

**AMENDED AND RESTATED BYLAWS
OF
THE CHALET OF SAN MARCO CONDOMINIUM ASSOCIATION, INC.**

1. GENERAL. These are the Bylaws of The Chalet of San Marco Condominium Association, Inc., hereinafter the "Association", a corporation not for profit organized under the laws of Florida for the purpose of operating a condominium pursuant to the Florida Condominium Act.

1.1. Principal Office. The principal office of the Association shall be at 520 South Collier Boulevard, Marco Island, Florida, 34145.

1.2. Seal. The seal of the Association shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "corporation not for profit." The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the corporation where a seal may be required.

1.3. Definitions. The terms used herein shall have the same definitions as stated in the Declaration of Condominium.

2. MEMBERS.

2.1. Qualification. The members of the Association shall be the record owners of a fee simple interest in one or more units. Membership shall become effective upon the occurrence of the last to occur of the following events.

2.1.A. Recording in the Public Records of a Deed or other instrument evidencing legal title to the unit in the member.

2.1.B. Approval by the Board of Directors as provided for in Section 14 of the Declaration.

2.1.C. Delivery to the Association of a copy of the recorded Deed or other instrument evidencing title.

2.1.D. Delivery to the Association, if required, of a written designation of a primary occupant.

2.2. Voting Rights. Voting Interests. The members of the Association are entitled to one (1) vote for each unit owned by them. The total number of votes ("voting interests") shall equal the total number of units. The vote of a unit is not divisible. The right to vote may not be denied because of delinquent assessments. If a condominium unit is owned by one natural person, his right to vote shall be established by the record title to the unit. If a unit is owned jointly by two or more natural persons who are not acting as trustees, that unit's vote may be cast by any one of the record owners. If two or more owners of a unit do not agree

among themselves how their one vote shall be cast that vote shall not be counted. If the owner of a unit is not a natural person or is a trustee, the vote of that unit shall be cast by the unit's primary occupant designated as set forth in Section 14.1 of the Declaration. In the case of a unit subject to an agreement for deed, the contract vendee shall be deemed the owner of the unit for purposes of determining voting rights.

- 2.3. Approval or Disapproval of Matters. Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by any person who could cast the vote of such unit without use of a proxy if present at an Association meeting, unless the consent of all record owners is specifically required.
- 2.4. Change of Membership. Following written approval of the Association, as elsewhere required herein, a change of membership in the Association shall be established by the new member's membership becoming effective as provided in 2.1 above; and the membership of the prior owner shall thereby be automatically terminated.
- 2.5. Termination of Membership. The termination of Membership in the Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Condominium during the period of his membership, nor does it impair any rights or remedies which the Association may have against any former owner or member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

3. MEMBERS' MEETINGS.

- 3.1. Annual Meeting. The members shall meet at least once in each calendar year and such meeting shall be the annual meeting. The annual meeting shall be held in Collier County, Florida each year during the month of March at a day, place and time designated by the Board of Directors, for the purpose of transacting any business duly authorized to be transacted by the members. At the time of the annual meeting, any ballots cast in the annual election of Directors shall be counted and results announced.
- 3.2. Special Members' Meetings. Special members' meetings must be held whenever called by the President or by a majority of the Board of Directors, and may also be called by members entitled to cast at least ten percent (10%) of the votes of the entire membership. Business conducted at any special meeting shall be limited to the items specified in the notice of meeting.
- 3.3. Notice of Meetings. Notice of all members' meetings must state the time, date, and place of the meeting. The notice must be mailed to each member at his address as it appears on the books of the Association, or may be furnished by personal delivery, or may be electronically transmitted to any member who has given consent to delivery by electronic transmission. The member bears the responsibility for notifying the Association of any change of address. The notice must be mailed or delivered at least fourteen (14) days prior to the date of the meeting. Notice of the annual meeting must also include an agenda and shall be

posted in a conspicuous place on the condominium property for at least fourteen (14) continuous days prior to the annual meeting. Notice of the annual meeting and agenda shall be sent by first class mail to each owner regardless of whether the second notice of election described in Section 4.3(B) below is required, and an affidavit of the officer or other person making such mailing shall be retained in the Association records as proof of such mailing. Notice of the annual meeting may be delivered in person if a written waiver of mailing is obtained. Notice of any meeting may be waived in writing by any member.

3.4. Quorum. A quorum at a members' meeting shall be attained by the presence, either in person or by proxy, of persons entitled to cast one-third (1/3rd) of the votes of the entire membership.

