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 Palm Beach County, Florida
 Sharon R. Bock, CLERK & COMPTROLLER
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Prepared by and return to:
 Natalie C. Chin-Lenn, Esquire
 2300 Palm Beach Lakes Boulevard
 Suite 308
 West Palm Beach, FL 33409

**CERTIFICATE OF AMENDMENT TO THE AMENDED AND
 RESTATED BYLAWS OF CLOISTERS PROPERTY OWNERS
 ASSOCIATION, INC.**

WHEREAS, the Amended and Restated Bylaws of the Cloisters is Exhibit "C" to the Amended and Restated Declaration recorded at Official Records Book 7110, Page 525 of the Public Records of Palm Beach County;

WHEREAS, Section 12.3 of the Amended and Restated Bylaws provides that the Bylaws may be amended by at least a majority of the Board of Directors and by a majority of the owners in the Cloisters;

WHEREAS, a duly called meeting of the owners was held on October 21, 2010 and at least a majority of the Board of Directors and a Majority of the owners approved the Amended and Restated Bylaws as set forth in the attached Exhibit "1" to this certificate;

WHEREAS, the Amended and Restated Bylaws and this Certificate shall be recorded in the Public Records of Palm Beach County, Florida;

NOW THEREFORE, the Amended and Restated Bylaws as stated in Exhibit "1" attached hereto shall run with the real property known as the CLOISTERS, and shall be binding on all parties, having any right, title or interest in the said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

CERTIFICATE OF ADOPTION OF AMENDMENTS

We hereby certify that the Amended and Restated Bylaws attached to this certificate was duly adopted and the required percentage the Board of Directors and owners voted and approved same.

DATED this 10th day of November, 2010.

WITNESSES:

Sign Phyllis Lewis

Print Phyllis Lewis

Sign [Signature]

Print Robert Aeschman

CLOISTERS PROPERTY OWNERS ASSOCIATION, INC.

By: [Signature]

PRESIDENT

Print Averyl Wallis

Current Address 6121 Newstead Ct
Greenwood R 33463

Attest [Signature]
SECRETARY

Print Cloisters Property Owners Association, Inc.
(CORPORATE)
Incorporated 1979
Florida
Corporation Not For Profit

STATE OF FLORIDA
COUNTY OF PALM BEACH

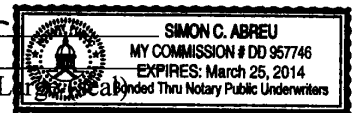
The foregoing instrument was acknowledged before me this 10th day of November, 2010 by Averyl Wallis President of the CLOISTERS PROPERTY OWNERS ASSOCIATION, INC., who is personally known to me or who has produced _____ (if left blank), personal knowledge existed) as identification and who did take an oath.

NOTARY PUBLIC

Sign [Signature]
Print _____

State of Florida at Large

My Commission Expires:



The foregoing instrument was acknowledged before me this 7th day of December, 2010 by Linda Jo Lewis Secretary of the CLOISTERS PROPERTY OWNERS ASSOCIATION, INC., who is personally known to me or who has produced _____ (if left blank), personal knowledge existed) as identification and who did take an oath.

NOTARY PUBLIC

Sign [Signature]
Print LoRayne H Johnson

State of Florida at Large (seal)

My Commission Expires:

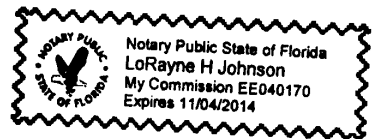


EXHIBIT " 1 "

AMENDED AND RESTATED

BYLAWS

OF

CLOISTERS PROPERTY OWNERS ASSOCIATION, INC.

1. **GENERAL.** These are the Bylaws of the CLOISTERS PROPERTY OWNERS ASSOCIATION, INC., hereinafter the "Association," a Corporation-Not-For-Profit organized under the laws of Florida for the purpose of operating the Association.

1.1 **Principal Office.** The principal office of the Association shall be at such place in Palm Beach County, Florida as the Board of Directors may determine.

