

IN THE RECORDS OF
JEFFREY K. BARTON
CLERK CIRCUIT COURT
INDIAN RIVER CO., FLA.

BYLAWS

OF

CYPRESS LAKE HOMEOWNERS' ASSOCIATION OF INDIAN RIVER COUNTY, INC.

1. IDENTITY.

These are the duly adopted Bylaws of Cypress Lake Homeowners' Association of Indian River County, Inc., a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on December 17, 1997. Cypress Lake Homeowners' Association of Indian River County, Inc., hereinafter called "Association", has been organized for the purpose of administering the operation and management of certain property identified in the Master Declaration of Covenants, Conditions, Reservations and Restrictions of Cypress Lake Subdivision.

a. All present or future owners, tenants, future tenants or their employees or any other person who might use the property, or any of the facilities thereof in any manner, are subject to the regulations as set forth in these Bylaws and in said Articles of Incorporation, and the Master Declaration of Covenants, Conditions, Reservations and Restrictions of Cypress Lake Subdivision (hereinafter "the Declaration"). including any amendments thereto which may hereafter be adopted.

b. The office of the Association shall initially be at 4445 Highway A1A, Suite 250., Vero Beach, Florida 32963.

c. The fiscal year of the Association shall be the calendar year, January 1 through December 31.

d. The seal of the Association shall bear the name of the Association, the word "Florida", the words "Corporation Not for Profit", and the year of incorporation, an impression of which is as follows:

e. When used herein, "the Developer" or "Developer" refers to Stonebridge North, Inc., a Florida corporation, or its successors and assigns, as further identified and defined in the Declaration.

2. MEMBERSHIP, VOTING, QUORUM, PROXIES

a. The qualifications of members, the manner of their admission to membership and termination of such membership, and voting by members shall be as set forth in Article III of the Declaration.

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b. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

c. The vote of the owners of a lot owned by more than one person or by a corporation or other entity shall be cast by the person named in a certificate signed by all of the owners of the lot and filed with the Secretary of the Association, and such certificate shall be valid until revoked by subsequent certificate. If such certificate is not on file, the vote of such owners shall not be considered in determining the requirement for quorum, nor for any other purpose.

d. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary before the appointed time of the meeting.

e. Approval or disapproval of a lot owner upon any matters, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such owner if in an Association meeting.

f. Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these Bylaws, the Declaration, or where the same may otherwise be required by law, the affirmative vote of a majority of the votes entitled to be cast, represented at any duly called Member's meeting at which a quorum is present, shall be binding upon the members.

3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP.

a. The annual members' meeting shall be held during the month of November of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members. Such meeting shall be held at the office of the Association or such other place within Indian River County, Florida, as may be designated by the Board of Directors.

b. Special members' meetings shall be held whenever called by the President or Vice President, or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from a majority of members of the Association. Each such special meeting shall be held at the office of the Association or such other place within Indian River County, Florida, as may be designated by the Board of Directors.

c. Notice of all members' meetings, regular or special, shall be given by the President, Vice President or Secretary of the Association, or other officer of the Association in absence of said officers, to each member, unless waived in writing, such notice to be written or printed and to state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member within

said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail addressed to the member at his post office address as it appears on the records of the Association, the postage thereon prepaid. Such mailing shall be evidenced by the affidavit of the person giving such notice. Any member may, by written waiver or notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. If any members' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended, whenever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these Bylaws or the Declaration, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance is greater than a quorum, is present.

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

- (i) Election of Chairman of the meeting;
- (ii) Calling of the roll and certifying of proxies;
- (iii) Proof of notice of meeting or waiver of notice;
- (iv) Reading and disposal of any unapproved minutes;
- (v) Reports of officers;
- (vi) Reports of committees;
- (vii) Adoption of budget and establishing assessments;
- (viii) Election of directors;
- (ix) Unfinished business;
- (x) New business;
- (xi) Adjournment.

4. BOARD OF DIRECTORS

a. The first Board of Directors of the Association, and succeeding Board of Directors, shall consist of not less than three (3) nor more than five (5) persons. Except when not possible (Example: not sufficient members other than Developer or not sufficient members agree to serve), at least a majority of the Board of Directors shall be members of the Association, or shall be authorized representatives, officers or employees of a corporation member of the Association; provided that members of the Board of Directors designated by Developer, as hereinafter provided, need not be members of the Association. The Developer shall be entitled to elect not less than one member of the Board of Directors of the Association as long as the Developer holds for sale in the ordinary course of business any lots. Whenever Developer shall be entitled to designate and select any person or persons to serve on any Board of Directors of the Association, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation or Bylaws of the Association, and Developer, or Developer's successors

or assigns, shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or persons to act and serve in the place of any Director or Directors so removed. Any Director designated and selected by Developer need not be a resident or a member of the Association.