3.5. Vote Required. The acts approved by a majority of the votes cast at a meeting at which a quorum has been attained shall be binding upon all unit owners for all purposes, except where a higher vote is required by law or by any provision of the condominium documents.

3.6. Proxies. To the extent lawful, any person entitled to attend and vote at a members meeting may both establish his presence at the meeting and cast his vote by proxy. Proxies may not be used in electing Directors. Limited proxies may be used to establish a quorum, and they shall be used for votes taken to waive reserves or financial statement requirements, to amend the condominium documents, and for all other substantive matters for which the Condominium Act requires or permits a vote of the members. General proxies may be used to establish a quorum, for procedural votes, and for non-substantive amendments to proposals for which a limited proxy is being used. A proxy may be given by any person entitled to vote, but shall be valid only for the specific meeting for which originally given and/or any lawful adjournment of that meeting. No proxy shall be valid for a period longer than ninety (90) days after the date of the meeting for which it was given. Every proxy shall be revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the unit, specify the date, time and place of the meeting for which it is given and the original must be delivered to the Secretary by the appointed time of the meeting or adjournment thereof. Holders of proxies must be members. No proxy shall be valid if it names more than one person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy. No individual member, except current officers of the Association, may hold more than three (3) proxies.

3.7. Adjourned Meetings. Any duly called meeting of the members may be adjourned to a later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. When a meeting is adjourned it shall not be necessary to give notice of the time and place of its continuance if such are announced at the meeting being adjourned. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance.

3.8. Order of Business. The order of business at members' meetings shall be substantially as follows:

- A. Election of Directors (when necessary).
- B. Call of the roll or determination of quorum.
- C. Reading or disposal of minutes of last members meeting.
- D. Reports of Officers.
- E. Reports of Committees.
- F. Unfinished Business.
- G. New Business.
- H. Adjournment.

- 3.9. Minutes. Minutes of all meetings of members and of the Board of Directors shall be kept in a businesslike manner and available for inspection by members or their authorized representatives and Board members during normal business hours and for a period of seven (7) years after the meeting.
- 3.10. Parliamentary Rules. The latest edition of Roberts' Rules of Order shall govern the conduct of the Association meetings when not in conflict with the law, with the Declaration, or with these Bylaws. The President may appoint a Parliamentarian whose decision on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.
- 3.11. Participation of Members at Meetings. Meetings of the Board of Directors and all meetings of the owners, including Special Meetings, shall be open to all members. Members shall be allowed to participate in the meetings, as designated by the Board, and the chairperson. In any meeting the member must request to be recognized by the chairperson and when recognized identify himself by name and unit number. The member must limit his remarks to the agenda item being discussed and not attempt to introduce or address other matters. A member may speak on the topic at issue for a period of three (3) minutes, or as determined and announced by the chairperson.
- 3.12. Action by Members Without Meeting. Any action required or permitted to be taken at a meeting of the members may be taken by mail without a meeting if written consents, setting forth the action to be taken, are signed by the members having not less than the minimum number of votes that would be necessary to take such action at a meeting, or sixty percent (60%) of the total votes of the entire membership, whichever is greater, unless a lesser vote is required by law. If the requisite number of written consents are received by the Secretary within thirty (30) days of mailing notice of the proposed action to the members, a resolution passed by the Board of Directors on the action so authorized shall be of full force and effect as if a full membership meeting had been held. Within ten (10) days after adopting the resolution, the Board shall send written notice of the action taken to all members who have not consented in writing. Nothing in this paragraph shall be construed in derogation of members' rights to call a special meeting of the membership, as elsewhere provided in these Bylaws. If the vote is obtained by polling the unit owners by mail, the unit owners list on record with the Secretary at the time of mailing the voting material shall be the list of qualified voters.

4. BOARD OF DIRECTORS. The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration, Articles of Incorporation, and these Bylaws, shall be exercised by the Board, subject to approval or consent of the unit owners only when such is specifically required.

4.1. Number and Terms of Service. The number of Directors which shall constitute the whole Board of Directors shall be seven (7). All Directors shall be elected for three (3) year terms. A Director will serve until his successor is duly elected, unless he sooner resigns or is recalled as provided in 4.5 below. Directors shall be elected by the members at the Annual Election, or in the case of a vacancy between annual elections, as provided in Section 4.4 below.