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

1.3 **Definitions.** The terms used herein shall have the same definitions as stated in the Declaration of Covenants and Restrictions to which these Bylaws are attached as an Exhibit.

2. **MEMBERS.**

2.1 **Qualification.** The members of the Association shall be the record owners of legal title to the lots. In the case of a lot subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the lot solely for the purposes of determining voting and use rights. Membership shall become effective upon the recording in the Public Records of a Deed or other instrument evidencing legal title to the lot in the member.

2.2 **Voting Rights; Voting Interests.** The members of the Association are entitled to one (1) vote for each lot owned by them. The total number of votes ("voting interests") is equal to the total number of lots. The vote of a lot is not divisible. The Association may suspend voting rights of a member for the non-payment of regular assessments that are delinquent in excess of (90) ninety days. If a lot is owned by one natural person, his/her right to vote shall be established by the record title to

the lot. If a lot is owned jointly by two natural persons who are not acting as trustees, that lot's vote may be cast by any one of the record owners. If two or more Owners of a lot do not agree among themselves how their one vote shall be cast, that vote shall not be counted. If a lot is owned by Corporation, Limited Partnership, Trustee, Administrator/Administratrix/ Personal Representative of Estate, more than two people or Power of Attorney for the owner, a voting certificate shall be executed.

2.3 Approval or Disapproval of Matters. Whenever the decision of a lot owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by any person authorized to cast the vote of such lot at an Association meeting as stated in Section 2.2 above, 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 above. The membership of the prior Owner shall thereby be automatically terminated.

2.5 Termination of Membership. The termination of membership in the Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Association during the period of his membership. It also does not impair any rights or remedies which the Association may have against any former member arising out of, or in any way connected with, such membership and the covenants and obligations incident thereto.

3. MEMBERS' MEETINGS; VOTING. Owners shall have the right to attend all membership meetings and to speak at any meeting with reference to all items which are opened for discussion or included in the agenda. The Owner shall have the right to speak for at least three (3) minutes on an item, provided that the owner submits a written request to speak prior to the meeting. The Association may adopt reasonable rules governing frequency and duration.

3.1 Annual Meeting. There shall be an Annual Meeting of the members in each calendar year. The Annual Meeting shall be held in Palm Beach County, each year at such date and time determined by the Board of Directors for the purpose of transacting any business duly authorized to be transacted by the members. There shall be an election of Directors at the Annual Meeting, if one is required. 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 Board of Directors, and may also be called by members having at least ten percent (10%) of the votes of the entire membership. Such requests shall be in writing, stating the purposes or purposes of the meeting and shall be signed by all the members making the request. Business at any special meeting shall be limited to the items specified in the request and contained in the notice of meeting.

3.3 Notice of Meetings. Notice of all Members' Meetings must state the time, date and place of the meeting. The notice must either be mailed to each member at the address which appears on the books of the Association, furnished by personal delivery or via electronic transmission. In order for notice to be given via electronic transmission, the unit owner must consent in writing to receiving notice via electronic transmission. This written consent to notice via electronic transmission may be revoked in writing at any time. The member bears the responsibility for notifying the Association of any changes of address or email address. The notice must be mailed, delivered or electronically transmitted at least fourteen (14) days before the meeting. Notice of any meeting may be waived in writing by any person entitled to receive such notice. Notice via electronic transmission shall be prohibited for meetings relating to recall.

3.4 Notice of Annual Meeting; Special Requirements.

(A) At least sixty (60) days before the annual meeting, the Association shall send notice to each owner of the date, time and place of the meeting. Candidates must notify the Secretary in writing of their intent to run for the Board of Directors in order to be placed on the ballot prior to final association mailing. Any candidate may furnish the Association with an information sheet which shall be no larger than 8 ½ inches by 11 inches to be included in the mailing. The notice of the candidates intent to run and information sheet, if any, must be received by the Association at least twenty (20) days prior to the date of the annual meeting in order to be included in the mailing.