b. Election of Directors shall be conducted in the following manner:

(i) Developer shall, at the beginning of the election of the Board of Directors, designate and select that number of the members of the Board of Directors which it shall be entitled to designate and select in accordance with the provisions of these bylaws, and upon such designation and selection by Developer by written instrument presented to the meeting at which such election is held, said individuals so designated and selected by Developer shall be deemed and considered for all purposes Directors of the Association, and shall thenceforth perform the offices and duties of such Directors until their successors shall have been selected or elected in accordance with the provisions of these Bylaws. Should Developer fail to designate and select members of the Board of Directors at any time while the said Developer is entitled to designate and select members of the Board of Directors as herein provided, those members of the Board of Directors previously designated and selected by the Developer shall continue to serve as members of the Board of Directors as though designated and selected as herein provided.

(ii) All members of the Board of Directors whom Developer shall not be entitled to designate and select under the terms and provisions of these Bylaws shall be elected by a plurality of the votes cast at the annual meeting of the members of the Association immediately following the designation and selection of the members of the Board of Directors whom Developer shall be entitled to designate and select.

(iii) Vacancies in the Board of Directors may be filled until the date of the next annual meeting by the remaining Directors, except that should any vacancy in the Board of Directors be created in any directorship previously filled by any person designated and selected by the Developer, such vacancy shall be filled by Developer's designation and selection, by written instrument delivered to any officer of the Association, the successor Director to fill the vacated directorship for the unexpired term thereof.

(iv) In the election of Directors, there shall be appurtenant to each lot as many votes for Directors as there are Directors to be elected; provided, however, that no member or owner of any lot may cast more than one vote for any person nominated as a Director except for Developer exercising fifteen (15) votes per lot as provided in Article III of the Declaration.

(v) In the event that Developer, in accordance with the privilege granted unto it, selects any person or persons to serve on any Board of Directors of the Association, the said Developer shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or persons selected by Developer to serve on

the Board of Directors of the Association which replacement shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from said Board of Directors. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

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

d. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived.

e. Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of one-third (1/3) of the votes of the Board. Not less than ten (10) days notice of a meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

f. 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.

g. A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at the meeting at which a quorum is present, shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, these Bylaws or the Declaration of Covenants and Restrictions. If any Directors' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the Directors required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these Bylaws or the Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

h. The presiding officer of Directors' meetings shall be the Chairman of the Board, if such an officer has been elected; and if none, then the President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

i. Directors' fees, if any, shall be determined by the members.

j. All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation of the Association, these Bylaws and the Declaration. Such powers and duties shall be exercised in accordance with said Articles of Incorporation, these Bylaws, and the Declaration, and shall include, without limiting the generality of the foregoing, the following:

(i) To make, levy and collect assessments against members and members' lots to defray the cost of operation of the Association, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association.

(ii) The maintenance, repair, replacement, operation and management of the properties of the Association wherever the same is required to be done and accomplished by the Association for the benefit of its members.

(iii) The reconstruction of improvements after casualty, and the further improvement of the property, real and personal.

(iv) To make and amend regulations governing the use of the property, real and personal, in, on or about the property, so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and the Declaration.

(v) To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including lots and property of the Association, as may be necessary or convenient in the operation and management of the Association, and in accomplishing the purposes set forth in the Declaration.

(vi) To contract for the management and maintenance of the property and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the common elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Association documents including but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the Association.

(vii) To enforce by legal means the provisions of the Articles of Incorporation and Bylaws of the Association, the Declaration and the regulations hereinafter promulgated governing the use of the property in the Association.

(viii) To pay all taxes and assessments which are liens against any part of the Association

other than lots and the appurtenances thereto, and to assess the same against the members and their respective lots subject to such liens.

(ix) To carry insurance for the protection of the members and the Association against casualty and liability.

(x) To pay all costs of power, water, sewer, and other utility services rendered to the Association and not billed to the owners of separate lots within the Association; and

(xi) To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

(xii) To form Architectural Review Committee and appoint its members.

k. The first Board of Directors of the Association shall be comprised of the five (5) persons designated to act and serve as Directors of the Articles of Incorporation, which said persons shall serve until their successors are elected at the first annual meeting of the members of the Association; provided, however, that any election of Directors shall be subject to all of the rights hereinabove reserved to Developer by Article 4(a) of these Bylaws.

l. The undertakings and contracts authorized by said first Board of Directors shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by the first Board of Directors duly elected by the membership, so long as any undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of the Association in accordance with all applicable provisions of the Declaration.

m. Any one or more of the members of the Board of Directors of the Association may be removed, either with or without cause at any time by a vote of the members owning a majority of the lots in the Association, at any special meeting called for such purpose, or at the annual meeting; provided, however, that only Developer shall have the right to remove a director appointed by it.

