

**BY-LAWS
OF
PALM BEACH ISLES PROPERTY OWNERS ASSOCIATION, INC.
(A Corporation Not for Profit)**

ARTICLE I - NAME AND LOCATION

The name of the corporation is PALM BEACH ISLES PROPERTY OWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association"), and its initial office for the transaction of its affairs shall be 1281 North Ocean Drive, PMB 138, Riviera Beach, Florida 33404. Meetings of members and directors may be held at such places within the State of Florida as may be designated by the Board of Directors (hereinafter referred to as the "Board").

ARTICLE II - DEFINITIONS

Unless the context expressly requires otherwise, the terms used herein shall have the meanings set forth in the Declaration of Protective Covenants, Restrictions, Reservations, Easements and other Charges Affecting Palm Beach Isles Plat of Pine Point; Declaration of Protective Covenants, Restrictions, Reservations, Easements and other Charges Affecting Palm Beach Isles Plat No. 1; Declaration of Protective Covenants, Restrictions, Reservations, Easements and other Charges Affecting Palm Beach Isles Plat No.2; and Declaration of Protective Covenants, Restrictions, Reservations, Easements and other Charges Affecting Palm Beach Isles Plat No.3 (collectively, the "Declaration").

ARTICLE III - MEETING OF MEMBERS

Section 1. **Annual Meetings.** All annual and special meetings of the Association shall be held in Palm Beach County, Florida, or at such other place as may be permitted by law and from time to time as fixed by the Board and designated in the notices of meetings.

Section 2. **Notice of Annual Meetings.** Annual meetings of the members of the Association shall be held in the first quarter of each calendar year. Notice of the meeting, which shall include an agenda, shall be hand-delivered or sent by first class mail to each member listed in the membership book of the Association at the address shown therein ("Member of Record") at least 14 and no more than 60 days prior thereto. The secretary of the Association shall obtain and retain a written receipt of delivery or the post office certificate of mailing as proof that the notice was delivered or mailed or, alternatively, the person providing the notice shall prepare and sign an affidavit establishing compliance with this section and file the affidavit with the official records of the Association.

Section 3. **Special Meetings.** Special meetings of the members, for any purpose or purposes, whether or not specifically required by these By-Laws, the Articles of Incorporation or the Declaration may be called by the president, secretary, a majority of the Board, or upon written request of the members who are entitled to vote one-fourth (1/4) of all the votes of the membership, as defined in the Articles of Incorporation.

Section 4. **Notice of Special Meetings.** No business shall be transacted at any special meeting except as stated in the notice thereof. Except as otherwise provided herein, notice of all special meetings shall be given by the secretary to Members of Record, or if the secretary shall fail to do so, by the president or Board, not less than 30 nor more than 60 days prior to the date thereof, stating the date, time, and place of the meeting and the purpose or purposes thereof. Notices deposited in the United States mail, postage prepaid within the prescribed time or, in lieu of mailing, delivered by hand to the members shall suffice. The Secretary shall obtain and retain a written receipt of delivery of the post office certificate of mailing as proof that the notice was delivered or mailed or, alternatively, the person providing the notice shall prepare and sign an affidavit establishing compliance with this section and file the affidavit with the official records of the Association.

Section 5. **Quorum.** The presence at the meeting of members entitled to cast, or of proxies entitled to cast 30% of the votes of the total membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws.

Section 6. **Action Taken at Meeting.** When a quorum is present at any meeting, a majority of the votes duly cast by the members present at the meeting or represented by written proxy shall decide any question brought before the meeting, unless the question is one upon which by express provision of law, the Declaration, the Articles of Incorporation or these By-Laws, a different vote is required, in which case the express provision shall govern and control. If any meeting of members cannot be organized because a quorum is not present, the meeting may be adjourned by a majority of the members present in person, until a quorum is present.

Section 7. **Order of Business.** The order of business at all meetings shall be as prescribed in the agenda prepared by the Board and submitted to the Members of Record with the notice of each meeting.

Section 8. **Action without a Meeting.**

(a) Action that can be taken at an annual or special meeting of members may be taken without a meeting, without prior notice, and without a vote if the action is taken by the members entitled to vote on such action and having not less than the minimum number of votes necessary to authorize such action at a meeting at which all members entitled to vote on such action were present and voted. In order to be effective, the action must be evidenced by one or more written consents describing the action taken, dated and signed by approving members having the requisite number of votes and entitled to vote on such action, and delivered to the Association by delivery to its principal place of business, the corporate secretary, or another officer or agent of the Association having custody of the book in which proceedings of meetings of members are recorded. Written consent shall not be effective to take the Association action referred to in the consent unless the consent is signed by members having the requisite number of votes necessary to authorize the action within 60 days of the date of the earliest dated consent and is delivered in the manner required by this section.