4.2. Qualifications. Each Director must be a member or the spouse of a member. However, in the case of a unit owned in trust or by a corporation or partnership, the primary occupant or the spouse of the primary occupant, designated as provided in Section 14.1 of the Declaration, shall be eligible to serve as a Director. Only one person per unit may serve as a Director at the same time.

4.3. Elections. On the day of each annual election the members shall elect by written ballot as many Directors as there are regular terms of Directors expiring, unless the balloting is dispensed with as provided by law.

4.3.A. First Notice: Candidates. Not less than sixty (60) days before the election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate may qualify as such by giving written notice of intent to be a candidate to the Association not less than forty (40) days prior to the annual election. Candidates may also be nominated by any other method permitted by law.

4.3.B. Second Notice: Candidate Information Sheets. If there are more qualified candidates than there are Directors to be elected, at least thirty (30) days before the election, the Association shall mail or deliver a second notice of election to all unit owners, together with a ballot which shall list all qualified candidates in alphabetical order, by surname. This notice may also include the notice of annual meeting required by Section 3.3 above. Upon timely request of a candidate, the Association shall include an information sheet (no larger than 8-1/2 inches by 11 inches, furnished by the candidate) with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association.

4.3.C. Balloting. Where balloting is required, Directors shall be elected by a plurality of the votes cast, and there shall be no quorum requirement, provided that at least twenty percent (20%) of the eligible voters cast ballots. Proxies may not be used in the election. In the election of Directors, there shall be appurtenant to each unit as many votes for Directors as there are Directors to be elected, but no unit may cast more than one vote for any candidate, it

being the intent hereof that voting for Directors shall be non-cumulative. Tie votes shall be broken by agreement among the candidates who are tied, or if there is no agreement, by lot.

4.4. Vacancies on the Board. If the office of any Director becomes vacant between annual elections for any reason, a successor or successors to fill the remaining unexpired term or terms shall be appointed or elected as follows:

4.4.A. If a vacancy is caused by the death, incapacity, disqualification or voluntary resignation of or by a Director, a majority of the remaining Directors, though less than a quorum, shall appoint a successor as specified below, who will hold office for the remaining unexpired term:

4.4.A.1. The owners will be promptly notified of the vacancy and the Board shall request the names of any owners who desire to be appointed to fill the vacancy, along with a one page summary of the experience and qualifications of the interested owners. The summaries will be due within 15 days of the notice of the vacancy.

4.4.A.2. The Board shall evaluate the information provided by the owners and decide which owner is best qualified to fill the vacancy, and will name that owner to be the appointed Director for the unexpired term of the vacated position.

4.4.B. If a vacancy occurs as a result of a recall and less than a majority of the Directors are removed, the vacancy may be filled by appointment by a majority of the remaining Directors, though less than a quorum. If vacancies occur as a result of a recall in which a majority or more of the Directors are removed, the vacancies shall be filled as provided by law.

4.5. Removal of Directors. Any or all Directors may be removed or recalled with or without cause by a majority vote of the entire membership, either by a written petition or at any meeting called for that purpose. If a meeting is held or a petition is filed for the removal of more than one Director, the question shall be determined separately as to each Director sought to be removed. If a special meeting is called by ten percent (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days from the date that notice of the meeting is given.

If the recall is approved by a majority vote of the entire membership at a unit owner meeting called for that purpose, the Board shall duly notice and hold a Board meeting within 5 full business days of the adjournment of the unit owner meeting to recall one or more Board members. At the meeting, the Board shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the Board within 5 full business days any and all records and property of the Association in their possession; or if the Board determines not to certify the recall, the Board shall, within 5 full business days after the meeting, file with the division a petition for arbitration pursuant to the procedures in Florida Statute 718.1255. The unit owners who voted at the

meeting shall constitute one party at arbitration. If the arbitrator certifies the recall, the recall will be effective upon mailing of the final order of arbitration to the Association.

If the recall is by a petition, the petition or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure. The Board of Directors shall duly notice and hold a meeting of the Board within 5 full business days after the receipt of the petition. At the meeting, the Board shall either certify the petition to recall a member or members of the Board, in which case such member or members shall be recalled effective immediately and shall turn over to the Board within 5 full business days any and all records and property of the Association in their possession; or if the Board determines not to certify the petition to recall a member or members of the Board, the Board must, within 5 full business days after the meeting, file with the division a petition for arbitration pursuant to the procedures in Florida Statute 718.1255. The unit owners who executed the petition shall constitute one party at the arbitration. If the arbitrator certifies the recall, the recall will be effective upon mailing of the final order of arbitration to the Association.

