

BY-LAWS OF
THE SAVANNAHS AT SYKES CREEK HOMEOWNERS' ASSOCIATION, INC.

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BY-LAWS OF
THE SAVANNAHS AT SYKES CREEK HOMEOWNERS' ASSOCIATION, INC.

Article I

Name, Principal Office, and Definitions

Section 1. Name. The name of the Association shall be THE SAVANNAHS AT SYKES CREEK HOMEOWNERS' ASSOCIATION, INC. ("Association").

Section 2. Principal Office. The principal office of the Association in the State of Florida shall be located in Brevard County. The Association may have such other offices, either within or outside the State of Florida, as the Board of Directors of the Association ("Board") may determine or as the affairs of the Association may require.

Section 3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Declaration of Covenants and Restrictions, recorded at Official Records Book 2976, Page 4776, et. seq.; the Annexation of Additional Lands and First Amendment to The Savannahs Declaration of Covenants and Restrictions, recorded in Official Records Book 3014, at Page 0165, et seq., and the Second Annexation of Additional Lands and Second Amendment to The Savannahs Declaration of Covenants and Restrictions, recorded in Official Records Book 3062, at Page 1028, et seq., all among the public records of Brevard County, Florida, as supplemented, restated, renewed, extended or amended, from time to time ("Declaration"), unless the context shall otherwise require.

Section 4. Corporate Seal. The seal of the corporation shall bear the name of the Association, the word "Florida", and the year of incorporation.

Article II

Membership, Meeting, Quorum, Voting, Proxies

Section 1. Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B". The Class "B" member shall be the Developer, as identified in the Declaration. The Class "A" members shall be all Lot owners other than the Developer. The term "Class 'B' Control Period", as used in these By-Laws, shall refer to that period of time described in the Declaration during which the Developer is entitled to appoint all of the officers and directors of the Association, and which period shall expire at such time as the Developer completes the

sale of all Lots comprising the Subdivision, less and except only those areas which will constitute the common areas.

Section 2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board either within the Subdivision or as convenient thereto as possible and practical.

Section 3. Annual Meetings. Annual meetings of the Association shall be held on a date and at a time as determined by the Board.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board. In addition, after the Class "B" membership has terminated, it shall be the duty of the President to call a special meeting of the Association if a petition is signed by members representing at least ten percent (10%) of the total votes of the Association requesting a special meeting. The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the members shall be delivered, either personally or by mail, to each member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. When required by law or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at its address as it appears on the records of the Association, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member shall be deemed a waiver by such member of notice of the time, date and place thereof and of the business transacted thereat (if notice of same is required by law or by these By-Laws), unless such member specifically objects to lack of proper notice at the time the meeting is called to order, or, in the case where the business transacted thereat is required to

be contained in the notice, such member specifically objects to proper notice before such business is put to a vote.

Section 7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, members who are present at such meeting, either in person or by proxy, representing a majority of the votes of those members present may adjourn the meeting from time to time in order to obtain a quorum. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to members in the manner prescribed for regular meetings.

The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, provided that members or their proxies representing at least ten (10%) percent of the total votes of the Association remain in attendance, and provided further that any action taken is approved by members or their proxies representing at least a majority of the number of votes of the Association required to constitute a quorum.

Section 8. Voting. The voting rights of the members shall be as set forth herein and in the Declaration as supplemented and amended from time to time, and such voting rights provisions are specifically incorporated herein.

Section 9. Designation of Voting Representative. If a Lot is owned by one person or entity, its rights to vote shall be established by the record title to the Lot. If a Lot is owned by more than one person or entity, the person entitled to cast the votes for the Lot shall be designated by a certificate signed by all of the owners of the Lot and filed with the Secretary of the Association. If a Lot is owned by a general or limited partnership, the person entitled to cast the votes for the Lot shall be designated by a certificate of appointment signed by one of the general partners and filed with the Secretary of the Association. If a Lot is owned by a corporation, the person entitled to cast the votes for the Lot shall be designated by a certificate of appointment signed by the president or vice president of the corporation and filed with the Secretary of the Association. If a Lot is owned in trust, the person entitled to vote for the Lot shall be designated by a certificate of appointment signed by the trustee of record for the trust and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Lot con-

cerned. A certificate designating the person entitled to cast the votes of a Lot may be revoked in writing by any owner thereof. Provided, however, that no Lot shall vote in excess of the voting rights allocated to that Lot in the Declaration or herein.

Section 10. Approval or Disapproval of Matters. Whenever the decision of a Lot owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the votes of such Lot owner if at an Association meeting, unless the joinder of record Lot owners is specifically required by the Declaration, the Articles of Incorporation of the Association or these By-Laws.