(b) Any written consent may be revoked prior to the date that the Association receives the required number of consents to authorize the proposed action. A revocation is not effective unless in writing and until received by the Association at its principal office in this state or its principal place of business, or received by the corporate secretary or other officer or agent of the Association having custody of the book in which proceedings of meetings of members are recorded.

(c) Within 10 days after obtaining such authorization by written consent, notice must be given to those members who are entitled to vote on the action but who have not consented in writing. The notice must fairly summarize the material features of the authorized action.

(d) A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

(e) If the action to which the members consent is such as would have required the filing of a certificate under any other section of this act if such action had been voted on by members at a meeting thereof, the certificate filed under such other section must state that written consent has been given in accordance with the provisions of this section.

(f) Whenever action is taken pursuant to this section, the written consent of the members consenting to such action or the written reports of inspectors appointed to tabulate such consents must be filed with the minutes of proceedings of members.

Section 9. **Presiding Officers.** At each meeting of the members, the president, or in his absence the vice president, shall preside and the secretary, or in his absence the assistant secretary, shall be the secretary for the meeting.

ARTICLE IV - DIRECTORS

Section 1. **Board of Directors.** The affairs of the Association shall be managed by a Board of at least 5 but not more than 17 directors.

Section 2. **Election of Directors.**

(a) Election of directors shall be held at the annual members' meeting.

(b) The election of directors to be elected shall be by ballot (unless dispensed by the unanimous vote consent of those members eligible to vote in person or proxy) and shall be determined by a plurality of the votes cast. There shall be no cumulative voting.

(c) Except as to vacancies provided by removal of directors by members, all vacancies in the Board occurring between annual meetings of members, including vacancies created by increasing the size of the Board, shall be filled by the vote of a majority of the remaining directors.

(d) Any directors elected may be removed by a majority vote of the members of the Association at a special meeting of the members called for that purpose. The vacancy in the Board so created shall be filled by the members of the Association at the same meeting.

Section 3. **Term of Office.** The term of each director's service shall be one year and until his successor is duly elected and qualified or until he is removed in the manner provided elsewhere herein.

Section 4. **Meetings of the Board.** A meeting of the Board occurs when a quorum of the Board gathers to conduct Association business. All meetings of the Board must be open to all members except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege. Notices of all Board meetings must be posted in a conspicuous place in the community at least 48 hours in advance of a meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place in the community, notice of each Board meeting must be mailed or delivered to each member at least 7 days before the meeting, except in an emergency. An assessment may not be levied at a Board meeting unless a written notice of the meeting is provided to all members at least 14 days before the meeting, which notice includes a statement that assessments will be considered at the meeting and the nature of the assessments. Rules that regulate the use of parcels in the community may not be adopted, amended, or revoked at a board meeting unless a written notice of the meeting is provided to all members at least 14 days before the meeting, which notice includes a statement that changes to the rules regarding the use of parcels will be considered at the meeting. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers. This section also applies to the meetings of any committee or other similar body, including any body vested with the power to approve or disapprove architectural decisions with respect to a specific parcel of residential property in the community owned by a member of the Association.

Section 5. **Special Meetings.** Special meetings of the directors may be called by the president and must be called by the secretary at the written request of 2/3 of the directors. Not less than 3 days' notice of the meeting shall be given personally or by mail, telephone or facsimile, which notice shall state the time, place and purpose of the meeting.

Section 6. **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. Attendance at a meeting shall constitute a waiver of notice.

Section 7. **Quorum and Voting.** A quorum at directors' meetings shall consist of a majority of the entire Board. The acts approved by a majority of directors shall constitute the acts of the Board except when approval by a greater number of directors is required by the Articles of Incorporation, these By-Laws or the laws of the State of Florida.

Section 8. **Adjourned Meetings.** If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 9. **Joinder in Meeting by Approval of Minutes.** The joinder of a director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such director for the purpose of determining a quorum.

Section 10. **Presiding Officer and Secretary for Meetings.** The presiding officer of the directors' meetings shall be the chairman of the Board if such an officer has been elected; and if none, the president shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside. The secretary of the Association shall be the secretary for meetings of the directors, unless absent, in which case the directors shall designate one of their members to act as secretary for the meeting.