If the Board fails to duly notice and hold a Board meeting within 5 full business days of service of a petition or within 5 full business days of the adjournment of the unit owner recall meeting, the recall shall be deemed effective and the Board members so recalled shall immediately turn over to the Board any and all records and property of the Association.

- 4.6. Organizational Meeting. The organizational meeting of a new Board of Directors shall be held within ten (10) days after the election of new Directors at such place and time as may be fixed by the Directors at the annual meeting at which they were elected.
- 4.7. Other Meetings. Meetings of the Board may be held at such time and place in Collier County, Florida, as shall be determined from time to time by the President or a majority of the Directors. Notice of meetings shall be given to each Director, personally or by mail, telephone or e-mail at least two (2) days prior to the day named for such meeting.
- 4.8. Notice to Owners. All meetings of the Board of Directors shall be open to members and notices of all Board meetings, together with an agenda, shall be posted conspicuously on the condominium property for at least forty-eight (48) continuous hours in advance of each Board meeting, except in an emergency. Notice of any Board meeting where assessments against units are to be considered by any reason shall specifically contain a statement that assessments will be considered and the nature of the assessments. Notice of any Board meeting where non-emergency special assessments against units are to be considered shall also be mailed or delivered to the unit owners and posted conspicuously on the condominium property not less than fourteen (14) days prior to the meeting. An affidavit executed by the person making the mailing shall be filed among the official records of the Association. Notice of any Board meeting at which a budget will be adopted or amended shall conform to the requirements set

forth in Section 6.2, below. Business not listed in the agenda for the meeting may be conducted on an emergency basis in the manner provided by law. The right of owners to attend Board meetings includes the right to participate subject to the rules of the Association as to the manner of doing so.

- 4.9. Waiver of Notice. 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. If all Directors are present at a meeting, no notice to Directors shall be required.
- 4.10. Quorum of Directors. A quorum at a Board meeting shall be attained by the presence in person of a majority of all Directors. Members of the Board of Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting. Directors may not vote or participate by proxy or secret ballot at Board meetings, except that officers may be elected by secret ballot. A vote or abstention for each Director present shall be recorded in the minutes.
- 4.11. Vote Required. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum has been attained shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the condominium documents or by applicable statutes.
- 4.12. Presumption of Assent. A Director who is present at a meeting of the Board shall be deemed to have voted in favor of any action taken, unless either he voted against such action, or he abstained from voting because of an asserted conflict of interest, the reason for which shall be recorded in the minutes of the meeting.
- 4.13. Adjourned Meeting. The majority of those Directors present at any meeting of the Board, regardless of whether a quorum has been attained, may adjourn the meeting from time to time. At any adjourned meeting, provided a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice at the continuance.
- 4.14. The Presiding Officer. The President of the Association, or in his absence, the Vice-President, shall be the presiding officer at all meetings of the Board of Directors. If neither is present, the presiding officer shall be selected by majority vote of those Directors present.
- 4.15. Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services. Nothing herein shall preclude the Board of Directors from employing a Director or officer for the management of the Condominium or for any other service to be supplied by such Director or officer. Directors and officers shall be compensated for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.
- 4.16. Committees. The Board of Directors may appoint from time to time such standing or temporary committees as the Board may deem necessary and convenient for the efficient and effective operation of the Condominium. Any such committee

shall have the powers and duties assigned to it in the resolution creating the committee. To the extent required by law, notice of committee meetings shall be given and committee meetings shall be open to attendance and participation by unit owners.

- 4.17. Meetings of Committees. Standing or temporary committee meetings limited to the discussion of the mission, objectives or assignments of the committee shall not be subject to posting unless the meeting is intended to take final action on behalf of the Board or to make budget recommendations to the Board.

5. OFFICERS.

- 5.1. Officers and Elections. The executive officers of the Association shall be a President, and a Vice-President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors. Any officer may be removed with or without cause by vote of a majority of all Directors at any meeting. Any person except the President may hold two or more offices. The Board of Directors shall, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one Vice-President.
- 5.2. President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and Directors, shall be ex-officio a member of all standing committees, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect. He shall execute bonds, mortgages and other contracts requiring the seal of the Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Association.
- 5.3. Vice-Presidents. The Vice-Presidents in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall assign.
- 5.4. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and shall cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for the purpose, and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Association and, when authorized by the Board affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the condominium documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated and approved by the Board.