(B) A final Notice of the Annual Meeting, together with an agenda, shall be posted in a conspicuous place on the Association property at least fourteen (14) days prior to the Annual Meeting. The notice and agenda of the Annual Meeting shall be sent by first class mail to each owner, delivered in person or electronically transmitted at least fourteen (14) days prior to the annual meeting. The final Notice of Annual Meeting shall notify the owner of the date, time and place of the Annual

Meeting, together with a ballot listing all candidates and any information sheets received. The notice may also state any other items on the agenda for vote at the meeting. Accompanying the ballot shall be an outer self addressed envelope and a similar inner envelope in which the ballot shall be placed. The exterior of the outer envelope shall indicate the unit or unit numbers being voted and shall contain a signature space for the voter. Once the ballot is filled out, the voter shall place the completed ballot in the inner smaller envelope and seal the envelope. The inner envelope shall be placed within the outer larger envelope then shall be sealed. Each inner envelope shall contain only one ballot, if a person is entitled to cast more than one ballot, separate envelopes shall be used for each. The voter shall sign the exterior of the outer envelope in the space provided for such signature. The envelope shall either be mailed or hand delivered to the Association. The written ballot shall indicate in alphabetical order by surname, each and every eligible candidate who submitted an intent to run and blank spaces for candidates that are nominated from the floor. An affidavit of the officer or other person making such mailing shall be retained in the Association records as proof of mailing.

(C) Envelopes containing ballots received by the Association shall be retained and collected by the Association and shall not be opened except as follows: Any envelopes shall be collected by the Association and transported to the location of the Annual Meeting. Each envelope and ballot shall be handled by a person or persons appointed by the Board who are not candidates or related to the candidate. The signature and unit identification shall be checked against the list of qualified voters. The voters shall be checked off on the list as having voted. In the presence of any unit owners in attendance, all inner envelopes shall be first removed from the outer envelopes and shall be placed in a receptacle. The inner envelopes shall then be opened and the ballots shall be removed and counted in the presence of unit owners. Any inner envelope containing more than one ballot shall be marked "disregarded", or with words of similar import, and any ballots contained therein shall not be counted. Any such envelopes and ballots shall be retained with the Official Records of the Association.

(D) Any Owner who has voted by ballot is entitled to change his vote at any time prior to commencement of the opening of the outer envelopes as described above. In such a case, the Association shall mark the outside of the envelopes "Recast" or with words of similar meaning. No ballots received after closing of the balloting shall be counted.

(E) The Association at the Meeting shall have available additional blank ballots for distribution to the voters as

needed. Each ballot distributed at the meeting shall be placed in an inner and outer envelope.

(F) No owner shall allow any other person to cast his ballot, and any such ballots improperly cast shall be deemed invalid. However, any voter who requires assistance to vote by reason of blindness, disability or inability to read or write, may request the assistance of a member of the Board of Directors or other owner to assist in casting his vote.

(G) No voter of any unit may cast more than one vote for any candidate, it being the intent that casting ballots in the election of directors shall be non-cumulative. Directors shall be elected by the plurality of the ballots cast; that is the candidates receiving the highest number of ballots cast shall be declared elected, except that any tie(s) shall be decided by drawing lots. A newly elected Director shall take office immediately upon the adjournment of the Annual Meeting.

3.5 Quorum. A quorum at a Member's Meeting shall be obtained by the presence, either in person or by proxy, of persons entitled to cast at least ten percent (10%) 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 lot Owners for all purposes, except where a greater or different number of votes is required by law or by any provision of the Association documents.

