Bylaws

BERMUDA ROYALE CONDOMINIUM ASSOCIATION INC

EXHIBIT D

BYLAWS OF ASSOCIATION

BYLAWS
OF
BERMUDA ROYALE CONDOMINIUM ASSOCIATION, INC.

1. GENERAL

These are the Bylaws of Bermuda Royale Condominium Association, Inc. (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 the Condominium or such other place as shall be determined by the Board of Directors.

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 "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 definitions set forth in Section 4 of the Declaration of Condominium to which these Bylaws are attached as Exhibit D shall also apply to terms used in these Bylaws.

2. MEMBERS

2.1 Qualifications. The members of the Association shall be the record Owners of legal title to the Units. In the case of a Unit subject to an agreement for deed, the purchaser in possession shall be deemed the Owner of the Unit for purposes of determining voting and use rights. Membership shall become effective upon the latest to occur of the following events.

a. Recording in the public records of a deed or other instrument evidencing legal title to the Unit in the member.

b. Approval by the Board of Directors as provided for in Section 14 of the Declaration of Condominium.

c. Delivery to the Association of a copy of the recorded deed or other instrument evidencing title.

d. Delivery to the Association, if required, of a written designation of a Primary Occupant.

2.2 Voting Interests. The members of the Association are entitled to one (1) vote for each Unit owned by said members. The total number of possible votes (the Voting Interests) is equal to the total number of Units in the Condominium. The vote of a Unit is not divisible. The right to vote may not be denied because of delinquent assessments. If a Unit is owned by one natural person, the Unit Owner's 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, 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 for

any purpose. If the Owner of a Unit is not a natural person, 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 of Condominium.

2.3 Approval or Disapproval of Matters. Whenever the decision or approval 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 authorized to cast the vote of such Unit at an Association meeting as stated in Section 2.2 of these Bylaws, unless the joinder 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 Section 2.1 herein. At that time the membership of the prior Owner shall automatically terminate.

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 their 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; VOTING

3.1 Annual Meeting. There shall be an annual meeting of the members in each calendar year. The annual meeting shall be held each year during the first three (3) months of the year 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. During the annual meeting all 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 Directors, and may also be called by members having at least ten percent (10%) of the total Voting Interests. The business at any special meeting shall be limited to the items specified in the notice of meeting.

3.3 Notice of Meetings: Waiver of Notice. Notice of all members' meetings must state the time, date, and place of the meeting and include an agenda for the meeting. The notice must be mailed to each member at the address which appears on the books of the Association or may be furnished by personal delivery. The member is responsible for informing the Association of any change of address. The notice of all members' meetings must be mailed or delivered at least fourteen (14) days before the meeting. If ownership of a Unit is transferred after notice has been mailed, no separate notice to the new Owner is required. Attendance at any meeting by a member constitutes waiver of notice by that member unless the member objects to the lack of notice at the beginning of the meeting. A person entitled to receive such notice may waive notice of any meeting at any time, but only by written waiver.

3.4 Notice of Annual Meeting: Special Requirements. Notice of the annual meeting together with an agenda shall be posted in a conspicuous place on the Condominium Property or Association Property for at least fourteen (14) continuous days prior to the annual meeting. The notice and agenda for the annual meeting shall also be sent by first class mail to each owner regardless of whether the second notice of election described in Section 4.3(b) herein is required, and an affidavit of the officer or other person making such mailing shall be retained in the Association records as proof of mailing. Notice of the annual meeting may alternatively be delivered in person if a written waiver of mailing is obtained.

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

3.6 Vote Required. The acts approved by a majority of the votes cast at a duly called meeting of the members at which a quorum has been attained shall be binding upon all Unit Owners for all purposes, except where a greater or different number of votes is expressly required by law or by any provision of the Condominium Documents.

3.7 Proxy Voting. To the extent lawful, any person entitled to attend and vote at a members' meeting may establish their presence and cast their vote by proxy. Proxies may not be used in electing directors. Limited proxies 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 any lawful adjournment of that meeting, and no proxy is valid longer than ninety (90) days after the date of the first 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 Association at or before the appointed time of the meeting or reconvening thereof. Holders of proxies need not 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.

3.8 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be reconvened at a specific later time by vote of the majority of the Voting Interests present regardless of whether a quorum has been attained. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance.

