas re maintained; review plans and specifications for new constructions, additions and renovations and assure that these meet established standards of design, appearance and location; compel observance of the deed restrictions and conduct day to day business associated with managing and providing services to the community as may be imposed by the membership within the framework of the Declaration of Restrictions, the Bylaws, the laws of Charlotte County and the State of Florida.

ARTICLE IV

MEMBERS

(a) **Membership in the Association.** Every fee simple owner of a parcel of land in PGI Section 23, Charlotte County, Florida shall be a member of the Association.

(b) **Voting Rights.** Each parcel owner shall be entitled to one vote for each parcel owned. The term parcel shall include lots and tracts and if a parcel is owned by more than one person or entity, such owners shall designate one of their members as the voting member, and shall give the Association notice in writing of the owners so selected. Failure on the part of the multiple owners of a single parcel to appropriately notify the Association of the name of the voting member, shall result in the loss of the vote for that particular parcel until such time as the required notice is given to the Association. Fractional voting and accumulative voting are prohibited.

(c) **Sale or Transfer.** A member(s) of the Association who sells or transfers ownership of a parcel in PGI Section 23, shall cease to be a member of the Association if that member owns no other parcel(s) in PGI Section 23, and the membership shall be transferred to the new owner when the deed or other instrument of conveyance has been recorded in the Public Records of Charlotte County, Florida, and a certified copy thereof furnished the Association. A members share in the assets, privileges and rights as a member of the Association cannot be assigned, pledged or transferred in any manner, except as an appurtenance to a parcel, and shall be so transferred as an appurtenance to the parcel on the sale or transfer of the parcel ownership as outlined therein.

ARTICLE V

DIRECTORS

(a) **Requirements.** The affairs of the Association will be managed by an elected Board of Directors consisting of the number of directors as set forth in the Bylaws, but not less than five (5) directors, and in the absence of such determination shall consist of five (5) directors. Directors must be members of the Association, serve on the Board without compensation and may not be employed by the Association.

(b) **Election and Removal.** Directors shall be elected by the voting members of the Association, at the annual meeting, in the manner set forth in the Bylaws and shall continue to serve until their successors have been elected or they may be named by unanimous consent of the remaining directors to fill a vacancy until the next election. Directors may be removed and the vacancies created on the Board of Directors filled in the manner set forth in the Bylaws.

(c) **Officers.** The members of the Board of Directors shall elect a President, Vice President, Treasurer and such other officers as may be stipulated in the Bylaws or necessitated by events. The officers shall be elected annually at the organizational meeting, to be held within ten (10) days after the annual meeting said officers shall serve until their successors are elected.

(d) **Disclosure.** An officer or director shall make full disclosure of any interest in any matter that shall come before the Board of Directors and if such interest is or may become in conflict with the interest of the Association, said officer or director shall recluse himself or herself from any consideration of such matter. A contract or transaction between the Association and one or more of its officers or directors or between the Association and another corporation, partnership, association or organization in which said officer(s) or director(s) has a financial interest may be invalid, void or voidable solely for that reason or solely because of the officer(s) or director(s) is present at or participates in the meeting of the board or committee which authorizes such contracts or transactions or solely because their votes are counted for such purpose. No officer or director shall incur liability by reason that he or she is or may be interested in any such contract or transaction.

ARTICLE VI

CORPORATE POWERS

The Association shall be vested with all the common law and statutory powers and authority granted to corporations not-for-profit and such future powers of enforcement as may hereafter and in the future be authorized by the membership, to carry out the duties and responsibilities of the Section 23, Property Owner's Association, Inc., as set forth in the foregoing Article III of these Articles of Incorporation, the Bylaws, the Declaration of Restrictions, Single Family as amended and the Declaration of Restrictions Multi-Family, as amended, through the Board of Directors.

ARTICLE VII

INDEMNIFICATION

Every director and every officer of the Association shall be indemnified, saved and held harmless by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon them as directors and officers to which they may be a party, or in which they may become involved by reason of being or having been a director or officer of the Association, whether or not hey are director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of duties considered to be Board of Directors' business; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not operate to the exclusion of any and all other rights to which the director or officer may be entitled.

ARTICLE VIII

BYLAWS

The Board of Directors shall adopt Bylaws consistent with these Articles of Incorporation and may alter, amend or rescind said Bylaws. The Bylaws may contain provisions for the regulation and management of the affairs of the Corporation not inconsistent with the Declaration of Restrictions or Corporate Law.

ARTICLE IX

AMENDMENTS

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner.

(a) Written notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered and such notice shall be delivered to each voting member at least thirty (30) days, but not more than sixty (60) days prior to the meeting.

(b) A resolution for the adoption of an amendment may be proposed either by the Board of Directors or by the voting members of the Association. Directors and voting members not present in person at a meeting when an amendment is under consideration, may express their approval or opposition in writing provided written notice of such approval or opposition is delivered to the Secretary at or prior to the meeting. Resolutions proposing the adoption of amendments must be adopted by not less than two-thirds of the total votes cast by voting members present at the meeting when said resolution is presented for a vote.

(c) No amendment shall make any change in the qualifications for membership or the voting rights of members, without the approval of all the members of the Association in good standing. No amendment shall be made that is in conflict with the law or the Declaration of Restrictions as amended from time to time, except that all governing documents shall be amended to remain consistent with these Articles of Incorporation.

(d) The Section 23, Property Owner's Association, Inc., as the successors to Punta Gorda Isles, Inc., shall have the absolute right to amend these Articles of Incorporation. A copy of each amendment shall be filed with the Secretary of Sate of the State of Florida and shall be recorded in the Public Records of Charlotte County, Florida.

ARTICLE X

TERM

The term of the Section 23, Property Owner's Association, Inc., shall be perpetual.

ARTICLE XI

SUBSCRIBERS

The names and addresses of the subscribers of these Articles of Incorporation are as follows:

William G. Cone	25170 Obelisk Court Punta Gorda, FL 33983
Gladwin O. Unrau	26036 Luzon Court Punta Gorda, FL 33983
Henry A. James	25435 Panache Lane Punta Gorda, FL 33983
Robert V. Bracken	1346 Neopolitan Road Punta Gorda, FL 33983
Mary E. Renfer	2432 Greenland Court Punta Gorda, FL 33983

ARTICLE XII

INCORPORATORS

Punta Gorda Isles, Inc., a Florida Corporations registered under the Business Corporation Act, Chapter 607, Florida Statues, located at 1625 West Marion Avenue, Punta Gorda, Florida, 33950, and the developer of

PGI Section 23, did file the appropriate affidavits that were recorded with the Department of State, Division of Corporations, on May 22, 1984 to incorporate the Section 23, Property Owner's Association, Inc., is the sole incorporator of Section 23, Property Owner's Association, Inc.

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. See Bylaws for ..esent Text
SECTION 23 PROPERTY OWNER'S SOCIATION, INC.
(A Florida Corporation N. 'or-Profit)

1. Identity. These are the Bylaws of SECTION 23 PROPERTY OWNER'S ASSOCIATION, INC., hereafter sometimes called the "Association", a Florida corporation not-for-profit under the laws of the State of Florida, the Articles of Incorporation of which are filed in the office of the Secretary of State. Punta Gorda Isles, Inc. is hereinafter known as PGI Incorporated, ("PGI").

1.A. The Association has been organized for the purpose of administering the common area of Punta Gorda Isles Section 23, according to the plat thereof recorded in Plat Book 12, Pages 2-A thru 2-Z-41, of the Public Records of Charlotte County, Florida; this common area is located upon land in Charlotte County, Florida, described in the above referenced Plat and Paragraph 22 of Declaration of Restrictions as recorded in O.R. Book 393, Page 608, of the Public Records of Charlotte County, Florida; Paragraph 22 of Declaration of Restrictions, as amended, recorded in O.R. Book 539, Page 860 of the Public Records of Charlotte County, Florida; Paragraph 14 of the Declaration or Restrictions as recorded in O.R. Book 393, Page 592 of the Public Records of Charlotte County, Florida; Paragraph 22 of Declarations of Restrictions as recorded in O.R. Book 393, Page 600 of the Public Records of Charlotte County, Florida; Paragraph 22 of the Declaration of Restrictions, as amended, recorded in O.R. Book 539, Page 858 of the Public Records of Charlotte County, Florida, Amended Declaration of Restrictions as recorded in O.R. Book 539, Page 891 of the Public Records of Charlotte County, Florida, and Amended Declaration of Restrictions as recorded in O.R. Book 411, Page 979 of the Public Records of Charlotte County, Florida, and Paragraph 22 of the Declaration of Restrictions, as amended, recorded in O.R. Book 783, Page 570 of the Public Records of Charlotte County, Florida, except that the common area shall not include (a) any platted lot unless the Association is the owner thereof, and (b) any property which has been dedicated to and accepted by any public authority or body which has assumed the obligation to maintain same. The terms common area, common element and common property are synonymous as used herein. In addition, the Association, as defined in its Articles of Incorporation, shall carry out all of the duties and responsibilities imposed upon it by the aforementioned Declaration of Restrictions, for Punta Gorda Isles Section 23, including but not limited to, maintaining of the common areas of Section 23, providing for the maintenance the lakes and entranceways, promoting the general well being and harmony among the property owners of Section 23 and performing such other rights, duties and responsibilities incidental to the aforementioned purposes.