3.7 Proxy Voting. To the extent lawful, any person entitled to attend and vote at a Members Meeting may establish his presence and cast his vote by proxy. Proxies may not be used to elect Directors. Limited proxies shall be used for votes taken to waive reserves or financial statement requirements, to amend the Association Documents, and for all other matters for which the Florida Statute 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 specified meeting for which originally given and any lawful adjournment of that meeting, and no proxy is valid for a period longer than ninety (90) days after the date of the first meeting for which it is given, and the original must be delivered to the Secretary. Holders of proxies need not be members of the Association. 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. The adjournment of an Annual or Special Meeting to a different date, time or place must be announced at that meeting before an adjournment is taken or notice must be given of the new date, time or place. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the adjourned date. Notice shall be required to be given to new record owners as of the record date for the adjourned meeting.

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

- (A) Call to order by the President or Chairman of the meeting;
- (B) Call of the roll or determination of quorum;
- (C) Reading or disposal of the minutes of the last Members' Meeting;
- (D) Reports of the Officers;
- (E) Reports of Committees;
- (F) Appointment of Chairman of Inspectors of Election;
- (G) Determination of the number of Directors to be elected;
- (H) Counting of ballots in the Election of Directors, if necessary;
- (I) Unfinished Business;
- (J) New Business;
- (K) Adjournment.

3.10 Minutes. Minutes of all Meetings of Members and of the Board of Directors shall be kept in a businesslike manner in written form or in another form that can be converted into written form within a reasonable time. A vote or abstention from voting on each matter for each Director present at a Board meeting must be recorded in the minutes.

3.11 Inspection. The official records of the Association must be open for inspection at reasonable times within 10 business days after receipt of a written request for access via certified mail, return receipt requested. Open for inspection shall be defined as having a copy of the official records available for inspection or copying in the Community. Pursuant to Florida Statute, a member who is denied access will be entitled to actual damages or minimum damages for the Association's willful failure. Minimum damages are \$50.00 per day up to ten (10) days, the calculation to begin on the eleventh (11th)

business day after receipt of the written request. The Association may adopt reasonable written rules governing the frequency, time, location, notice, manner of inspections and may impose fees to cover the costs. The Association may charge up to fifty cents per page for copies made on the Associations photocopier. If Association does not have a copy machine where records are kept, or if records requested exceeds 25 pages in length, Association may have copies made by an outside vendor or by Association management personnel and may charge actual costs of copying.

The following records shall not be accessible to owners:

- (A) Records protected by Attorney Client Privilege;
- (B) Information obtained by the Association in connection with approval of lease, sale or other transfer.
- (C) Disiplinary, payroll, health, insurance and personnel records of Association employees;
- (D) Medical records of owners or residents;
- (E) Social Security Numbers, Drivers License numbers, Credit Card Numbers, Email addresses, telephone numbers, Emergency Contact information, any addresses of parcel owners other than those provided to fulfill the Associations notice requirements, and other personal identifying information of any person, excluding the person's name, parcel designation, mailing address and property address;
- (F) Electronic security measures used to safeguard data, including, but not limited to passwords; and
- (G) The software and operating system used by the Association to allow the manipulation of data, even if the Owner owns a copy of the same software. The data is part of the Associations Official Records.

The Association shall have available adequate copies of recorded Governing Documents for Owners and prospective owners and they shall be able to charge actual copy costs only.

3.12 Official Records. The Association shall maintain each of the following items, when applicable:

- (A) Copies of plans, specifications, permits and warranties related to improvements constructed on the common areas or other property that the Association is obligated to maintain and repair or replace;

(B) A copy of the Bylaws, Articles of Incorporation, Declaration and Rules and Regulations of the Association and amendments thereto;

(C) Minutes of all meetings of the membership and Board of Directors must be retained for a minimum of seven (7) years.

(D) A current roster of all members, their current mailing addresses (as provided by the owners), parcel identifications and email addresses (as provided by the owners). Email addresses shall be part of the Association's record unless the owner requests in writing that the email address not be disclosed. The owner may revoke the notification via email at anytime. The Association shall have no liability if an email address is erroneously disclosed;

(E) All Association Insurance Policies or copies thereof which must be retained for at least seven (7) years;

(F) A current copy of all Contracts of the Association and any bids received for work to be performed. Copies of Bids must be kept for a period of one (1) year;

(G) The Financial and Accounting records of the Association must be kept according to good accounting practices for a period of at least seven (7) years. Financial and Accounting Records must include:

1. Accurate, itemized and detailed records of all receipts and expenditures;

2. A current account and periodic statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account and the balance due;

3. All tax returns, financial statements and financial reports of the association;

4. Any other records that identify, measure, record or communicate financial information.

5. All other written records of the Association not specifically included in the foregoing which are related to the operation of the Association.