Section 11. **Compensation.** No director shall receive compensation for any service he may render to the Association as director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties, and this provision shall not preclude a person who is also a director to receive compensation in exchange for other services rendered to or on behalf of the Association in a capacity other than director.

Section 12. **Committees.** The Board may from time to time appoint such committees and delegate such duties and powers thereto as it may deem advisable.

Section 13. **Attendance by Telephone.** Any member or members of the Board shall be deemed present and voting at a meeting of such Board if said member or members participate in the meeting by means of a conference telephone or similar communications equipment or device enabling all persons participating in the meeting to hear each other.

Section 14. **Action without Meeting.** Any action required or permitted to be taken at any meeting may be taken without a meeting if written consent to the action signed by all the members of the Board is filed with the minutes of the proceedings of the Board.

Section 15. **Powers.** The Board shall have the powers set forth in the Declaration and the Florida Not-For-Profit Corporation Act, including, but not limited to, the power to:

- (a) adopt and promulgate rules and regulations governing or contemplated by the Declaration, and to establish penalties for the infraction thereof (a rule shall be deemed promulgated when a copy thereof is furnished to each member in person or mailed to each such member at the address on the records of the Association);
- (b) levy fines and suspensions in accordance with Article VIII herein;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration, including the establishment of the assessments provided for in the Declaration;
- (d) employ a manager, or such other independent contractors or employees as they deem necessary, and to prescribe their duties; and
- (e) accept such other functions or duties with respect to, including architectural control, in addition to maintenance responsibilities, as are determined from time to time to be proper by the majority of the Board.

Section 16. **Duties.** It shall be the duty of the Board to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present an oral or written statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by 1/4 of the members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:

- (1) fix the amount of the assessment against each Lot;
- (2) exercise the duties of the Board as set forth in the Declaration and enforce the restrictions and covenants contained therein; and
- (3) take appropriate and timely action against members whose assessments are in default;
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned or controlled by the Association, or for which, in the opinion of a majority of the directors, it may be liable and should provide coverage;
- (f) cause the Common Areas and other property of the Association as set forth in the Declaration to be maintained;
- (g) cause all officers or employees having fiscal responsibilities to be bonded, if such bonding may be deemed appropriate; and
- (h) perform such other acts as may be required of a board of directors under the Florida Not-For-Profit Corporation Act.

Notwithstanding any provision hereinabove to the contrary, any power that the Board is permitted or authorized to take pursuant to the provisions of the Declaration, the Articles or these By-Laws shall not be exercised without a vote of the Board as required by the Declaration, the Articles or these By-Laws, and if no voting requirements are specifically described, the stated power can be exercised upon a vote of a majority of the members of the Board.

ARTICLE V - OFFICERS

Section 1. **Executive Officers.** The executive officers of the Association shall be a president, who shall be a director, a vice president, who shall be a director, a treasurer-secretary and other officers as shall be elected by the Board. Except as provided in Section 1 of this Article, such officers shall be elected annually by the Board. All Officers must be Lot owners. The Board from time to time may elect such assistant or other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association. Each officer shall serve until a qualified successor is elected by the Board. The Board, by a 2/3 affirmative vote, from time to time may remove an officer with or without cause and fill such vacancy so created.

Section 2. **President.** The president shall be the chief executive officer of the Association. He shall have all of the powers and duties that 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 in his discretion may determine appropriate, to assist in the conduct of the affairs of the Association.

Section 3. **Vice-President.** The vice-president, in the absence or disability of the president, shall exercise the powers and perform the duties of the president. He also shall assist the president generally and exercise such other powers and perform such other duties as shall be prescribed by the directors.

Section 4. **Secretary.** The secretary shall keep the minutes of all proceedings of the directors and members. He shall attend to the giving and serving of all notices to the members and directors and others that are required by law. He shall have custody of the seal of the Association and affix it to any instruments requiring a seal when duly signed. He shall keep the records of the Association including the membership book, except those of the treasurer unless the secretary is also the treasurer of the Association. The secretary shall perform all other duties incident to the office of secretary of a corporation and as may be required by the Board or the President. Any assistant secretary elected shall perform the duties of the secretary when the secretary is absent.

Section 5. **Treasurer.** The treasurer shall have custody of all property of the Association including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices, and he shall perform all other duties usually incident to the office of treasurer.