1.B. The office of the Association shall be the Administration Office, PGI Incorporated, 1625 West Marion Avenue, Punta Gorda, FL 33950 or such other place as may be designated by the Board of Directors.

1.C. The fiscal year of the Association shall be from October 1st to September 30th.

1.D. The seal of the Corporation shall bear the name of the Corporation, the word "Florida", the words "Corporation Not-For-Profit", and the year of incorporation.

2. Members' Meetings. The minutes of all meetings of members 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 not less than seven (7) years. Any other provision of these Bylaws notwithstanding, PGI shall have all voting rights of the Association, no members' meeting shall be held, and no business affecting members shall be conducted by the Association until October 1, 1992, at which time each parcel owner shall be entitled to one vote for each parcel, pursuant to Article 4 of the Articles of Incorporation.

2.A. The annual members' meeting shall be held at the office of the Corporation, or such other place as may be designated by the Board of Directors, in October of each year for the purpose of electing transacted by the members.

. Special members meetings shall b held whenever called by the President or Vice-President or b, a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from not less than ten (10%) percent of the Voting Members of the Association.

2.C. Notice of all members' meetings stating the time and place and the objects for which the meeting is called shall be given by the President, Vice-President or Secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed no less than thirty (30) days nor more than sixty (60) days prior to the date of the meeting. Notice of the annual meeting shall also be posted in a conspicuous place on the common property at least fourteen (14) days prior to the annual meeting. Proof of such mailing and proof of posting of notice shall be given by the affidavit of the person giving the notice. Notice of meetings may be waived before or after meetings, but unless a member waives in writing the right to receive notice of the annual meetings by mail, the notice of the annual meetings shall be sent by mail to each member and the required affidavit shall be retained as proof of such mailing. However, notwithstanding the above, notice of any meeting where assessments against members are to be considered for any reason shall especially contain a statement that assessments will be considered and the nature of any such assessments.

2.D. A quorum of members' meetings shall consist of those members present. The acts approved by a majority of the votes at a meeting at which the quorum is present shall constitute the acts of the members, except when approval of a greater number of members is required by the Declaration of Restrictions, the Articles of Incorporation or these Bylaws.

2.E. Where there is more than one owner of a lot, those owners shall collectively be entitled to one membership and one vote and shall participate in the Association in the following manner:

(1) A statement must be filed with the Secretary of the Corporation, in writing, signed by all of the persons owning an interest in the lot, which shall state:

a. The respective percentage interest of every person (as recorded in the Public Records of Charlotte County, Florida) owning a vested present interest in the fee title of the lot and,

b. Which one of the owners of the lot is to represent all of the owners of such lot at membership meetings and cast the vote to which they are entitled.

(2) The owner so designated by all of the owners of a lot shall be known as the Voting Member and shall be the only person owning an interest in the lot eligible to cast the vote for the lot at membership meetings.

(3) The Voting Member shall be determined by the majority in interest of all the owners of the lot.

(4) The person designated as the Voting Member may continue to cast the binding vote for all persons owning an interest in the lot or until such time as another person is properly designated as the Voting Member by those persons owning the majority interest by a similar written statement filed with the Secretary. Failure of the owners of a lot to file such statement with the Secretary prior to a members' meeting will result in depriving the owners with an interest in such lot of a vote at such meeting.

(5) A corporation, or an individual with an interest in more than one lot, may be designated the Voting Member for each lot in which he or it owns an interest.

(6) The number of Voting Membe.. will be determined by using the following formula: the numer-tor shall always be one and the denominator shall be equal tc 3 total number of single family lots; plus total number of vacant multi-family lots or tracts; plus the number of commercial lots or tracts not having any multi-family units.

2.F. Votes may be cast in person, by absentee ballot, or by proxy. A proxy may be given by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and any lawfully adjourned meetings thereof and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the person executing it.

2.G. The order of business at annual members' meetings and as far as practical at other members' meetings, shall be:

(1) Calling of the roll and certifying proxies.
(2) Proof of notice of meeting or waiver of notice.
(3) Reading and disposal of any unapproved minutes.
(4) Reports of Officers.
(5) Reports of Committees.
(6) Election of Directors.
(7) Unfinished business.
(8) New business (including consideration of the budget).
(9) Adjournment.

The Chairman of the Board of Directors shall preside at all meetings. In his absence, the Board shall designate the person to preside.

3. Directors. The affairs of the Association shall be managed by a Board of not less than three (3) or more than seven (7) Directors. The Board, until turnover, shall consist of at least three (3) persons selected by PGI. Thereafter, each Director shall be a member of the Association and the Board shall consist of a number not less than five (5) or more than the number permitted by law. The number of members of the Board of Directors may change at any time by amending the Bylaws as provided herein. All of the powers and duties of the Association existing under the laws of the State of Florida, the Declaration of Restrictions, the Articles of Incorporation and these Bylaws shall be exercised exclusively by the Board of Directors. Such Board of Directors shall only act in the name of the Association when and only when duly convened by its Chairman or President, after due notice to all the Directors of such meeting.

3.A. The term of each member of the Board of Directors holding office at the time of the first annual meeting of the members shall expire at the time of that meeting. Commencing with the first annual meeting of the Voting Membership the term of each Director shall be staggered so that two (2) Directors shall be elected to serve for a term of one year and at least three (3) Directors shall serve for a term of two (2) years. The three (3) Board Members elected who receive the largest number of votes cast in said election shall serve a term of two (2) years and the two (2) Board Members elected who receive the least number of votes cast in said election shall serve a term of one (1) year or until his successor is duly qualified and elected. In the event of a tie vote for the Board Members to serve two (2) year terms, the Board Members to serve two (2) terms and the Board Members to serve one (1) term shall be determined at the first meeting of the Board of Directors. Thereafter, annually, the Voting Membership shall elect to the Board members only for those seats for which the term of office is then expiring, the term to be coincident with the fiscal year. In the event of a tie vote for the last position on the Board of Directors, then a new vote shall be taken as to those nominees receiving the same number of votes until a nominee receives the necessary votes to hold office Such Board of Directors shall act in the name of the Association only when duly convened by its Chairman serve more than two (2) consecutive two year terms.

(1) Any Director may be removed w or without cause by a majority of all the votes of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting. The special meeting of the Association members to recall a member or members' of the Board of Directors may be called by ten (10%) percent of the Association members giving notice of the meeting as required for a meeting of the members, and the notice shall state the purpose of the meeting.

(2) Any Director who fails to attend three (3) consecutive meetings of the Board, without an expressed reason or reasons considered to be adequate by the Board, will obligate the Board to take action for replacement of that Director, including the possible removal of the Director from the Board by two-thirds (2/3) vote of the members of the Board present at a Board meeting, if a voluntary resignation is not forthcoming.

3.B. After turnover, election of Directors shall be held at the annual members' meeting. Each Director shall be a member of the Association.

(1) A Nominating Committee of five (5) members shall be appointed by the Board of Directors not less than thirty (30) days prior to the annual members' meeting. The committee shall nominate the number of candidates needed to fill vacancies that may exist at the time of the annual meeting.

(2) Nominations in addition to those made by the Nominating Committee can be made from the floor at the annual members' meeting.

(3) Whenever any vacancy on the Board of Directors shall occur for any reason other than removal of a Director as provided in Section 3.A(1), a majority of the remaining Directors then in office, even if that majority is less than a majority of the entire Board of Directors, may fill the vacancy or vacancies so created until a successor or successors shall be duly elected by the members' and shall qualify.

(4) The election shall be by secret, written ballot (unless dispensed with by unanimous consent of the members present). A plurality of the votes cast shall be required for election. Each person voting shall be entitled to cast his vote for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

3.C. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such a place and time as shall be fixed by the Board of Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

(1) The Board of Directors may make such rules and regulations covering its meeting as it may in its discretion determine necessary.

(2) Each Director shall have one vote and such voting may not be done by proxy.

(3) 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 Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting. All meetings of the Board of Directors shall be open to all lot owners and adequate notice of all meetings, regular and special, shall be posted conspicuously on common property at least forty-eight (48) hours in advance, except in an emergency. The minutes of all meetings of the Board of Directors shall be kept

authorized representatives, at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

(4) Special meetings of the Board of Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Except in an emergency, not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

(5) Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice; the attendance of any Director at a meeting of the Board of Directors shall be deemed a waiver of notice, unless the Director appears and plainly states for the record that he is appearing at the meeting only to protest the defect in notice.

(6) A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Declaration of Restrictions, the Articles of Incorporation or these Bylaws.

(7) If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting and business that might have been transacted at the meeting as originally called may be transacted without further notice.

(8) The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Director for the purpose of determining a quorum.

(9) The presiding officer of Board of Directors' meetings shall be the Chairman of the Board if such an officer has been elected; and if not, the President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

(10) The order of business at Directors' meetings shall be:

(1) Calling of roll.
(2) Proof of due notice of meeting.
(3) Reading and disposal of any unapproved minutes.
(4) Reports of officers and committees.
(5) Election of officers.
(6) Unfinished business.
(7) New business.
(8) Adjournment.

(11) The Board of Directors may, by resolution adopted by a majority of the Board, designate such committees, consisting of members of the Association, as it may deem advisable. Each such committee shall have such authority as shall be specified in the resolution designating such committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. To the extent not inconsistent with these Bylaws, the Board of Directors shall have the power at any time to remove any member of any such committee or committees, with or without cause, and to fill vacancies in and to dissolve such committee or committees. Each committee designated by the Board of Directors shall keep regular minutes of its meetings and shall report the same to the Board when required. The designation of any Committee and the delegation thereto of authority shall not operate to relieve the Board of

thereto of authority shall ... operate to relieve the Board of Directors or any member thereof of any responsibility imposed by law.