3.13 Recording. An owner may tape-record or video tape Board of Directors or Members Meetings. The Board of Directors may adopt reasonable rules and regulations.

3.14 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall guide the conduct of the Association's meetings.

3.15 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. If the requisite number of written expressions of approval are received by the Secretary within thirty (30) days of mailing notice of the proposed action to the members, a resolution passed by the Board of Directors on the action so authorized shall be of full force and effect as if 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 paragraph shall be construed in derogation of members' rights to call a Special Meeting of the Membership, as provided in Section 3.2 above. If the vote is taken by the method described in this Section the list of lot 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 lot Owners only when such is specifically required.

4.1 Number and Terms of Service. The Board of Directors shall consist of at least five (5) persons and not more than nine (9). A Director's term will end at the annual election at which his/her successor is to be duly elected, unless he/she resigns or is recalled as provided in Section 4.5 below. In the case of a vacancy, as provided in 4.4 below. The term of each Board member shall be three (3) years.

4.2 Qualifications. Each Director must be a member of the Association. The voting member of a corporation or other entity holding fee title to a lot shall be deemed a member. No more than

one person per unit may be on the Board of Directors at any given time. Each Director must reside in the Cloisters a minimum of nine (9) months per year.

4.3 Annual Elections. On the day of each annual election the members shall elect by written ballot, in person or via mail, as many Directors as there are regular terms of Directors expiring. The Owner may nominate themselves via mail. No balloting shall be required if, after nominations are taken from the floor, the number of candidates running is the same as the number of vacancies which exist. Owners may nominate themselves as candidates for the Board of Directors. Proxies may not be used in the election. In the election of Directors, there shall be appurtenant to each lot 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 may be broken by agreement among the tied candidates, drawing of straws or by lot.

4.4 Vacancies on the Board. If any Directorship becomes vacant for any reason, a successor or successors to fill the remaining unexpired term or terms 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, may appoint a successor, who shall hold office for the remaining unexpired term; The remaining Directors may choose to hold an election to fill the vacant seat which must comply with the Governing Documents and Florida Law related to notice.

(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. 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 in accordance with Florida Statute, governing the method of selecting successors, and providing for the operation of the Association during the period of recall but prior to the designation of successor Directors sufficient to constitute a quorum.

(C) If the Association fails to fill vacancies sufficient to constitute a quorum, owner may apply to the circuit court for the appointment of a receiver. At least thirty (30) days before application, the Owner must notify the Association and each owner by certified or registered mail, or personal delivery a notice of intent to file a petition for receivership giving the

Association the opportunity to fill the vacancies. If no quorum is attained within the thirty (30) day period, the owner may proceed with its petition. If a receiver is appointed, the Association will be responsible for the salary of the receiver, court costs and attorneys fees and all other costs associated with the receivership. The receiver shall remain until a quorum can be assembled.

4.5 Removal of Directors. Any or all Directors may be removed with or without cause by a majority vote of the entire membership, either by a written agreement or by written ballot (without a meeting) or at any meeting called for that purpose. If more than one Director is sought to be removed, the question shall be considered separately as to each Director.

(A) The written agreement or written ballot may contain a vote for replacement directors pursuant to rules adopted by the Division.

The agreement in writing or written ballot, or a copy thereof shall be served on the Association by Certified Mail or personal service as authorized by Chapter 48 of the Florida Statutes and the Florida Rules of Civil Procedure.