Section 11. Restraint Upon Assignment of Shares in Assets. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to that member's Lot.

Section 12 Proxies. A member may authorize another person to act for it by proxy. Such proxy must be executed by the member or its attorney in fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the member executing it and shall expire upon the transfer of title to the Lot giving rise to the voting rights to which the proxy pertains. The authority of the holder of a proxy to act shall not be revoked by the dissolution, incompetence or death of the member who executed the proxy unless, before the authority is exercised, written notice of the dissolution, adjudication of such incompetence or of such death is received by the Association officer responsible for maintaining the list of members.

Section 13. Majority. As used in these By-Laws, and except where provided otherwise, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than twenty (20%) percent of the total number.

Section 14. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by proxy of the members representing a majority of the total votes in the Association shall constitute a quorum at all meetings of the Association.

Section 15. Conduct of Meetings. The President or, in the President's absence, the Vice President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 16. Action Without A Meeting. Any action required by law to be taken at a meeting of the members or any action which may be taken at a meeting of the members, may be taken without a meeting if written consent setting forth the action so taken is signed by all of the members entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the members.

Article III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by the Board, each of whom shall have one (1) vote. During the Class "B" Control Period, directors elected to the Board need not be members of the Association. After the Class "B" Control Period, the directors shall be members or spouses of such members; provided, however, no person and his or her spouse may serve on the Board at the same time. After the Class "B" Control Period, in the case of a member which is a corporation, partnership, or other legal entity, the person designated in writing by certificate filed with the Secretary of the Association as the voting representative (pursuant to Article II, Section 9 hereof) of such corporation, partnership or other legal entity, shall be eligible to serve as a director.

Section 2. Directors During Class "B" Control. During the Class "B" Control Period, all members of the Board shall be appointed by the Developer acting in its sole discretion and shall serve at the pleasure of the Developer.

Section 3. Number of Directors. During the Class "B" Control Period the number of directors on the Board shall be not less than three (3). Upon the expiration of the Class "B" Control Period, the Lot owners will elect five (5) directors, who will then elect a President, Vice President and Secretary-Treasurer. Thereafter, the number of directors on the Board may be increased upon approval of a majority of the members, provided that there shall always be an odd number of directors. The initial Board shall consist of three (3) members appointed by the Developer. During the Class "B" Control Period, the Developer may appoint additional directors in its sole discretion to the Board from time to time to replace directors appointed by it, to fill vacancies of directors appointed by it, or to fill additional positions on the Board due to its expansion.

Section 4. Nomination of Directors. Except with respect to directors entitled to be selected by the Developer, nominations for election of directors to the Board shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two (2) or more members of the Association appointed by the Board. The Nominating Committee shall be appointed by the Board not less than thirty (30) days prior to such annual or special meeting of the members at which the election of a director or directors to the Board is to occur. Members of the Nominating Committee shall serve a term of one (1) year or until their successors are appointed. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but in no event less than the number of positions to be filled. Nominations shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

Section 5. Election and Term of Office. Each member of the Board shall serve for a term of one (1) year. Upon the expiration of the initial term of office of each such director, a successor shall be appointed by the Developer if during the Class "B" Control Period, or elected if after the Class "B" Control Period, to serve a term of one (1) year.

At any election of directors by members, each member shall be entitled to cast with respect to each vacancy to be filled on the Board, as many votes as it is entitled to vote under the terms of the Declaration. The candidates receiving the largest number of votes shall be elected to fill the positions for which the election is held. Directors elected by the members shall hold office until their respective successors have been elected. Directors may be elected to serve any number of consecutive terms.

Section 6. Removal of Directors and Vacancies. A director may be removed, with or without cause, by members representing a majority of the votes of members at the meeting called for such purpose. Any director whose removal is sought, shall be given notice prior to any meeting called for that purpose. At such meeting as the director is removed, a successor shall be elected by the members to fill the vacancy for the remainder of the term of such director. Any director appointed by the Developer may only be removed by the Developer, acting in its sole discretion, and the Developer shall be entitled to appoint a director to fill the vacancy created.

In the event of the death, disability or resignation of a director, a vacancy shall be declared by the Board, and it shall appoint a successor, unless the vacancy relates to a director appointed by the Developer, in which case the Developer

shall be entitled to fill the vacancy. Any director appointed by the Board or Developer shall serve for the remainder of the term of the director who vacated the position.