(12) Any action which is required to be or may be taken at a meeting of the Directors may be taken without a meeting if consents in writing, setting forth the action to be so taken, are signed by all the Directors. The consents shall have the same force and effect as a unanimous vote of the Directors at a meeting duly held. Any signed consent, or a copy thereof, shall be placed in the minute book of the Association.

(13) Directors may participate in and hold a meeting of the Board of Directors or a committee thereof by means of conference telephone or similar equipment pursuant to which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except when a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

4. Officers. The executive officers of the Association shall be a President, who shall be a Director; a Vice President, who shall be a Director; and a Secretary-Treasurer. Separate persons may be named to fill the offices of Secretary and Treasurer, at the discretion of the Board of Directors. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

4.A. The officers of the Corporation shall be elected by the Board of Directors at the organizational meeting defined in the preceding Section 3.C. following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors unless they shall be removed by a majority of the Board of Directors at any regular or special meeting of the Board, duly called.

4.B. Any officer may resign as an officer of the Association at any time. Such resignation shall be made in writing, submitted to the Secretary and shall take effect as is specified in the instrument. Acceptance of resignation shall not be required to make it effective. The Secretary may resign by submitting such resignation in writing to the President of the Association.

4.C. Any vacancy resulting from the removal or resignation of an officer as herein provided may be filled by the Board of Directors at the same meeting.

4.D. The powers, duties and responsibilities of the officers of the Association shall be:

(1) The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of the president of an Association, including but not limited to, the power to appoint committees from among the members from time to time, as he, in his discretion, may determine appropriate, to assist in the conduct of the affairs of the Association.

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

(3) 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 notices required by law. He shall have custody of the seal of

... the records of the Association, when duly signed. He shall ... the records of the Association, and shall perform all other duries incident to the office of secretary of an Association as ... be required by the Directors or the President.

(4) The Treasurer shall have custody of all monies belonging to the Association, shall be solely responsible for all such monies in accordance with good accounting practices and shall perform all other duties incident to the office of the Treasurer.

4.E. The compensation of all officers and employees of the Association shall be fixed by the Board of Directors. The provision that Directors' fees shall be determined by the Association members shall not preclude the Board of Directors from employing a Director as an employee of the Association nor preclude the Board of Directors from contracting with a Director for providing services for the Association.

5. Transfer of Association Control. Transfer of Association control from PGI to the Association members shall take place during the month of October 1992. At that time, the Association shall call, and give not less than thirty (30) days nor more than forty (40) days notice of, a meeting of lot owners to elect the members of the Board of Directors. The meeting may be called and the notice given by any lot owner if the Association fails to do so.

5.A. If PGI holds lots for sale in the ordinary course of business, none of the following actions may be taken by the Association members or the Board of Directors, without approval in writing by PGI.

(1) Assessment of PGI as a lot owner for capital improvements.

(2) Any action that would be detrimental to the sale of lots by PGI. However, an increase in assessments for common expenses without discrimination against PGI shall not be deemed to be detrimental to the sale of lots.

5.B. During October, 1992, at the annual meeting of members, PGI shall relinquish control of the Association, and the lot owners shall accept control. Simultaneously, PGI shall deliver to the Association all books, records and personal property of the Association held or controlled by PGI, including, but not limited to, the following items, if applicable:

(1) A certified copy of the Association's Articles of Incorporation.

(2) A copy of the Association's Bylaws.

(3) The Minute Books, including all minutes and other books, and records of the Association, if any.

(4) Any rules or regulations which have been promulgated for maintenance of the common property and fixtures and equipment pertaining thereto.

(5) Resignations of officers and members of the Board of Directors who are required to resign by reason of PGI's relinquishment of control of the Association.

(6) An accounting for all Association funds, including capital accounts and contributions, from the data of activation of the Association.

(7) Association funds or control thereof.

(8) All tangible personal property of the Association, represented by PGI to be part of the common elements or ostensibly part of the common property, and inventory of that property.

(9) Any insurance policies on the Association property.

(10) ... the common area or other Asso ation matters.

(11) All written warranties on any A: iation property that are still in effect.

(12) A roster of lot owners and their addresses and telephone numbers, if known.

(13) Any lease or other contracts to which the Association is a party or service contracts in which the Association or lot owners have an obligation or responsibility directly or indirectly to pay some or all of the fee or charge of the person or persons performing the service.

(14) All other contracts to which the Association is a party.

6. Fiscal Management. The provision for fiscal management of the Association set forth in the Declaration of Restrictions and Articles of Incorporation shall be supplemented by the following provisions:

6.A. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(1) Current income and expenses, which shall include all receipts and expenditures within the year for which the budget is made including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements or to operations.

(2) Reserve for deferred maintenance, which shall,include funds for maintenance items that occur less frequently than annually.

(3) Reserve for replacement, if applicable, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

(4) Betterments, if applicable, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common area. No sum equal to or in excess of $5,000.00 shall be expended from this fund for a single item or purpose without approval of a majority of the Board of Directors

(5) Operations, the amount of which may be to provide a working fund or to meet casualty or operating losses.

6.B. The Board of Directors shall mail a meeting notice and copies of the proposed annual budget of common expenses to the lot owners not less than thirty (30) days nor more than sixty (60) days prior to the meeting at which the budget will be considered. The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, the accounts classifications listed above. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. This provision shall not apply to budgets in which the members of the Association have determined by a two-thirds (2/3) vote at a duly called meeting of the Association for a fiscal year, to provide no reserves, or reserves less adequate than are required by this and other provisions of these Bylaws.

6.C. The Association's membership shall adopt a budget at the annual meeting.

6.D. Assessments against the lot owners of Section 23 for their shares of or before October 30th of the fi... year for which the assessments are made. Such assessments shall be due in one (1) annual installment not later than sixty (60) days afte... e beginning of the fiscal year for which assessments are made. If ... annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and payment of such assessment shall be due as though such assessment had been duly made on or before October 30th. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the affirmative vote of a majority of the Board of Directors and after proper notice to members, payment of the additional assessment shall be due not later than sixty (60) days after the amended assessment is made.

6.E. If a lot owner shall be in default in the payment of an assessment or any installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the lot owner, and then the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery of the notice to the lot owner, not less than twenty (20) days after the remaining of such notice to him by registered or certified mail, whichever shall first occur.

6.F. If the assessments are not paid on the date when due, then such assessment shall become delinquent and shall, together with interest thereon, become a continuing lien on the lot which shall run with the land. The personal obligation of the then lot owner to pay such assessment shall not be affected by any conveyance or transfer of title to said lot.

6.G. If the assessment remains unpaid thirty (30) days after its due date, the assessment shall bear interest from the date due at the maximum percentage rate permitted by law. The Association may bring an action at law against the lot owner personally obligated to pay the same and/or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of collecting the same of foreclosing the lien thereof, including reasonable counsel fee.

6.H. The assessments, together with such interest thereon and costs of collection thereof as is hereinafter provided, shall be a charge and continuing lien upon the lot owner against which such assessment is made. Each such assessment, together with such interest thereon and cost of the collection thereof as is hereinafter provided, shall also be the personal obligation of the persons owning such lot at the date when the assessment becomes payable.

6.I. The following property shall be exempt from the assessments, charge and lien created herein; (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use, (b) all common area, and (c) all properties exempted from the taxation by the laws of the State of Florida, upon and to the extent of such legal exemption as such exemption may exist from time to time.

6.J. Special assessments for emergency expenses that cannot be paid from the annual assessments shall be made only after notice of the need for such is given to the lot owners concerned. After such notice and upon approval in writing by members entitled to cast more than one-half (1/2) of the votes concerned, the assessment shall become effective, and it shall be due after thirty (30) days notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

6.K. The Depository of the Association shall be such bank, banks or federally insured savings and loan Associations as shall be designated from time to time by the Board of Directors and in which the monies of 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 Board of Directors.

an accountant selected by the Boar and a copy of the review report shall be furnished to each member upon request not later than January 31st of the year following the ye or which the review is made. This provision shall take effect after transfer of Association control.

6.M. Fidelity Bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board of Directors, but shall not be less than one-half (1/2) of the amount of the total annual assessments against members' for common expenses. The premiums on such bonds shall be paid by the Association.

6.N. The compensation of all employees of the Association shall be fixed by the Board of Directors.

7. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Restrictions, Articles of Incorporation or these Bylaws..

8. Amendments. Except as elsewhere otherwise provided, these Bylaws may be amended by including notice in writing of the subject matter of a proposed amendment with the notice of any meeting at which a proposed amendment is considered. The proposal 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 changes are so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of Bylaws. See Bylaw...for present text." Nonmaterial errors or omissions in the Bylaws process shall not invalidate an otherwise properly promulgated amendment.

8.A. A resolution for the adoption of a proposal amendment may be proposed by either the Board of Directors of the Association or by not less than fifty (50%) percent of the Voting Members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting.

8.B. Adoption of amendments to the Bylaws must be by:

(1) The affirmative vote of not less than sixty (60%) percent of the entire membership of the Board of Directors and by not less than sixty (60%) of the membership of the Association; or

(2) The affirmative vote of not less than seventy (70%) percent of the entire membership of the Association; or

(3) Only by the affirmative vote of all of the Directors until the first election of Directors.