5. OFFICERS.

a. The executive officers of the Association shall be a President, who shall be a Director, a Vice President, a Secretary-Treasurer and such other assistants or vice officers as the Board of Directors may determine, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by a vote of the Directors at any meeting. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

b. The President shall be the chief executive officer of the Association. He shall have

all of the powers and duties which are usually vested in the office of President of an association, including but not limited to the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association.

c. The Vice President shall perform the duties of President in the event of the President's death, inability or refusal to act. In such event, the Vice President shall have all the powers of and be subject to all the restrictions upon the President.

d. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors, and such other notices required by law. He shall have the custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Directors or the President.

e. The Treasurer shall have custody of all of the property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the assessment rolls and accounts of the members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

f. The compensation, if any, of all officers and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association nor preclude the contracting with a Director for management of the Association.

6. FISCAL MANAGEMENT.

a. Accounts. The receipts and expenditures of the Association will be created and charged to such accounts as shall be appropriate. All expenditures will be common expenses.

b. Budget. The Board of Directors will adopt a budget for each fiscal year that will include the estimated funds required to defray current expenditures and to provide and maintain funds for any other accounts and reserves, according to good accounting practices.

The Board of Directors shall mail a meeting notice and copies of the proposed annual budget of common expenses and proposed assessments to all lot owners not less than thirty (30) days prior to the meeting at which the budget will be considered. If the budget is amended subsequently, notice of the meeting and amendment shall be given in the same manner as for approval of the annual budget.

c. Annual Assessments. Annual assessments against lot owners for their share of the items of the budget will be made for the calendar year annually in advance on or before December 15 preceding the year for which the assessments are made. Such assessments will be

due annually on the fifteenth day of January of the year for which the assessments are made. If an annual assessment is not made as required, an assessment will be presumed to have been made in the amount of the last prior assessment and the annual installment on such assessment will be due upon payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors subject to limitations and membership approval as provided in the Declaration; and the unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made will be due within sixty (60) days of the date the amended assessment takes effect.

d. Other Assessments: Special assessments for capital improvements and exterior maintenance may be made consistent with the provisions of the Declaration.

e. The depository of the Association will be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association will be deposited. Withdrawals of monies from such accounts will be only by checks signed by such persons as are authorized by the Directors.

f. A statement of the accounts of the Association shall be made annually by the Secretary/Treasurer, and a copy of the report shall be furnished to each member at the annual meeting.

7. PARLIAMENTARY RULES.

Roberts' Rules of Order (latest edition) shall govern the conduct of corporation proceedings when not in conflict with the Articles of Incorporation and these Bylaws or with the Statutes of the State of Florida.

8. AMENDMENTS TO BYLAWS.

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

a. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon vote of the majority of the Directors, or by persons entitled to cast a majority of the votes of the entire membership of the Association, whether meeting as members or by instrument in writing signed by them.

b. Upon any amendment or amendments to these Bylaws being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in absence of the President, who shall thereupon call a special joint meeting of the members of the Board of Directors of the Association and the membership for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt of such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting

in the same form and in the same manner as notice of the call of a special meeting of the members is required as herein set forth.

c. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of seventy-five percent (75%) of the entire membership of the Board of Directors and by an affirmative vote of seventy-five percent (75%) of the total membership votes entitled to be cast. Thereupon, such amendment or amendments to these Bylaws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the public records of Indian River County, Florida, within the ten (10) days from the date on which any amendment or amendments have been affirmatively approved by the Directors and members.

d. At any meeting held to consider such amendment or amendments to the Bylaws, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

e. Notwithstanding the foregoing provisions of this Article 8, no amendment to these Bylaws which shall alter the voting rights of the Developer as provided in the Declaration and hereinbefore provided in these Bylaws, or change the requirements for a quorum as hereinbefore provided in these Bylaws, or abridge, amend or alter the right of Developer to designate and select members of each Board of Directors of the Association, as provided in Article 4 hereof, may be adopted or become effective without the prior written consent of Developer.

The foregoing were adopted as the Bylaws of Cypress Lake Homeowners' Association of Indian River County, Inc., a corporation not for profit, under the laws of the State of Florida, at the first meeting of the Board of Directors on the 27 day of January, 1998.

(CORPORATE SEAL)

Cypress Lake Homeowners' Association
of Indian River County, Inc.

By Norman W. Hensick, Jr.
Norman W. Hensick, Jr., President