B. Meetings.

Section 7. Organizational Meetings. The first meeting of the Board following each annual meeting of the Association shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 8. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of the time and place of the meetings of the Board shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 9. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President or by any two (2) directors of the Board. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director of the Board by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, telecopy, charges prepaid. All such notices shall be given at the director's telephone or fax number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least ten (10) days before the time set for the meeting. Notices given by personal delivery, telephone, telecopy or telegraph shall be delivered, telephoned, faxed or given to the telegraph company (for immediate delivery) at least seventy-two (72) hours before the time set for the meeting.

Section 10. Waiver of Notice. The transactions of business at any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any

director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 11. Quorum of Board of Directors. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting from time to time to obtain a quorum. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by members representing a majority of the total votes of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of all of the other directors.

Section 13. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of meetings of the Board, recording therein all resolutions adopted by the Board and all transactions and proceedings occurring at such meetings. Meetings may be conducted by telephone and shall be considered as any other meeting, provided the directors participating in the meeting are able through telephone connection to hear and to be heard.

Section 14. Open Meetings. Subject to the provisions of Section 15 of this Article, all meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director and approved by a majority of directors present. In such case, the President may limit the time any member may speak.

Section 15. Action Without a Formal Meeting. Any action to be taken or that may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors of the Board, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 16. Powers. The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and may do all acts and things as provided by law as are not by the Declaration, the Articles of Incorporation or these By-Laws directed to be done and exercised exclusively by the Developer or the membership generally.

The Board shall delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

The Board shall have exclusive jurisdiction over and the sole responsibility for the Association's administration, management, operation, regulation, care, maintenance, repair, restoration, replacement, preservation and protection of the Common Area; the establishment, levy, imposition, enforcement and collection of all assessments for which provision is made in the Declaration; the promotion and advancement of the general interests of the members of the Association; all as more particularly provided in the Declaration, Articles of Incorporation, these By-Laws and the rules and regulations, if any, of the Association.

Subject to the limitations and duties imposed by the Declaration, the Articles of Incorporation and these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to and shall be responsible for the following, by way of explanation, but not limitation:

(a) preparation and adoption of annual budgets in which there shall be established the contribution of each Lot owner to the common expenses;

(b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of assessments;

(c) providing for the operation, care, upkeep, and maintenance of all of the Common Area;

(d) designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Association, its property, Common Area, and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and

materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository insured by the Bank Insurance Fund which it shall approve, and using the proceeds to administer the Association;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions and improvements to or alterations of the Common Area in accordance with the Declaration and these By-Laws after damage or destruction by fire, storm or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations which may be adopted by it and bringing any proceedings which may be instituted on behalf of or against the Lot owners or third parties concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration or as otherwise determined to be appropriate by the Board, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its members and not chargeable directly to specific Lot owners:

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available, at the reproductive cost thereof, to any prospective purchaser of a Lot, any Lot owner, any first mortgagee, and the holders, insurers and guarantors of a first mortgage on any Lot, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules and regulations governing the Lot, and all other books, records, and financial statements of the Association;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing operation of the Subdivision; and

(o) entering into contracts, granting easements or performing other rights, obligations or duties of the Association set out in the Declaration.

Section 17. Management Agent.

(a) If authorized by the governing documents, the Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to the managing agent or manager, subject to Board supervision, all of the powers granted to the Board by these By-Laws, other than the powers set forth in subparagraphs (a), (b), (f), (g), (i) and (o) of Section 16 of this Article.

(b) No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee on ninety (90) days' or less written notice.

Section 18. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise; anything of value received shall benefit the Association; provided, nothing herein shall prohibit the managing agent from earning commissions for service performed by the managing agent in leasing residences on behalf of Owners of such residences, so long as the same are disclosed in writing, in advance, to the Board.

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly in writing to the Board; and

(f) an annual report consisting of at least the following shall be distributed to all members within one hundred twenty (120) days after the close of the fiscal year: (1) a

balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The report referred to above shall be prepared on an annual basis and compiled by an independent public accountant.

Section 19. Borrowing. The Board shall not have the power to borrow money.

Section 20. Rights of the Association. With respect to the Common Area or other areas of responsibility of the Association, and in accordance with the Articles of Incorporation, these By-Laws and the Declaration, the Board on behalf of the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Board on behalf of the Association to enter into common management, operational or other agreements with other owners or associations, both within and] without the Subdivision. Such agreements shall require the consent of a majority of all directors of the Association.