8.C. Provided, however, that no amendment shall discriminate against any lot owner nor against any lot or class or group of lots, unless the owners so affected shall consent; and no amendment shall change any lot or decrease the share in the common elements appurtenant to it, unless the record owner of the lot concerned and all record owners of the mortgages on such lot shall join in the execution of the amendment.

8.D. A copy of each amendment shall be duly attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the President or Vice President of the Association and the amendment shall be effective when such certificate

Association.

Arbitration. There shall be voluntar inding arbitration of internal disputes arising from the operatio of the Association and/or its property, among developers or lot owners, the Association, and their agents and assigns.

The foregoing were adopted by unanimous written consent of the Board of Directors as the Substantial Rewording of Bylaws of SECTION 23 PROPERTY OWNER'S ASSOCIATION, INC., A Corporation Not-For-Profit under the laws of the State of Florida, on this 14th day of August, 1992.

Betty H. Williams

Secretary

APPROVED:

Kenneth J. Ave

President

by-laws-sec23

25 ce 994 Becker & Poliakoff, PA
13515 Bell Tower Dr #101
Fort Myers FL 33907

CERTIFICATE OF RECORDING
SECTION 23, PROPERTY OWNER'S ASSOCIATION, INC.

WHEREAS, PUNTA GORDA ISLES, SECTION 23 ("PUNTA GORDA ISLES SECTION 23") is described in Plat Book 12, Pages 2A - 2Z-41, Public Records of Charlotte County, Florida.

WHEREAS, Section 23, Property Owner's Association, Inc. ("Association"), a homeowners association under Section 720.301 *et seq.*, Florida Statutes (2001); and

WHEREAS, Association was the defendant in that certain action styled: *IN THE CIRCUIT COURT OF THE TWENTIETH JUDICIAL CIRCUIT IN AND FOR CHARLOTTE COUNTY, FLORIDA, CIVIL ACTION, CASE NO. 01-141-CA, KENNETH F. BARNES, Plantiff, vs. SECTION 23 PROPERTY OWNER'S ASSOCIATION, INC., Defendants*; and

WHEREAS, by Order dated September 25, 2001 ("the Court Order"), the Court ruled that a portion of the 1997 amendments to Article IV(b) of the Articles of Incorporation and the 1997 amendments to the Association's By-Laws were *void ab-initio*; and

WHEREAS, the Board of Directors has adopted Restated Articles of Incorporation in conformance with Section 617.1007, Florida Statutes, reinstating the provisions of Article 4.2 of the original Articles of Incorporation and removing the provisions of the Articles which the Court Order determined to be *void ab-initio*; and

WHEREAS, the Restated Articles of Incorporation were accepted by the Florida Secretary of State by filing on March 19, 2002 at document number N03233; and

WHEREAS, the Association wishes to place record notice in the Public Records of Charlotte County, Florida as to the filing of the Restated Articles of Incorporation; and

WHEREAS, Association further wishes to place record notice of its intent to operate pursuant to the By-Law in addition prior the 1997 Amended and Restated By-Laws, which were determined to be *void ab-initio* by the Court Order.

NOW THEREFORE, Association places record notice of the following:

1. Association is responsible for the operation of the following properties

   Tracts B; F; G; H; I; and J Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12 page 2-A through 2-Z-41 of the Public Records of Charlotte County, Florida (See Declaration of Restrictions recorded at O.R. Book 393, Pages 592 *et seq.*, Charlotte County Public Records).

   Blocks 630 through 634 inclusive; Blocks 636 through 639 inclusive; Block 640, Lots 1 through 15 inclusive; Block 641; Blocks 661 through 682 inclusive; Blocks 684 through 735 inclusive; Block 740; 742; and 743; Blocks 747 through 757 inclusive; Blocks 762 through 830 inclusive; Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12 pages 2-A through 2-Z-41 of the Public Records of Charlotte County. (See Declaration of Restrictions recorded at O.R. Book 393, Pages 600 *et seq.*, Charlotte County Public Records).

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Block 629 and 635; Block 640, Lots 16 and 17; Blocks 642 through 660 inclusive; Block 683; Block 736 through 739 inclusive; Blocks 741, 744, 745, 746, 758, 759, 760 and 761; Tract C and Tract D, Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12 pages 2-A through 2-Z-41 of the Public Records of Charlotte County, Florida (See Declaration of Restrictions recorded at O.R. Book 393, Pages 608 *et seq.*, Charlotte County Public Records).

Block 629 and 635; Block 640, Lots 16 and 17; Blocks 642 through 660 inclusive; Block 683; Block 736 inclusive; Blocks 741, 744, 745, 746, 758, 759, 760 and 761; Tract C and Tract D, Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12 pages 2-A through 2-Z-41 of the Public Records of Charlotte County, Florida (See Amended Declaration of Restrictions recorded at O.R. Book 411, Pages 979 *et seq.*, Charlotte County Public Records).

Blocks 630 thru 634 inclusive; Blocks 636 thru 639 inclusive; Block 640, Lots 1 thru 15 inclusive; Block 641; Blocks 661 thru 682 inclusive; Blocks 684 thru 735 inclusive; Block 740; 742 and 743; Blocks 747 thru 757 inclusive; Blocks 762 thru 830 inclusive; Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12 pages 2-A through 2-Z-41 of the Public Records of Charlotte County. (See Amended Declaration of Restrictions recorded at O.R. Book 539, Pages 858 *et seq.*, Charlotte County Public Records).

Block 629 and 635; Block 640, Lots 16 and 17; Blocks 642 thru 660 inclusive; Block 683; Block 736 thru 739 inclusive; Blocks 741, 744, 745, 746, 758, 759, 760 and 761; Tract C and Tract D, Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12 pages 2-A through 2-Z-41 of the Public Records of Charlotte County, Florida (See Amended Declaration of Restrictions recorded at O.R. Book 539, Pages 860 *et seq.*, Charlotte County Public Records).

Lots 1 through 15, inclusive, Block 808, PUNTA GORDA ISLES, Section 23, according to the Plat thereof as recorded in Plat Book 12, Pages 2A through 2-Z-41, of the Public Records of Charlotte County, Florida (See Amended Declaration of Restrictions recorded at O.R. Book 539, Pages 891 *et seq.*, Charlotte County Public Records).

TRACTS B; F; G; H; I; AND J PUNTA GORDA ISLES, SECTION 23 ACCORDING TO PLAT BOOK THEREOF AS RECORDED IN PLAT BOOK 12 PAGE 2-A THROUGH 2-Z-41 OF THE PUBLIC RECORDS OF CHARLOTTE COUNTY, FLORIDA (See Amended Declaration of Restrictions recorded at O.R. Book 729, Pages 332 *et seq.*, Charlotte County Public Records).

Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12, Pages 2-A through 2-Z-41 of the Public Records of Charlotte County, Florida. (See Second Amendment to Declaration of Restrictions recorded at O.R. Book 783, Pages 570 *et seq.*, Charlotte County Public Records).

Blocks 630 through 634 inclusive; Blocks 636 through 639 inclusive; and Block 640 Lots 1 through 15 inclusive and Block 641; Blocks 661 through 682 inclusive; Blocks 684 through 735 inclusive; Blocks 740, 742 and 743; Blocks 747 through 757 inclusive;

Blocks 762 through 808 inclusive; Bock 809 Lots 1 through 13 inclusive and Blocks 810 through 830 inclusive, Punta Gorda Isles, Section 23, as recorded in Plat Book 12, pages 2-A through 2-Z-41 of the Public Records of Charlotte County, Florida. (See Amendments to the Declaration of Restrictions - Single Family - Residential recorded at O.R. Book 1515, Pages 1909 *et seq.*, Charlotte County Public Records).

Blocks 629 and 635; Block 640, Lots 16 and 17; Block 642 through 660 inclusive; Block 683; Block 736 through 739 inclusive; Block 741, 744, 746, 748, 756, 759, 760, and 761; Tract C and Tract D, Punta Gorda Isles, Section 23 according to Plat Book thereof as recorded in Plat Book 12, pages 2-A through 2-Z-41 of the Public Records of Charlotte County, Florida. (See Amended and Restated Declaration of Restrictions - Multi-Family Residential recorded at O.R. Book 1652, Pages 1944 *et seq.*, Charlotte County Public Records).

2. The Court Order is attached as Exhibit "1" to this Certificate for record notice.

3. The Restated Articles of Incorporation are attached as Exhibit "2" to this Certificate for record notice.

4. The By-Laws of the Association which are currently operative are attached as Exhibit "3" to this Certificate for record notice.

5. The Amendments to the Declaration of Restrictions - Single Family Residential recorded at O.R. Book 1515, Pages 1909 *et seq.*, Charlotte County Public Records on February 26, 1997, and as subsequently amended is not effected by the Court Order and stands in full force and effect.

6. The aforementioned documents, in addition to any Rules and Regulations of the Association, shall constitute the Governing Documents for the Association, until amended as provided therein.

WITNESSES:
(TWO)

SECTION 23, PROPERTY OWNER'S ASSOCIATION, INC.