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

a. Collection of ballots not yet cast
b. Counting of ballots in election of directors (if necessary)
c. Call of the roll or determination of quorum
d. Reading or disposal of minutes of last members' meeting
e. Reports of officers
f. Reports of committees
g. Unfinished business
h. New business
i. Adjournment

3.10 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 at all reasonable times and for a period of seven (7) years after the meeting. Minutes must be reduced to written form within thirty (30) days after the meeting at which they were taken.

3.11 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the law, the Declaration or these Bylaws. The presiding officer 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.

3.12 Action by Members Without Meeting. Except for the holding of the annual 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 ballots or other instruments indicating approval of the action proposed to be taken are signed and returned by members having not less than the minimum number of votes that would be necessary to take such action at a meeting, or a majority of the total votes of the entire membership, whichever is greater, unless a lesser vote is sufficient by law. If the requisite number of written expressions of approval are received by the Secretary within thirty (30) days after 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 the action had been approved by the vote of the members at a members' meeting held on the date of the Board meeting. 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 section shall be construed in derogation of members' rights to call a special meeting of the membership, as provided in Section 3.2 of these Bylaws. If the vote is taken by the method described in this section, the list of Unit Owners 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. While the Developer is in control of the Association, the number of directors which shall constitute the whole Board of Directors shall be three (3). The affairs of the Association shall be governed by a Board of Directors of not less than three (3) nor more than five (5) directors, the exact number to be determined in the first instance in the Articles and thereafter, except as provided herein, from time to time upon majority vote of the membership; provided, however, that the number of directors shall always be an odd number and shall always be at least three (3). A director's term will end at the annual election at which the director's successor is to be duly elected, unless the director sooner resigns or is recalled as provided in Section 4.5 herein. Directors shall be elected by the members as described in Section 4.3 herein, or in the case of a vacancy, as provided in Section 4.4 herein. Directors must be natural persons who are eighteen (18) years of age or older. Directors may not vote at Board meetings by proxy or by secret ballot.

4.2 Qualifications. Except for directors appointed by the Developer, each director must be a member or the spouse of a member.

4.3 Annual 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.

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 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.

b. Second Notice: Candidate Information Sheets. If there is more than one candidate for any seat, the Association shall mail or deliver a second notice of election and agenda in compliance with the provisions of Section 3.3 herein to all Unit Owners entitled to vote in the contested election, together with a ballot which shall list all qualified candidates. Upon timely request of a candidate, the Association shall include an information sheet (no larger than 8-1/2 inches by 11 inches, which must be furnished by the candidate not less than 35 days before the election) with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association.

c. Balloting. Where balloting is required, directors shall be elected by a plurality of the votes cast, 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, or by any other method allowed by law.

4.4 Vacancies on the Board. Except for directors appointed by the Developer, if the office of any director becomes vacant for any reason, a successor or successors to serve until the next regularly scheduled election shall be appointed or elected as follows:

a. If a vacancy is caused by the death, disqualification or resignation of a director, a majority of the remaining directors, though less than a quorum, shall appoint a successor, who shall hold office until the next regularly scheduled election.

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 except those appointed by the Developer may be removed 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 siguatures. 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. Directors appointed by Developer may be removed from the Board of Directors at any time, with or without cause, only by the Developer.

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 and announced by the directors at the meeting in conjunction with which they were elected.

4.7 Other Meetings. Meetings of the Board may be held at such time and place 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 telegram 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. A notice and agenda for each Board meeting shall be posted conspicuously on the Condominium Property or Association Property for at least forty-eight (48) continuous hours in advance of each Board meeting, except in an emergency. Notice of any Board meeting at which a non-emergency special assessment or a rule restricting the use of Units is to be considered for any reason shall be mailed to each Owner at least fourteen (14) days before the meeting, and an affidavit of mailing shall be retained as proof of mailing. Notice of any Board meeting at which a budget will be adopted or amended shall be given as stated in Section 6.2 herein. The right of Owners to attend Board meetings includes the right to speak on designated agenda items, subject to reasonable rules of the Association governing the manner, duration and frequency 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 exist when at least a majority of all directors are present in person at a duly called meeting. Directors may participate in any meeting of the Board by 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 by secret ballot at Board meetings, except that officers may be elected by secret ballot.

4.11 Vote Required. The acts approved by a majority of those directors present and voting at a meeting at which a quorum exists 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. A director who is present at a meeting of the Board shall be deemed to have voted in favor of any action taken, unless the director voted against such action or abstained from voting because of an asserted conflict of interest. The vote or abstention of each director present on each issue voted upon shall be recorded in the minutes.

4.12 Adjourned Meetings. The majority of the directors present at any meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a specific time and date. At any reconvened meeting, provided a quorum is present, any business may be transacted that might have been transacted at the meeting originally as called.