5.5. Treasurer. The Treasurer shall be responsible for Association funds and securities and the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated or approved by the Board of Directors. He shall oversee the disbursement of the funds of the Association, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at the meetings of the Board, or whenever they may require it, an accounting of all transactions and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated and approved by the Board.

6. FISCAL MATTERS. The provisions for fiscal management of the Association set forth in the Declaration of Condominium shall be supplemented by the following provisions:

6.1. Depository. The Association shall maintain its accounts in such federally insured financial institutions in the State of Florida as shall be designated from time to time by the Board. All Association funds shall be invested in, or backed by, securities issued or insured by the United States, or by an agency of the Federal Government. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board; all checks must be signed by two authorized individuals, one of whom shall be a Director. All individuals who control or disburse checks must be bonded.

6.2. Budget. Each year the Board of Directors shall adopt a budget of common expenses for the next fiscal year. A copy of the proposed budget and a notice stating the time, date and place of the meeting at which the Board will consider the budget shall be mailed to or served on the owner of each unit not less than fourteen (14) days prior to that meeting. The proposed budget shall be detailed and shall show the amounts budgeted by income and expense classifications as required by law.

6.3. Reserves for Capital Expenditures and Deferred Maintenance. In addition to annual operating expenses, the proposed budget must include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing. The amount to be reserved shall be computed by a formula based upon the estimated life and replacement cost of each item. These reserves shall be funded unless the members subsequently determine by majority vote of those present in person or by proxy at a duly called meeting to fund no reserves or less than adequate reserves for a fiscal year. The vote to waive or reduce reserves, if any is taken, may be taken only after the proposed budget has been mailed to the unit owners as required in Section 6.2 above. Reserves funded under this paragraph, and all interest earned on such reserves, shall be used only for the purposes for which they were reserved, unless their use for other purposes is first approved by a majority of the voting interests present and voting at a members' meeting called for the purpose.

6.4. Other Reserves. In addition to the statutory reserves provided in 6.3 above, or in place of them if the members so vote, the Board may establish one or more

additional reserve accounts for contingencies, operating expenses, repairs, minor improvements or deferred maintenance. The purpose of the reserves is to provide financial stability and to avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget each year. These funds may be spent for any purpose approved by the Board.

- 6.5. Assessments. Regular annual assessments based on the adopted budget shall be paid in quarterly installments, in advance, due on the first day of January, April, July and October of each year. Written notice of each quarterly installment shall be sent to all members at least fifteen (15) days prior to the due date. Failure to send or receive such notice shall not excuse the obligation to pay. If an annual budget has not been adopted at the time a quarterly installment is due, it shall be presumed that the amount of such installment is the same as the last quarterly payment, and shall be continued at such rate until a budget is adopted and pro rata assessments are calculated, at which time any overage or shortage calculated shall be added or subtracted from each unit's next due quarterly installment.
- 6.6. Special Assessments. Special assessments may be imposed, by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted, or non-recurring expenses. Special assessments are due on the day specified in the resolution of the Board approving such assessment. The total of all special assessments coming due in any fiscal year shall not exceed fifteen percent (15%) of the total annual budget for that year, including reserves, unless a majority of the voting interests present in person or by proxy at a duly called meeting first consent. The notice of any Board meeting at which a non-emergency special assessment will be considered shall be given as provided in Section 4.8 above. The notice of any special assessment must contain a statement of the purpose(s) of the assessment, and the funds collected must be spent for the stated purpose(s) or returned to the members as provided by law.
- 6.7. Fidelity Bonds. The President, Secretary and Treasurer, and any other persons who are authorized to sign checks shall be bonded in at least such amounts as may be required by law or such higher amounts as may be determined by the Board of Directors. The premiums for the bonds shall be paid by the Association.
- 6.8. Financial Information. Not later than ninety (90) days after the close of each fiscal year, the Board shall have prepared an audited financial statement showing in reasonable detail the financial condition of the Association as of the close of its fiscal year and an income and expense statement for the year, detailed by accounts. Copies of these statements shall be furnished to each member. The financial report shall conform to the requirements of Section 718.111(13) of the Condominium Act, as amended from time to time, unless waived by the members as provided therein.
- 6.9. Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each year. The Board of Directors may change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed in the Internal Revenue Code of the United States of America.