Gladwin Unrau
Signature
Gladwin UNRAU
Printed Name

Sandra Howard
Signature
SANDRA Howard
Printed Name

BY: MaryLou Gleeson, President
MaryLou Gleeson, President

Date: 2/28/02

(CORPORATE SEAL)

Attest: Teresa Boucher
Teresa Boucher, Secretary

STATE OF FLORIDA)
) SS:
COUNTY OF CHARLOTTE)

The foregoing instrument was acknowledged before me this 28 day of February, 2002 by MaryLou Gleeson as President of Section 23, Pro~~perty Owner's~~ Association, Inc., a Florida Corporation, on behalf of the corporation. She is personally known to me or has produced (type of identification) ~~as identification~~ and did take an oath.

Teresa Lynn Boucher
Commission # CC 912373
Expires Feb. 21, 2004
Bonded Thru
Atlantic Bonding Co., Inc.

Teresa Lynn Boucher
Notary Public
TERESA LYNN BOUCHER
Printed Name

My commission expires: 2/21/04

173732_1.DOC

IN THE CIRCUIT COU T OF THE TWENTIETH JUDICIA CIRCUIT IN AND FOR CHARLOTTE COUNTY, FLORIDA CIVIL ACTION

KENNETH F. BARNES,

Plaintiff,

vs. Case No. 01-141-CA

SECTION 23 PROPERTY OWNER'S ASSOCIATION, INC.,

Defendant.

______________________________/

FINAL JUDGMENT FOR PLAINTIFF

This cause came before this Court for trial on September 5, 2001 and the Court having reviewed all documents moved into evidence, stipulation of facts by counsel and all proffered evidence, oral argument of counsel and the Trial Memorandums submitted by counsel and being otherwise duly advised of the premises and law, the Court finds and rules as follows:

FINDINGS OF FACTS

1. That the Declaration of Restrictions for the subject community lying in Section 23 was first recorded on July 11, 1972 and;

2. That Articles of Incorporation for Section 23 Property Owner's Association were filed with the Secretary of State on or about May 22, 1984 creating the Defendant homeowner's association to govern this community.

3. In 1992, the Substantial Rewording of By-Laws was adopted by the Board of Directors pursuant to Article 8 of the Articles of Incorporation which provided that the first By-Laws of the corporation shall be adopted by the Board of Directors and further

provided that the first B; ,aws may be altered, amended, or r ,inded by the Board of Directors.

4. In 1997, prior to the Amended and Restated Articles of Incorporation and Amended and Restated By-Laws, there was an amendment made to the Declaration of Restrictions adopting and containing a provision which provided there would be no voting by proxy.

5. In 1997, the Amended and Restated Articles of Incorporation and the Amended and Restated By-Laws were adopted.

6. There were subsequent amendments thereafter to the Amended and Restated Articles of Incorporation and Amended and Restated By-Laws.

7. The Defendant homeowner's association is governed by Chapter 720 as a Florida corporation, responsible for the operation of a community or a mobile home subdivision in which voting membership is made up of the parcel owners and membership is a mandatory condition of ownership. The community is defined as the real property subject to the recorded declaration of covenants which is defined as a written, recorded instrument in the nature of covenants running with the land which subjects the land comprising the community to the jurisdiction and control of an association in which the owners of the parcels must be members.

8. Governing documents are defined in Chapter 720 to be the recorded Declaration of Covenants and the Articles of Incorporation and By-Laws of the association along with duly adopted amendments to the Articles of Incorporation and By-Laws.

9. Defendant : support of its position that the A. .nded and Restated By-Laws were duly adopted in accordance with the governing instruments, relies upon application of Article 8 of the original Articles of Incorporation

10. The Substantial Rewording of By-Laws, see By-Laws for present text, were adopted in 1992, almost ten years after the corporation was incorporated and shortly before the transfer of control by the developer to the association.

11. The Plaintiff by the preponderance of the evidence has shown that the Substantial Rewording of By-Laws were not the initial or first By-Laws of the Defendant corporation.

12. The Substantial Rewording of By-Laws is consistent with the transfer of control to the association and the title is an unusual title and would not normally be found upon By-Laws that were the first or initial By-Laws.

13. Defendant does not dispute that the Amended and Restated By-Laws were not adopted in accordance with the requirements set forth in paragraph 8 (b) of the Substantial Rewording of By-Laws.

14. Florida Statute 617.1002 provides the procedure for amending Articles of Incorporation providing unless the Articles of Incorporation provide an alternative procedure, the amendment to the Articles of Incorporation must be in the manner provided by statute.

15. The original Articles of Incorporation in sections 9.2 and 9.3 provide an alternative procedure for amendment.

16. The Court must determine in this matter whether proxy voting was voting right.

17. Voting int...st is defined by Florida Statutes C..apter 720 to mean the voting rights distributed to the members which in this case is one vote per lot.

18. Florida Statute 720.301 (11) voting interests refers to the number of votes and is not synonymous with or necessarily inclusive of all voting rights.

19. Proxy voting is defined in Florida Statute 720.306 (6) as a voting right.

20. The Court finds proxy voting cannot be eliminated without complying with the procedures set forth in the original Articles of Incorporation, Section 9.3.

21. The Court finds the Amendments to the Declaration of Restrictions is not determinative of the issue by its inclusion of the provision no voting by proxy.

22. The Court finds that the Plaintiff has not waived and is not estopped or barred by laches from asserting these issues in a declaratory judgment.

ORDERS OF THE COURT

Now, therefore, based upon the evidence and foregoing findings this Court hereby holds as follows, to wit:

ORDERED AND ADJUDGED that the portion of Article IV (b) of the Amended and Restated Articles of Incorporation prohibiting proxy voting is void ab-initio.

ORDERED AND ADJUDGED that the Amended and Restated By-Laws of Section 23 Property Owner's Association, Inc. dated December 8, 1997 and recorded at Charlotte County O.R. Book 1576, Page 1258, thru Page 1270 are void ab-initio.

ORDERED AND ADJUDGED that the Amendment to the By-Laws of PGI Section 23 Property Owner's Association, Inc. dated February 23, 1998 and recorded in Charlotte County O.R. Book 1592, Page 0658 is void ab-initio.

ORDERED AND ADJUDGED that the Section 23 Property Owner's Association, Inc., Amendment to the By-Laws dated June 17, 1999 recorded at Charlotte County O.R. Book 1718, Page 2139 is void ab-initio.

ORDERED AND ADJUDGED that the Section 23 Property Owner's Association, Inc. Amendment to the By-Laws dated June 17, 1999 and recorded at Charlotte County O.R. Book 1718, Page 2140 is void ab-initio.

ORDERED AND ADJUDGED that the Section 23 Property Owner's Association, Inc. Amendment to the Amended and Restated By-Laws of Section 23 dated November 25, 1999 and recorded at Charlotte County O.R. Book 1745, Page 2098 is void ab-initio.

ORDERED AND ADJUDGED that Plaintiff, Kenneth F. Barnes, is the prevailing party in this litigation and entitled to recover reasonable attorney's fees and costs and the Court reserves jurisdiction for the purposes of awarding reasonable attorney's fees and costs upon the appropriate motion of the Plaintiff.

DONE AND ORDERED in Chambers in Charlotte County, Punta Gorda, Florida, this 25 day of Sept, 2001.

/S/ HON. SHERRA WINESETT

The Honorable Sherra Winesett
Circuit Court Judge

cc: Michael R. Whitt, Esquire
Darol H.M. Carr, Esquire

#75360

DEBORAH L. HAMSHARIE 9/25/01
JUDICIAL ASSISTANT

AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF THE

SECTION 23, PROPERTY OWNER'S ASSOCIATION, INC.
(A Florida corporation not for profit)

THE BOARD OF DIRECTORS hereby associate themselves as the elected representatives of the members of the Section 23, Property Owners Association, Inc., and do hereby duly adopt these amended and restated Articles of Incorporation on behalf of the Association membership.

ARTICLE I

NAME

The name of the corporation shall be Section 23, Property Owner's Association, Inc., which is also referred to herein as PGI Section 23 or as the "Association" for convenience.

ARTICLE II

PRINCIPAL PLACE OF BUSINESS

The principal place of business and mailing address of PGI Section 23, Property Owner's Association, Inc., shall be, 26217 Rampart Boulevard, Punta Gorda, Florida, 33983.

ARTICLE III

PURPOSES

The general purpose(s) for which the corporation is organized are to; promote the general welfare, health and safety of the property owners; assure that the common properties, i.e., greenbelts, waterways, lakes, swales, easements and other common areas re maintained; review plans and specifications for new constructions, additions and renovations and assure that these meet established standards of design, appearance and location; compel observance of the deed restrictions and conduct day to day business associated with managing and providing services to the community as may be imposed by the membership within the framework of the Declaration of Restrictions, the Bylaws, the laws of Charlotte County and the State of Florida.

ARTICLE IV

MEMBERS

(a) **Membership in the Association.** Every fee simple owner of a parcel of land in PGI Section 23, Charlotte County, Florida shall be a member of the Association.

(b) **Voting Rights.** Each parcel owner shall be entitled to one vote for each parcel owned. The term parcel shall include lots and tracts and if a parcel is owned by more than one person or entity, such owners shall designate one of their members as the voting member, and shall give the Association notice in writing of the owners so selected. Failure on the part of the multiple owners of a single parcel to appropriately notify the Association of the name of the voting member, shall result in the loss of the vote for that particular parcel until such time as the required notice is given to the Association. Fractional voting and accumulative voting are prohibited.