4.13 The Presiding Officer. The President of the Association or in the President's 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 the directors present.

4.14 Compensation of Directors and Officers. Neither directors nor officers shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.

4.15 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. If a committee has delegated to it the authority to bind the Association or act for and in the place of the Board, including the power to authorize the expenditure of funds, the committee shall hold its meetings and give notice of such meetings with the same formalities as required for Board meetings.

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 a majority of 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 may, 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. The President 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. The President shall execute bonds, mortgages and other contracts requiring 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. The Secretary 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. The Secretary 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.

5.5 Treasurer. The Treasurer shall be responsible for Association funds and securities, the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association, and the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer 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.

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 funds in federally insured accounts in such financial institutions authorized to do business in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board.

6.2 Budget. The Board of Directors shall adopt a budget of Common Expenses for each fiscal year. A copy of the proposed budget and a notice stating the time, date and place of the meeting of the Board at which the budget will be adopted 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.

6.3 Statutory Reserves for Capital Expenditures and Deferred Maintenance. In addition to annual operating expenses, the proposed budget shall include reserve accounts for capital expenditures and deferred maintenance as required by law. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds $10,000.00. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. These reserves shall be fully funded unless the Developer waives or reduces such funding in the manner provided by law, or unless the members vote not to fund reserves or to fund less than adequate reserves for a fiscal year by affirmative vote of not less than a majority of the Voting Interests who are present and voting in person or by limited proxy at a duly called meeting of the Association. 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 herein. Reserves funded under this section 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 approved in advance by vote of a majority of all non-Developer Voting Interests voting in person or by limited proxy at a duly called meeting of the Association. Prior to turnover of control of the Association by the Developer to Unit Owners other than the Developer, the Developer-controlled Association may vote to use reserves for purposes other than that for which they were intended with the approval of a majority of all non-Developer Voting Interests voting in person or by limited proxy at a duly called meeting of the Association.

6.4 Other Reserves. In addition to the statutory reserves provided in Section 6.3, 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 these 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. Unless otherwise restricted by law, 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 the members at least fifteen (1 5) 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 the first quarterly installment for a fiscal year 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 assessments. 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 first consent. The notice of any Board meeting at which a special assessment will be considered shall be given as provided in Section 4.8, and the notice to the Owners that the assessment has been levied must contain a statement of the purpose(s) of the assessment. 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 all persons who are authorized to sign checks, shall be bonded in such amounts as may be required by law or otherwise determined by the Board of Directors. The premiums on such bonds shall be a Common Expense.

6.8 Financial Reports or Statements. Not later than ninety (90) days after the close of each fiscal year, the Board shall prepare and distribute to the Owners of each Unit, financial reports or statements meeting the minimum standards of Section 718.111(13) of the Florida Condominium Act (whichever is applicable), showing in reasonable detail the financial condition of the Association as of the close of its fiscal year, detailed by accounts.

6.9 Audits. A formal, certified audit of the accounts of the Association, if required by law, by vote of a majority of the Voting Interests, or by a majority of the Board of Directors, shall be made by a certified public accountant, and a copy of the audit report shall be available to all members. The requirement to have the financial statements compiled, reviewed, or audited does not apply to the Association when a majority of the Voting Interests of the Association present at a duly called meeting of the Association have determined for a fiscal year to waive this requirement.

6.10 Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each calendar 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.

7. RULES AND REGULATIONS

The Board of Directors may, from time to time, adopt and amend administrative rules and regulations governing the use, maintenance, management and control of 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.

8. COMPLIANCE AND DEFAULT; REMEDIES

In addition to the remedies provided in Section 1 9 of the Declaration of Condominium, the following provisions shall apply:

8.1 Fines. The Board of Directors may levy fines against Units whose Owners commit violations of the Florida Condominium Act, the provisions of the Condominium Documents or the Rules

and Regulations, or condone such violations by their family members, guests or lessees. 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 amounts allowed by law and no fine may be levied against an unoccupied Unit. The procedure for imposing fines shall be as follows:

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

(i) A statement of the date, time and place of the hearing;

(ii) A specific designation of the provisions of the Declaration, Bylaws or Rules and Regulations which are alleged to have been violated;

(iii) A short and plain statement of the specific facts giving rise to the alleged violation(s); and

(iv) The amount of any proposed fine.

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 to review, challenge, and respond to any evidence or testimony by the Association. The hearing shall be conducted before a panel of three (3) Unit Owners appointed by the Board, none of whom may then be serving as directors. If the committee, by majority vote, does not agree with the fine, it may not be levied.