6.10. Competitive Bidding Requirements. If any contract for the purchase, lease, or renting of materials or equipment to be used by the Association in carrying out its duties, or any contract for the provision of services, exceeds 5% of the total annual budget of the Association, including reserves, the Association shall obtain competitive bids for the materials, equipment, or services. Nothing contained herein shall be construed to require the Association to accept the lowest bid. Contracts with employees of the Association, and contracts for attorney, accountant, architect, community association manager, timeshare management firm, engineering, and landscape architect services are not subject to the provisions of this section. In addition, a renewal of any contract is not subject to competitive bidding requirements. Any contract executed before January 1, 1992 is not subject to competitive bidding requirements.

7. RULES AND REGULATIONS. The Board of Directors may, from time to time, adopt and amend administrative Rules and Regulations governing the operation, use, maintenance, management and control of the units, the common elements and the operation of the Association. Copies of such Rules and Regulations shall be furnished to each unit owner. Any rule or regulation created and imposed by the Board must be reasonably related to the promotion of health, happiness and peace of mind of the unit owners and uniformly applied and enforced.

7.1. Hurricane Shutter Specifications. The Board shall establish specifications for hurricane shutter installation in accordance with applicable building codes in effect at the time of installation and any special construction requirements of the Chalet. A copy of the current shutter specifications, in effect and as approved by the Board, is available at the Association office. In all cases, the Association must be advised in writing, by the owner, of any hurricane shutter installation or modification, prior to the commencement of work.

7.2. Emergency Powers. In the event of any "emergency", as defined in Subsection 7.2.G below, the Board of Directors may exercise the emergency powers described in this Section, and any other emergency powers authorized by Sections 617.0207, and 617.0303, Florida Statutes, as amended from time to time.

7.2.A. The Board may name as assistant officers persons who are not Directors, which assistant officers shall have the same authority as the executive officers to whom they are assistant during the period of the emergency, to accommodate the incapacity or unavailability of any officer of the Association.

7.2.B. The Board may relocate the principal office or designate alternative principal offices or authorize the officers to do so.

7.2.C. During any emergency the Board may hold meetings with notice given to those Directors and owners in residence with whom it is practicable to communicate, and the notice may be given in any practicable manner, including publication, radio, e-mail, other electronic transmission or telephone. The Director or Directors in attendance at such a meeting shall

constitute a quorum.

7.2.D. Corporate action taken in good faith during what is reasonably believed to be an emergency under this Section to further the ordinary affairs of the Association shall bind the Association; and shall have the rebuttable presumption of being reasonable and necessary.

7.2.E. Any officer, Director, owner in residence or employee of the Association acting with a reasonable belief that his actions are lawful in accordance with these emergency Bylaws shall incur no liability for doing so, except in the case of willful misconduct.

7.2.F. These emergency Bylaws shall supersede any inconsistent or contrary provisions of the Bylaws during the period of the emergency.

7.2.G. An "emergency" exists for purposes of this Section during the time when a quorum of the Board cannot readily be assembled because of the occurrence or imminent occurrence of a catastrophic event, such as a hurricane, earthquake, act of war, civil unrest or terrorism, or other similar event. An "emergency" also exists during the period of time that civil authorities have declared that a state of emergency exists in, or have ordered the evacuation of Marco Island or the immediate surrounding area, or have declared them a "disaster area". A determination by any two (2) Directors, or by the President, that an emergency exists shall have presumptive validity.

7.3. Hurricane Preparedness. Throughout hurricane season, June through November each year, owners shall remove all moveable items, including furniture and pots, from their balconies and terraces whenever the owner will be out of residence for more than one week. All items also must be removed at any time a state of emergency is declared for Marco Island, as defined in Section 7.2(G), above. Failure to comply with this requirement will constitute negligence on the part of the owner.

8. COMPLIANCE AND DEFAULT; REMEDIES. In addition to the remedies provided in Section 19 of the Declaration, the following provisions shall apply:

8.1. Collection: Suit, Notice. The Association may bring an action to foreclose any lien for assessments in the manner that a mortgage on real property is foreclosed. It also may bring an action to recover a money judgment for the unpaid assessment without waiving any claim of lien. The Association shall give notice to the unit owner of its intention to foreclose its lien at least 30 days before the foreclosure action is filed. The notice shall be given by delivery of a copy of it to the unit owner or by certified mail, addressed to the unit owner's last known address.