(c) **Sale or Transfer.** A member(s) of the Association who sells or transfers ownership of a parcel in PGI Section 23, shall cease to be a member of the Association if that member owns no other parcel(s) in PGI Section 23, and the membership shall be transferred to the new owner when the deed or other instrument of conveyance has been recorded in the Public Records of Charlotte County, Florida, and a certified copy thereof furnished the Association. A members share in the assets, privileges and rights as a member of the Association cannot be assigned, pledged or transferred in any manner, except as an appurtenance to a parcel, and shall be so transferred as an appurtenance to the parcel on the sale or transfer of the parcel ownership as outlined therein.

ARTICLE V

DIRECTORS

(a) **Requirements.** The affairs of the Association will be managed by an elected Board of Directors consisting of the number of directors as set forth in the Bylaws, but not less than five (5) directors, and in the absence of such determination shall consist of five (5) directors. Directors must be members of the Association, serve on the Board without compensation and may not be employed by the Association.

(b) **Election and Removal.** Directors shall be elected by the voting members of the Association, at the annual meeting, in the manner set forth in the Bylaws and shall continue to serve until their successors have been elected or they may be named by unanimous consent of the remaining directors to fill a vacancy until the next election. Directors may be removed and the vacancies created on the Board of Directors filled in the manner set forth in the Bylaws.

(c) **Officers.** The members of the Board of Directors shall elect a President, Vice President, Treasurer and such other officers as may be stipulated in the Bylaws or necessitated by events. The officers shall be elected annually at the organizational meeting, to be held within ten (10) days after the annual meeting said officers shall serve until their successors are elected.

(d) **Disclosure.** An officer or director shall make full disclosure of any interest in any matter that shall come before the Board of Directors and if such interest is or may become in conflict with the interest of the Association, said officer or director shall recluse himself or herself from any consideration of such matter. A contract or transaction between the Association and one or more of its officers or directors or between the Association and another corporation, partnership, association or organization in which said officer(s) or director(s) has a financial interest may be invalid, void or voidable solely for that reason or solely because of the officer(s) or director(s) is present at or participates in the meeting of the board or committee which authorizes such contracts or transactions or solely because their votes are counted for such purpose. No officer or director shall incur liability by reason that he or she is or may be interested in any such contract or transaction.

ARTICLE VI

CORPORATE POWERS

The Association shall be vested with all the common law and statutory powers and authority granted to corporations not-for-profit and such future powers of enforcement as may hereafter and in the future be authorized by the membership, to carry out the duties and responsibilities of the Section 23, Property Owner's Association, Inc., as set forth in the foregoing Article III of these Articles of Incorporation, the Bylaws, the Declaration of Restrictions, Single Family as amended and the Declaration of Restrictions Multi-Family, as amended, through the Board of Directors.

ARTICLE VII

INDEMNIFICATION

Every director and every officer of the Association shall be indemnified, saved and held harmless by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon them as directors and officers to which they may be a party, or in which they may become involved by reason of being or having been a director or officer of the Association, whether or not hey are director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of duties considered to be Board of Directors' business; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not operate to the exclusion of any and all other rights to which the director or officer may be entitled.

ARTICLE VIII

BYLAWS

The Board of Directors shall adopt Bylaws consistent with these Articles of Incorporation and may alter, amend or rescind said Bylaws. The Bylaws may contain provisions for the regulation and management of the affairs of the Corporation not inconsistent with the Declaration of Restrictions or Corporate Law.

ARTICLE IX

AMENDMENTS

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner.

(a) Written notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered and such notice shall be delivered to each voting member at least thirty (30) days, but not more than sixty (60) days prior to the meeting.

(b) A resolution for the adoption of an amendment may be proposed either by the Board of Directors or by the voting members of the Association. Directors and voting members not present in person at a meeting when an amendment is under consideration, may express their approval or opposition in writing provided written notice of such approval or opposition is delivered to the Secretary at or prior to the meeting. Resolutions proposing the adoption of amendments must be adopted by not less than two-thirds of the total votes cast by voting members present at the meeting when said resolution is presented for a vote.

(c) No amendment shall make any change in the qualifications for membership or the voting rights of members, without the approval of all the members of the Association in good standing. No amendment shall be made that is in conflict with the law or the Declaration of Restrictions as amended from time to time, except that all governing documents shall be amended to remain consistent with these Articles of Incorporation.

(d) The Section 23, Property Owner's Association, Inc., as the successors to Punta Gorda Isles, Inc., shall have the absolute right to amend these Articles of Incorporation. A copy of each amendment shall be filed with the Secretary of Sate of the State of Florida and shall be recorded in the Public Records of Charlotte County, Florida.

ARTICLE X

TERM

The term of the Section 23, Property Owner's Association, Inc., shall be perpetual.

ARTICLE XI

SUBSCRIBERS

The names and addresses of the subscribers of these Articles of Incorporation are as follows:

William G. Cone	25170 Obelisk Court Punta Gorda, FL 33983
Gladwin O. Unrau	26036 Luzon Court Punta Gorda, FL 33983
Henry A. James	25435 Panache Lane Punta Gorda, FL 33983
Robert V. Bracken	1346 Neopolitan Road Punta Gorda, FL 33983
Mary E. Renfer	2432 Greenland Court Punta Gorda, FL 33983

ARTICLE XII

INCORPORATORS

Punta Gorda Isles, Inc., a Florida Corporations registered under the Business Corporation Act, Chapter 607, Florida Statues, located at 1625 West Marion Avenue, Punta Gorda, Florida, 33950, and the developer of

PGI Section 23, did file the appropriate affidavits that were recorded with the Department of State, Division of Corporations, on May 22, 1984 to incorporate the Section 23, Property Owner's Association, Inc., is the sole incorporator of Section 23, Property Owner's Association, Inc.

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Substantial ...
. See Bylaws for ..esent Text

SECTION 23 PROPERTY OWNER'S SOCIATION, INC.
(A Florida Corporation N. or-Profit)

1. Identity. These are the Bylaws of SECTION 23 PROPERTY OWNER'S ASSOCIATION, INC., hereafter sometimes called the "Association", a Florida corporation not-for-profit under the laws of the State of Florida, the Articles of Incorporation of which are filed in the office of the Secretary of State. Punta Gorda Isles, Inc. is hereinafter known as PGI Incorporated, ("PGI").

1.A. The Association has been organized for the purpose of administering the common area of Punta Gorda Isles Section 23, according to the plat thereof recorded in Plat Book 12, Pages 2-A thru 2-Z-41, of the Public Records of Charlotte County, Florida; this common area is located upon land in Charlotte County, Florida, described in the above referenced Plat and Paragraph 22 of Declaration of Restrictions as recorded in O.R. Book 393, Page 608, of the Public Records of Charlotte County, Florida; Paragraph 22 of Declaration of Restrictions, as amended, recorded in O.R. Book 539, Page 860 of the Public Records of Charlotte County, Florida; Paragraph 14 of Declaration or Restrictions as recorded in O.R. Book 393, Page 592 of the Public Records of Charlotte County, Florida; Paragraph 22 of Declarations of Restrictions as recorded in O.R. Book 393, Page 600 of the Public Records of Charlotte County, Florida; Paragraph 22 of the Declaration of Restrictions, as amended, recorded in O.R. Book 539, Page 858 of the Public Records of Charlotte County, Florida, Amended Declaration of Restrictions as recorded in O.R. Book 539, Page 891 of the Public Records of Charlotte County, Florida, and Amended Declaration of Restrictions as recorded in O.R. Book 411, Page 979 of the Public Records of Charlotte County, Florida, and Paragraph 22 of the Declaration of Restrictions, as amended, recorded in O.R. Book 783, Page 570 of the Public Records of Charlotte County, Florida, except that the common area shall not include (a) any platted lot unless the Association is the owner thereof, and (b) any property which has been dedicated to and accepted by any public authority or body which has assumed the obligation to maintain same. The terms common area, common element and common property are synonymous as used herein. In addition, the Association, as defined in its Articles of Incorporation, shall carry out all of the duties and responsibilities imposed upon it by the aforementioned Declaration of Restrictions, for Punta Gorda Isles Section 23, including but not limited to, maintaining of the common areas of Section 23, providing for the maintenance the lakes and entranceways, promoting the general well being and harmony among the property owners of Section 23 and performing such other rights, duties and responsibilities incidental to the aforementioned purposes.

1.B. The office of the Association shall be the Administration Office, PGI Incorporated, 1625 West Marion Avenue, Punta Gorda, FL 33950 or such other place as may be designated by the Board of Directors.

1.C. The fiscal year of the Association shall be from October 1st to September 30th.

1.D. The seal of the Corporation shall bear the name of the Corporation, the word "Florida", the words "Corporation Not-For-Profit", and the year of incorporation.

2. Members' Meetings. The minutes of all meetings of members 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 not less than seven (7) years. Any other provision of these Bylaws notwithstanding, PGI shall have all voting rights of the Association, no members' meeting shall be held, and no business affecting members shall be conducted by the Association until October 1, 1992, at which time each parcel owner shall be entitled to one vote for each parcel, pursuant to Article 4 of the Articles of Incorporation.

2.A. The annual members' meeting shall be held at the office of the Corporation, or such other place as may be designated by the Board of Directors, in October of each year for the purpose of electing transacted by the members.

. Special members meetings shall b held whenever called by the President or Vice-President or b, a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from not less than ten (10%) percent of the Voting Members of the Association.