Section 6. **Term.** The officers of this Association shall be elected annually by the Board and each shall hold office for one year unless the officer shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 7. **Special Appointment.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 8. **Resignation and Removal.** The Board may remove any officer from office with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9. **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 10. **Multiple Offices.** The same person may hold the offices of Secretary and Treasurer. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7 of this Article.

Section 11. **Compensation.** No officer shall receive any compensation by reason of his office; provided, however, that nothing herein shall preclude the Board from employing an officer as an employee of the Association or preclude the contracting with an officer for management services.

ARTICLE VI - FISCAL MANAGEMENT

Section 1. **Depositories.** All funds of the Association shall be deposited in the name of the Association in such bank, banks or other financial institutions as the Board may from time to time designate, and shall be drawn out on checks, drafts or other orders signed on behalf of the Association by such person or persons as the Board may from time to time designate.

Section 2. **Contracts, Etc.** Except as otherwise specifically provided by these By-Laws, all contracts, agreements, deeds, bonds, mortgages and other obligations and the instruments shall be signed on behalf of the Association by the president or by such other officer, officers, agent or agents as the Board may from time to time by resolution provide.

Section 3. **Budget.** The Board shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the Association expenses and to provide and maintain funds for the appropriate accounts according to good accounting practices. Such budget shall be adopted prior to, and a copy shall be distributed at, the annual members' meeting next preceding the fiscal year for which the budget shall apply.

Section 4. **Assessments.** As more fully provided in the Declaration, each member is obligated to pay to the Association certain assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within 30 days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 18% per annum, or such other rate as may be, from time to time, established by the Board. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein.

Section 5. **Special Assessments.** As contemplated by the Declaration, special assessments may be adopted by the Association to meet expenses which exceed the budget adopted by the Board of Directors. Such

special assessments shall be adopted and levied upon approval of a majority of the votes cast by the members present at a special meeting called for that purpose.

Section 6. **Financial Report.** The Treasurer of the Association shall report the financial status of the Association to the members 60 days following the end of the fiscal year.

ARTICLE VII - AMENDMENTS

Section 1. These By-Laws may be altered, amended, or rescinded by the affirmative vote of 2/3 of the Board, and after notice to the members, by the majority vote of members present at any regular or special meeting of the membership.

Notwithstanding anything herein to the contrary, no amendment to the By-Laws shall be valid which:

(a) makes any material change to these By-Laws without the prior written approval of the First Mortgagees of the Lots representing at least 51% of the votes of Lots that are subject to First Mortgages and 67% of the total allocated votes of the members. For purposes of this Article, a "material change" to these By-Laws shall be deemed any change concerning:

- (1) voting rights;
- (2) hazard or fidelity insurance requirements;
- (3) rights to use of the Common Area;
- (4) responsibility for maintenance and repair of the Property;
- (5) boundaries of any Lot;
- (6) convertibility of Lots into Common Area or of Common Area into Lots;
- (7) leasing of Lots;
- (8) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his or her Lot; or
- (9) the expansion or contraction of the Community, or the addition, annexation, or withdrawal of property to or from the Community.

ARTICLE VIII - FINES AND SUSPENSIONS

The Association shall have the power to suspend, for a reasonable period of time, the rights of an Association member and/or such member's tenants, guests or invitees to use the Common Area, and to levy reasonable fines against same not to exceed the greater of \$50.00 per occurrence or the maximum amount allowed under applicable law for activities which violate the provisions of the Declaration, these By-Laws or any rules and regulations duly promulgated by the Association. No fine or suspension may be imposed except upon 14 days prior written notice to the person sought to be suspended or fined, and such person having an opportunity for a hearing before a committee of at least 3 members of the Association. Such committee shall be appointed by the Board and shall not be composed of any officers, directors or employees of the Association, nor any spouse, parent, child, brother or sister of any officer, director or employee. No fine or suspension may be imposed except upon majority approval of such committee. Suspension of rights to use the Common Area shall not include any right to restrict vehicles and pedestrians' ingress and egress to and from such offending person's Lot. The voting rights of a member may not be suspended by the Association. Notwithstanding the foregoing, fines and suspensions can be otherwise imposed by the Association for failure to pay assessments as imposed under the Declaration. The Association shall have the right to levy a Specific Assessment pursuant to Paragraph 9 of the Declaration for failure to pay any fine imposed under this Article (for which Special Assessment there shall exist a lien pursuant to

Paragraph 9 of the Declaration), and the failure to pay such Special Assessment shall permit the Association to proceed towards foreclosing the lien of such Special Assessment.

ARTICLE IX - MISCELLANEOUS

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

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.