8.2. Fines. The Board of Directors may levy reasonable fines against the owners of units whose occupants commit violations of the Condominium Act, the provisions of the condominium documents or Association Rules and Regulations. The fines shall be in an amount deemed necessary by the Board to deter future violations, but in no event shall any fine exceed the maximum amount allowed by law, and no fine

may be levied against an unoccupied unit. The procedure for imposing such fines shall be as follows:

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

8.2.A.1. A statement of the date, time and place of the hearing;

8.2.A.2. A specific designation of the provisions of the Declaration, Bylaws or rules which have allegedly been violated; and,

8.2.A.3. A short and plain statement of the specific facts giving rise to the alleged violation(s).

8.2.B. At the hearing, the party against whom the fine may be levied shall have a reasonable opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved, and shall have an opportunity to review, challenge, and respond to any evidence or testimony presented by the Association.

8.2.C. The hearing must be held before a committee of three other unit owners who are not current Board members. If the committee does not agree with the fine, the fine may not be levied.

8.2.D. No fine will become a lien against a unit. No fine may exceed \$100 per violation. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000.

8.3. Correction of Health and Safety Hazards. Any violations which are deemed by the Board of Directors to be a hazard to the public health or safety may be corrected immediately as an emergency matter by the Association and the cost thereof shall be charged to the unit owner.

8.4. Mandatory Non-Binding Arbitration. In the event of a dispute as defined in Section 718.1255 of the Condominium Act, between a unit owner and the Association arising from the operation of the Condominium, the parties must submit the dispute to mandatory non-binding arbitration under the rules of the Division of Florida Land Sales, Condominiums and Mobile Homes before filing any lawsuit over the disputed matters. Nothing herein shall be construed to require arbitration of disputes related to the levy or collection of fees or assessments.

8.5. Availability of Remedies. Each member, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of violations regardless of the harshness of the remedy utilized by the Association and regardless of the availability of other legal remedies. It is the intent of all members to give the Association methods and procedures which will enable it to operate on a businesslike basis, to collect those monies due it and to preserve the majority's right to enjoy the condominium property free from unreasonable

restraint and annoyance.

9. AMENDMENT OF BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner:

- 9.1. Proposal. Amendments to these Bylaws may be proposed by a majority of the Board or by written petition signed by at least one-fourth (1/4th) of the voting interests.
- 9.2. Procedure. Upon any amendment or amendments to these Bylaws being proposed by said Board or unit owners, such proposed amendment or amendments shall be submitted to a vote of the owners not later than the next annual meeting for which proper notice can still be given.
- 9.3. Vote Required. Except as otherwise provided by law, or by specific provision of the condominium documents, these Bylaws may be amended by concurrence of two-thirds (2/3rds) of the voting interests present in person or by proxy at any annual or special meeting provided that notice of any proposed amendment has been given to all the members in accordance with law. Amendments may be adopted without a meeting by following the procedure set forth in Section 3.12 of these Bylaws.
- 9.4. Recording: Effective Date. A copy of each amendment shall be attached to a certificate that the amendment was duly adopted, which certificate shall be executed by the President or Vice President of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are duly recorded in the Public Records of Collier County, Florida. The certificate must identify the book and page of the Public Records the original Declaration of Condominium is recorded.

10. MISCELLANEOUS.

- 10.1. Gender. Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires,
- 10.2. Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.
- 10.3. Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration of Condominium or Articles of Incorporation, the provisions of the Declaration or Articles of Incorporation shall prevail over the provisions of the Bylaws.

CERTIFICATE

The undersigned, being the duly elected and acting President and Secretary of The Chalet of San Marco Condominium Association, Inc., hereby certify that the foregoing were approved by the affirmative vote of two-thirds (2/3rds) of all unit owners voting at the Annual Meeting of Members on March 22, 2007, after due notice, in accordance with the requirements of the Bylaws for their amendment. The foregoing both amend and restate the amended Bylaws in their entirety.

Executed this 22nd day of March, 2007.

THE CHALET OF SAN MARCO CONDOMINIUM
ASSOCIATION, INC.

Vice President

Attest:

Secretary

STATE OF FLORIDA
COUNTY OF COLLIER

Subscribed to before me this 22nd day of March, 2007 by Brian Foltz and Gail O'Conner, Vice President and Secretary, respectively, of The Chalet of San Marco Condominium Association, Inc., a Florida corporation not for profit, on behalf of the corporation.

Notary Public