2.C. Notice of all members' meetings stating the time and place and the objects for which the meeting is called shall be given by the President, Vice-President or Secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed no less than thirty (30) days nor more than sixty (60) days prior to the date of the meeting. Notice of the annual meeting shall also be posted in a conspicuous place on the common property at least fourteen (14) days prior to the annual meeting. Proof of such mailing and proof of posting of notice shall be given by the affidavit of the person giving the notice. Notice of meetings may be waived before or after meetings, but unless a member waives in writing the right to receive notice of the annual meetings by mail, the notice of the annual meetings shall be sent by mail to each member and the required affidavit shall be retained as proof of such mailing. However, notwithstanding the above, notice of any meeting where assessments against members are to be considered for any reason shall especially contain a statement that assessments will be considered and the nature of any such assessments.

2.D. A quorum of members' meetings shall consist of those members present. The acts approved by a majority of the votes at a meeting at which the quorum is present shall constitute the acts of the members, except when approval of a greater number of members is required by the Declaration of Restrictions, the Articles of Incorporation or these Bylaws.

2.E. Where there is more than one owner of a lot, those owners shall collectively be entitled to one membership and one vote and shall participate in the Association in the following manner:

(1) A statement must be filed with the Secretary of the Corporation, in writing, signed by all of the persons owning an interest in the lot, which shall state:

a. The respective percentage interest of every person (as recorded in the Public Records of Charlotte County, Florida) owning a vested present interest in the fee title of the lot and,

b. Which one of the owners of the lot is to represent all of the owners of such lot at membership meetings and cast the vote to which they are entitled.

(2) The owner so designated by all of the owners of a lot shall be known as the Voting Member and shall be the only person owning an interest in the lot eligible to cast the vote for the lot at membership meetings.

(3) The Voting Member shall be determined by the majority in interest of all the owners of the lot.

(4) The person designated as the Voting Member may continue to cast the binding vote for all persons owning an interest in the lot or until such time as another person is properly designated as the Voting Member by those persons owning the majority interest by a similar written statement filed with the Secretary. Failure of the owners of a lot to file such statement with the Secretary prior to a members' meeting will result in depriving the owners with an interest in such lot of a vote at such meeting.

(5) A corporation, or an individual with an interest in more than one lot, may be designated the Voting Member for each lot in which he or it owns an interest.

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(6) The number of Voting Membe.. will be determined by using the following formula: the numerator shall always be one and the denominator shall be equal to the total number of single family lots; plus total number of vacant multi-family lots or tracts; plus the number of commercial lots or tracts not having any multi-family units.

2.F. Votes may be cast in person, by absentee ballot, or by proxy. A proxy may be given by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and any lawfully adjourned meetings thereof and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the person executing it.

2.G. The order of business at annual members' meetings and as far as practical at other members' meetings, shall be:

(1) Calling of the roll and certifying proxies.
(2) Proof of notice of meeting or waiver of notice.
(3) Reading and disposal of any unapproved minutes.
(4) Reports of Officers.
(5) Reports of Committees.
(6) Election of Directors.
(7) Unfinished business.
(8) New business (including consideration of the budget).
(9) Adjournment.

The Chairman of the Board of Directors shall preside at all meetings. In his absence, the Board shall designate the person to preside.

3. Directors. The affairs of the Association shall be managed by a Board of not less than three (3) or more than seven (7) Directors. The Board, until turnover, shall consist of at least three (3) persons selected by PGI. Thereafter, each Director shall be a member of the Association and the Board shall consist of a number not less than five (5) or more than the number permitted by law. The number of members of the Board of Directors may change at any time by amending the Bylaws as provided herein. All of the powers and duties of the Association existing under the laws of the State of Florida, the Declaration of Restrictions, the Articles of Incorporation and these Bylaws shall be exercised exclusively by the Board of Directors. Such Board of Directors shall only act in the name of the Association when and only when duly convened by its Chairman or President, after due notice to all the Directors of such meeting.

3.A. The term of each member of the Board of Directors holding office at the time of the first annual meeting of the members shall expire at the time of that meeting. Commencing with the first annual meeting of the Voting Membership the term of each Director shall be staggered so that two (2) Directors shall be elected to serve for a term of one year and at least three (3) Directors shall serve for a term of two (2) years. The three (3) Board Members elected who receive the largest number of votes cast in said election shall serve a term of two (2) years and the two (2) Board Members elected who receive the least number of votes cast in said election shall serve a term of one (1) year or until his successor is duly qualified and elected. In the event of a tie vote for the Board Members to serve two (2) year terms, the Board Members to serve two (2) terms and the Board Members to serve one (1) term shall be determined at the first meeting of the Board of Directors. Thereafter, annually, the Voting Membership shall elect to the Board members only for those seats for which the term of office is then expiring, the term to be coincident with the fiscal year. In the event of a tie vote for the last position on the Board of Directors, then a new vote shall be taken as to those nominees receiving the same number of votes until a nominee receives the necessary votes to hold office Such Board of Directors shall act in the name of the Association only when duly convened by its Chairman serve more than two (2) consecutive two year terms.

(1) Any Director may be removed with or without cause by a majority of all the votes of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting. The special meeting of the Association members to recall a member or members' of the Board of Directors may be called by ten (10%) percent of the Association members giving notice of the meeting as required for a meeting of the members, and the notice shall state the purpose of the meeting.

(2) Any Director who fails to attend three (3) consecutive meetings of the Board, without an expressed reason or reasons considered to be adequate by the Board, will obligate the Board to take action for replacement of that Director, including the possible removal of the Director from the Board by two-thirds (2/3) vote of the members of the Board present at a Board meeting, if a voluntary resignation is not forthcoming.

3.B. After turnover, election of Directors shall be held at the annual members' meeting. Each Director shall be a member of the Association.

(1) A Nominating Committee of five (5) members shall be appointed by the Board of Directors not less than thirty (30) days prior to the annual members' meeting. The committee shall nominate the number of candidates needed to fill vacancies that may exist at the time of the annual meeting.

(2) Nominations in addition to those made by the Nominating Committee can be made from the floor at the annual members' meeting.

(3) Whenever any vacancy on the Board of Directors shall occur for any reason other than removal of a Director as provided in Section 3.A(1), a majority of the remaining Directors then in office, even if that majority is less than a majority of the entire Board of Directors, may fill the vacancy or vacancies so created until a successor or successors shall be duly elected by the members' and shall qualify.

(4) The election shall be by secret, written ballot (unless dispensed with by unanimous consent of the members present). A plurality of the votes cast shall be required for election. Each person voting shall be entitled to cast his vote for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

3.C. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such a place and time as shall be fixed by the Board of Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

(1) The Board of Directors may make such rules and regulations covering its meeting as it may in its discretion determine necessary.

(2) Each Director shall have one vote and such voting may not be done by proxy.

(3) 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 Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting. All meetings of the Board of Directors shall be open to all lot owners and adequate notice of all meetings, regular and special, shall be posted conspicuously on common property at least forty-eight (48) hours in advance, except in an emergency. The minutes of all meetings of the Board of Directors shall be kept

authorized representatives, at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

(4) Special meetings of the Board of Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Except in an emergency, not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

(5) Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice; the attendance of any Director at a meeting of the Board of Directors shall be deemed a waiver of notice, unless the Director appears and plainly states for the record that he is appearing at the meeting only to protest the defect in notice.

(6) A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Declaration of Restrictions, the Articles of Incorporation or these Bylaws.

(7) If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting and business that might have been transacted at the meeting as originally called may be transacted without further notice.

(8) The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Director for the purpose of determining a quorum.

(9) The presiding officer of Board of Directors' meetings shall be the Chairman of the Board if such an officer has been elected; and if not, the President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

(10) The order of business at Directors' meetings shall be:

(1) Calling of roll.
(2) Proof of due notice of meeting.
(3) Reading and disposal of any unapproved minutes.
(4) Reports of officers and committees.
(5) Election of officers.
(6) Unfinished business.
(7) New business.
(8) Adjournment.

(11) The Board of Directors may, by resolution adopted by a majority of the Board, designate such committees, consisting of members of the Association, as it may deem advisable. Each such committee shall have such authority as shall be specified in the resolution designating such committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. To the extent not inconsistent with these Bylaws, the Board of Directors shall have the power at any time to remove any member of any such committee or committees, with or without cause, and to fill vacancies in and to dissolve such committee or committees. Each committee designated by the Board of Directors shall keep regular minutes of its meetings and shall report the same to the Board when required. The designation of any Committee and the delegation thereto of authority shall not operate to relieve the Board of

thereto of authority shall not operate to relieve the Board of Directors or any member thereof of any responsibility imposed by law.

(12) Any action which is required to be or may be taken at a meeting of the Directors may be taken without a meeting if consents in writing, setting forth the action to be so taken, are signed by all the Directors. The consents shall have the same force and effect as a unanimous vote of the Directors at a meeting duly held. Any signed consent, or a copy thereof, shall be placed in the minute book of the Association.

(13) Directors may participate in and hold a meeting of the Board of Directors or a committee thereof by means of conference telephone or similar equipment pursuant to which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except when a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

4. Officers. The executive officers of the Association shall be a President, who shall be a Director; a Vice President, who shall be a Director; and a Secretary-Treasurer. Separate persons may be named to fill the offices of Secretary and Treasurer, at the discretion of the Board of Directors. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

4.A. The officers of the Corporation shall be elected by the Board of Directors at the organizational meeting defined in the preceding Section 3.C. following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors unless they shall be removed by a majority of the Board of Directors at any regular or special meeting of the Board, duly called.