Section 21. Enforcement. Subject to the provisions of the governing documents, the Board shall have the power to enforce the provisions of the Declaration and impose reasonable fines, which shall constitute a lien upon the property of the violating Lot owner for violation of any duty imposed upon such Lot owner under the Declaration, the Articles of Incorporation, these By-Laws or any rules and regulations duly adopted hereunder. In the event that any occupant of a Lot violates the Declaration, Articles of Incorporation, By-Laws or a rule or regulation and a fine is imposed, the Association may proceed against the Lot owner of such Lot to pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, Articles of Incorporation, By-Laws or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) Notice. Except as otherwise provided in the Declaration, prior to imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice by mail, hand delivery or other delivery at the address of the alleged violator contained in the records of the Association or, if no address of the alleged violator is on record, then by posting written notice at the site of the alleged violation describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Board for a hearing, and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within the period of time provided in (iii) for requesting a hearing. If a timely challenge is not made, the sanction stated in the notice

shall be imposed. The notice may include, without limitation, sanctions that will automatically be imposed by the Association in the event the violation is not abated or recurs within a stated period from the alleged violation. Copies of notices and proof of notice shall be placed in a record book of the Association kept for this purpose. Proof of notice shall be deemed adequate if a copy of the notice, together with statement of the date and manner of delivery, is entered by the officer, director or agent who delivered such notice, or if the alleged violator requests a hearing within the time period stated in the notice.

(b) Hearing. If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the Lot owner a reasonable opportunity to be heard. The Lot owner may be represented by legal counsel but, if the Lot owner so elects, notice of such intention shall be given to the Board no less than five (5) days prior to the hearing, failing which the Board may postpone the hearing date to a day certain to afford the Board the opportunity to have counsel for the Association present. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within a period of time specified by the Board. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any person.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board, may elect to enforce any provision of the Declaration, the Articles of Incorporation, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation, to recover monetary damages, or to seek any other appropriate remedy, or any combination of the foregoing, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible by the applicable governing documents and by law, the Lot owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys', and paralegals' fees incurred by the Association, whether suit be brought or not, and including those incurred on appeal, and in bankruptcy court, as applicable. (In the event the occupant of a residence is responsible for the violation of which abatement is sought, the Association may seek recovery of the foregoing against the Lot owner.)

Article IV

Officers

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, and, except during the Class "B" Control Period, shall be elected from among the members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and to perform the duties prescribed from time to time by the Board. Any two (2) or more offices may be held by the same, person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the Association, as provided in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time, specifically be conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the Association's budget and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board. All persons having authority to sign Association checks and instruments of Association indebtedness shall be bonded at the Association's expense.

Article V

Committees

Committees are hereby authorized to perform such tasks and to serve for such periods as may be provided for in the Declaration, these By-Laws, the Articles of Incorporation or designated by a resolution adopted by a majority of the directors of the Board present at a meeting at which a quorum is present. Such committees shall perform such duties and have such powers as may be provided in the Declaration, the Articles of Incorporation, these By-Laws and the resolution of the Board. In the event of conflict in the terms of any of the foregoing, the Declaration, Articles of Incorporation, By-Laws and resolutions of the Board (in that order) shall prevail. Each committee shall operate in accordance with the terms related thereto, the rules adopted by the Board and the terms and provisions of the Declaration, the Articles of Incorporation and these By-Laws.

Article VI

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Florida law, the Articles of Incorporation, the Declaration or these By-Laws.

Section 3. Conflicts. If there are conflicts between the provisions of Florida law, the Articles of Incorporation, the Declaration, and these By-Laws, then the provisions of Florida law, the Declaration, the Articles of Incorporation and the By-Laws shall prevail in that order.

Section 4. Books and Records.

(a) Inspection by Members and Mortgagees. The Declaration, Articles of Incorporation and By-Laws, membership register, books of account, and minutes of meetings of the members, the Board, and committees shall be made available for inspection and copying by any mortgagee, member of the Association or by its, his or her duly appointed representative, at any reasonable time and for a purpose reasonably related to his or her interest as a member or as a mortgagee thereof, at the

office of the Association or at such other place within Brevard County, Florida, as the Board shall prescribe.

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

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing copies of documents requested.

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

Section 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a member, at the address which the member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot owned by such member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the members pursuant to this Section.

Section 6. Amendment. These By-Laws may be amended by a majority of the Board adopting a resolution setting forth the proposed amendment, if such proposed amendment is approved by the affirmative vote (in person or by proxy) or written consent, or any combination thereof, of at least a majority of all of the owners of the Lots. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. The amendment shall be effective upon adoption.

No amendment may impair the validity or priority of the lien of any mortgage held by a mortgagee or impair the rights granted to mortgagees herein without the prior written consent of such mortgagees.

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