8.2 Mandatory Non-Binding Arbitration. In the event of any "dispute" as defined in Section 718.1255(1) of the Florida 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 prior to 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.

8.3 Availability of Remedies. Each member, for himself or herself, their 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. TRANSFER OF ASSOCIATION CONTROL; DEVELOPER'S RIGHTS

9.1 Members' Rights to Elect Board of Directors. Developer shall have the right to appoint the members of the Board of Directors except as provided below. When Owners other than the Developer own fifteen percent (15%) or more of the Units in the Condominium that will be operated ultimately by the Association, the Owners other than the Developer shall be entitled to elect one-third (1/3) of the members of the Board of Directors. Unit Owners other than the Developer become entitled to elect a majority of the members of the Board of Directors upon the first of the following events to occur:

a. Three years after fifty percent (50%) or more of the Units have been conveyed to purchasers;

b. Three months after ninety percent (90%) or more of the Units have been conveyed to purchasers;

c. When some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business;

d. When all the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; or

e. Seven (7) years after the Declaration of Condominium was recorded.

9.2 Developer's Right to Designate Members of Board of Directors. Except as provided above, the Developer shall be entitled to designate at least one director as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units.

9.3 Notice of Members' Meetings. Within seventy-five (75) days after Unit Owners other than the Developer are entitled to elect one or more directors, the Association shall call, upon not less than sixty (60) days notice, an election of the member or members of the Board that the Unit Owners are entitled to elect. The election shall be held in conjunction with a special or annual meeting of the members. The meeting and election may be called and the notices given by any Unit Owner if the Association fails to do so. All non-developer Unit Owners may vote in the election of directors. The meeting in conjunction with which Unit Owners other than the Developer first elect a majority of the directors is referred to as the "turnover meeting".

9.4 Developer's Rights. As long as the Developer holds Units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer.

a. Any amendment of the Condominium Documents which would adversely affect the Developer's rights.

b. Any assessment of the Developer as a Unit Owner for capital improvements.

c. Any action by the Association that would be detrimental to the sales of Units by the Developer; however, an increase in assessments for Common Expenses shall not be deemed to be detrimental to the sales of Units.

9.5 Transfer of Association Control. When Unit Owners other than the Developer elect a majority of the directors of the Association, the Developer relinquishes control of the Association, and the Unit Owners automatically assume control. At that time the Developer shall deliver to the Association all property of the Unit Owners and of the Association held or controlled by the Developer and all items and documents that the Developer is required to deliver or turn over to the Association under Florida law. The Developer may turn over control of the Association to Unit Owners other than the Developer prior to the above mentioned dates, in its sole discretion, by causing all of its appointed directors to resign, whereupon it shall be the affirmative obligation of Unit Owners other than the Developer to elect directors and assume control of the Association. Provided at least sixty (60) days' notice of the Developer's decision to cause its appointees to resign is given to Unit Owners, neither the Developer, nor

such appointees, shall be liable in any manner in connection with such resignations, even if Unit Owners other than the Developer refuse or fail to assume control.

10. AMENDMENT OF BYLAWS

Amendments to these Bylaws shall be proposed and adopted in the following manner:

10.1 Proposal. Amendments to these Bylaws may be proposed by a majority of the Board or upon written petition signed by at least one-fourth *(¼)* of the total Voting Interests.

10.2 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.

10.3 Vote Required. Except as otherwise provided by law, or by specific provision of the Condominium Documents, a proposed amendment to these Bylaws shall be adopted if it is approved at least two-thirds (2/3) of the Voting Interests present in person or by proxy at any annual or special meeting called for the purpose, provided that notice of the proposed amendment has been given to the members in accordance with law.

10.4 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 officers of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Lee County, Florida. The certificate must identify the book and page of the public records where the Declaration of Condominium was originally recorded.

11. MISCELLANEOUS

11.1 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.

11.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

11.3 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 these Bylaws.

11.4 Certificate of Compliance. A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board of Directors as evidence of compliance of the Condominium Units to the applicable fire and life safety code.

The foregoing constitute the first Bylaws of Bermuda Royale Condominium Association, Inc. and were duly adopted at the first meeting of the Board of Directors of the Association on August 19, 2003.

Bermuda Royale Condominium Association, Inc.

By: Steven J. Mullersman
Steven J. Mullersman, President

Attest:

Maria T. Diaz
Maria T. Diaz, Secretary

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