4.B. Any officer may resign as an officer of the Association at any time. Such resignation shall be made in writing, submitted to the Secretary and shall take effect as is specified in the instrument. Acceptance of resignation shall not be required to make it effective. The Secretary may resign by submitting such resignation in writing to the President of the Association.

4.C. Any vacancy resulting from the removal or resignation of an officer as herein provided may be filled by the Board of Directors at the same meeting.

4.D. The powers, duties and responsibilities of the officers of the Association shall be:

(1) The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of the president of an Association, including but not limited to, the power to appoint committees from among the members from time to time, as he, in his discretion, may determine appropriate, to assist in the conduct of the affairs of the Association.

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

(3) 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 notices required by law. He shall have custody of the seal of

when duly signed. He shall [illegible] the records of the Association, and shall perform all other duties incident to the office of secretary of an Association as [illegible] be required by the Directors or the President.

(4) The Treasurer shall have custody of all monies belonging to the Association, shall be solely responsible for all such monies in accordance with good accounting practices and shall perform all other duties incident to the office of the Treasurer.

4.E. The compensation of all officers and employees of the Association shall be fixed by the Board of Directors. The provision that Directors' fees shall be determined by the Association members shall not preclude the Board of Directors from employing a Director as an employee of the Association nor preclude the Board of Directors from contracting with a Director for providing services for the Association.

5. <u>Transfer of Association Control</u>. Transfer of Association control from PGI to the Association members shall take place during the month of October 1992. At that time, the Association shall call, and give not less than thirty (30) days nor more than forty (40) days notice of, a meeting of lot owners to elect the members of the Board of Directors. The meeting may be called and the notice given by any lot owner if the Association fails to do so.

5.A. If PGI holds lots for sale in the ordinary course of business, none of the following actions may be taken by the Association members or the Board of Directors, without approval in writing by PGI.

(1) Assessment of PGI as a lot owner for capital improvements.

(2) Any action that would be detrimental to the sale of lots by PGI. However, an increase in assessments for common expenses without discrimination against PGI shall not be deemed to be detrimental to the sale of lots.

5.B. During October, 1992, at the annual meeting of members, PGI shall relinquish control of the Association, and the lot owners shall accept control. Simultaneously, PGI shall deliver to the Association all books, records and personal property of the Association held or controlled by PGI, including, but not limited to, the following items, if applicable:

(1) A certified copy of the Association's Articles of Incorporation.

(2) A copy of the Association's Bylaws.

(3) The Minute Books, including all minutes and other books, and records of the Association, if any.

(4) Any rules or regulations which have been promulgated for maintenance of the common property and fixtures and equipment pertaining thereto.

(5) Resignations of officers and members of the Board of Directors who are required to resign by reason of PGI's relinquishment of control of the Association.

(6) An accounting for all Association funds, including capital accounts and contributions, from the date of activation of the Association.

(7) Association funds or control thereof.

(8) All tangible personal property of the Association, represented by PGI to be part of the common elements or ostensibly part of the common property, and inventory of that property.

(9) Any insurance policies on the Association property.

(10) ... the common area or other Asso ation matters.

(11) All written warranties on any A iation property that are still in effect.

(12) A roster of lot owners and their addresses and telephone numbers, if known.

(13) Any lease or other contracts to which the Association is a party or service contracts in which the Association or lot owners have an obligation or responsibility directly or indirectly to pay some or all of the fee or charge of the person or persons performing the service.

(14) All other contracts to which the Association is a party.

6. Fiscal Management. The provision for fiscal management of the Association set forth in the Declaration of Restrictions and Articles of Incorporation shall be supplemented by the following provisions:

6.A. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(1) Current income and expenses, which shall include all receipts and expenditures within the year for which the budget is made including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements or to operations.

(2) Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.

(3) Reserve for replacement, if applicable, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

(4) Betterments, if applicable, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common area. No sum equal to or in excess of $5,000.00 shall be expended from this fund for a single item or purpose without approval of a majority of the Board of Directors

(5) Operations, the amount of which may be to provide a working fund or to meet casualty or operating losses.

6.B. The Board of Directors shall mail a meeting notice and copies of the proposed annual budget of common expenses to the lot owners not less than thirty (30) days nor more than sixty (60) days prior to the meeting at which the budget will be considered. The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, the accounts classifications listed above. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. This provision shall not apply to budgets in which the members of the Association have determined by a two-thirds (2/3) vote at a duly called meeting of the Association for a fiscal year, to provide no reserves, or reserves less adequate than are required by this and other provisions of these Bylaws.

6.C. The Association's membership shall adopt a budget at the annual meeting.

6.D. Assessments against the lot owners of Section 23 for their shares of or before October 30th of the fi... year for which the assessments are made. Such assessments shall be due in one (1) annual installment not later than sixty (60) days afte... e beginning of the fiscal year for which assessments are made. If ... annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and payment of such assessment shall be due as though such assessment had been duly made on or before October 30th. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the affirmative vote of a majority of the Board of Directors and after proper notice to members, payment of the additional assessment shall be due not later than sixty (60) days after the amended assessment is made.

6.E. If a lot owner shall be in default in the payment of an assessment or any installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the lot owner, and then the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery of the notice to the lot owner, not less than twenty (20) days after the remaining of such notice to him by registered or certified mail, whichever shall first occur.

6.F. If the assessments are not paid on the date when due, then such assessment shall become delinquent and shall, together with interest thereon, become a continuing lien on the lot which shall run with the land. The personal obligation of the then lot owner to pay such assessment shall not be affected by any conveyance or transfer of title to said lot.

6.G. If the assessment remains unpaid thirty (30) days after its due date, the assessment shall bear interest from the date due at the maximum percentage rate permitted by law. The Association may bring an action at law against the lot owner personally obligated to pay the same and/or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of collecting the same of foreclosing the lien thereof, including reasonable counsel fee.

6.H. The assessments, together with such interest thereon and costs of collection thereof as is hereinafter provided, shall be a charge and continuing lien upon the lot owner against which such assessment is made. Each such assessment, together with such interest thereon and cost of the collection thereof as is hereinafter provided, shall also be the personal obligation of the persons owning such lot at the date when the assessment becomes payable.

6.I. The following property shall be exempt from the assessments, charge and lien created herein; (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use, (b) all common area, and (c) all properties exempted from the taxation by the laws of the State of Florida, upon and to the extent of such legal exemption as such exemption may exist from time to time.

6.J. Special assessments for emergency expenses that cannot be paid from the annual assessments shall be made only after notice of the need for such is given to the lot owners concerned. After such notice and upon approval in writing by members entitled to cast more than one-half (1/2) of the votes concerned, the assessment shall become effective, and it shall be due after thirty (30) days notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

6.K. The Depository of the Association shall be such bank, banks or federally insured savings and loan Associations as shall be designated from time to time by the Board of Directors and in which the monies of 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 Board of Directors.

an accountant selected by the Boar and a copy of the review report shall be furnished to each member upon request not later than January 31st of the year following the ye for which the review is made. This provision shall take effect after transfer of Association control.

6.M. Fidelity Bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board of Directors, but shall not be less than one-half (1/2) of the amount of the total annual assessments against members' for common expenses. The premiums on such bonds shall be paid by the Association.

6.N. The compensation of all employees of the Association shall be fixed by the Board of Directors.

7. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Restrictions, Articles of Incorporation or these Bylaws..

8. Amendments. Except as elsewhere otherwise provided, these Bylaws may be amended by including notice in writing of the subject matter of a proposed amendment with the notice of any meeting at which a proposed amendment is considered. The proposal 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 changes are so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of Bylaws. See Bylaw...for present text." Nonmaterial errors or omissions in the Bylaws process shall not invalidate an otherwise properly promulgated amendment.

8.A. A resolution for the adoption of a proposal amendment may be proposed by either the Board of Directors of the Association or by not less than fifty (50%) percent of the Voting Members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting.

8.B. Adoption of amendments to the Bylaws must be by:

(1) The affirmative vote of not less than sixty (60%) percent of the entire membership of the Board of Directors and by not less than sixty (60%) of the membership of the Association; or

(2) The affirmative vote of not less than seventy (70%) percent of the entire membership of the Association; or

(3) Only by the affirmative vote of all of the Directors until the first election of Directors.

8.C. Provided, however, that no amendment shall discriminate against any lot owner nor against any lot or class or group of lots, unless the owners so affected shall consent; and no amendment shall change any lot or decrease the share in the common elements appurtenant to it, unless the record owner of the lot concerned and all record owners of the mortgages on such lot shall join in the execution of the amendment.

8.D. A copy of each amendment shall be duly attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the President or Vice President of the Association and the amendment shall be effective when such certificate

Association.

Arbitration. There shall be voluntar inding arbitration of internal disputes arising from the operatio of the Association and/or its property, among developers or lot owners, the Association, and their agents and assigns.

The foregoing were adopted by unanimous written consent of the Board of Directors as the Substantial Rewording of Bylaws of SECTION 23 PROPERTY OWNER'S ASSOCIATION, INC., A Corporation Not-For-Profit under the laws of the State of Florida, on this 14th day of August, 1992.

Betty H. Williams
Secretary

APPROVED:

Kenneth J. Ane
President

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