The Board shall notice and hold a meeting of the Board within five (5) full business days of receipt of the written agreement or written ballots. At the meeting, the Board shall either certify the recall and the recall shall be effective immediately or file a petition for arbitration pursuant to Florida Statutes.

(B) If a special meeting is called by ten percent (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list stating the purpose of the signatures.

(C) If recall is at a meeting, the vacancies shall be filled by the members at the meeting.

(D) A recalled Board Member shall turnover to the Board all records and property of the Association within five (5) full business days.

(E) If less than the majority of the Board is removed via written agreement or written ballot, the vacancy may be filled by the affirmative vote of the majority of the remaining directors.

(F) If a majority or more of the Board is recalled, the vacancy shall be filled by the members voting in favor of the recall.

(G) Any Director who either has missed three (3) consecutive Board meetings or has failed to submit three maintenance payments shall result in the Director's automatic resignation from the Board of Directors.

4.6 Other Meetings. Meetings of the Board may be held at such time and place in Palm Beach County, Florida, as shall be determined from time to time by the President or a majority of the Directors. Notice of meetings shall be given to each Director personally, by mail, telephone, telegram or electronic transmission at least two (2) days prior to the day named for such meeting.

4.7 Notice to Owners. All meetings of the Board of Directors shall be open to members except for meetings between the Board and their attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by attorney-client privilege. A notice and agenda for each Board meeting shall be posted conspicuously in the community at least forty-eight (48) hours in advance of each Board 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, delivered or electronically transmitted to each member at least seven (7) days before, except in an emergency. Fourteen (14) days notice must be given to each Owner of any Board meeting, at which either a Special Assessment or Rules and Regulations will be considered. This notice shall include a statement that assessments (and the nature of the assessment) and/or Rules and Regulations will be considered. Notice of any Board meeting, at which a budget will be adopted or amended, shall conform to the requirements of Section 6.2 below and be mailed or posted at least fourteen (14) days in advance. This notice provision is also applicable to meetings of Committees or other similar body when final decisions will be made regarding the expenditure of Association funds. It shall also apply to Committees which approve or disapprove architectural decisions with respect to a specific parcel or residential property owned by a member of the Community.

4.8 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.

4.9 Quorum of Directors. A quorum at a Board meeting shall exist when at least a majority of all Directors are present in person. Directors may participate in any meeting of the Board or meeting of an executive or other Committee, by means of a conference telephone call or similar communicative arrangement

whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person. Directors may not vote or participate by proxy or secret ballot at Board meetings, except that Officers may be elected by secret ballot.

When a quorum of the Board of Directors discusses association business, this results in a Board meeting and requires proper notice of such meeting. This applies regardless of location.

4.10 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 Association 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 he 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.

4.11 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, if a quorum is present, any business may be transacted that might have been transacted at the meeting originally as called.

4.12 The Presiding Officer. The President of the Association or in his absence, the Vice-President shall be the presiding officer at all meetings of the Board of Directors. If neither is present, the presiding officer shall be selected by a majority vote of the Directors present.

4.13 Compensation of Directors and Officers. Except as otherwise provided, 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 duties. Directors and Officers may receive compensation in the following situations:

- (a) Recovery of insurance proceeds from a policy of insurance maintained by the Association for the benefit of its members;
- (b) Any fee or compensation authorized by the Association Documents;

- (c) Any fee or compensation authorized in advance by a vote of the majority of the voting interests voting in person or by proxy at a meeting of the members;
- (d) Receiving compensation for routine maintenance, repair, or replacement of Community assets as long as such benefits accrue to all or a significant number of members as a result of actions lawfully taken by the Board or Committee of which he or she is a member.

4.14 Committees. The Board of Directors or President 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 Association. Any such Committee shall have the powers and duties assigned to it in the resolution creating the Committee.

5. OFFICERS.

5.1 Officers and Elections. The Executive Officers of the Association shall be a President, and a Vice-President, 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 or designate a Chairman to preside at all meetings of the members; preside over the Board of Directors Meetings; be ex-officio member of all standing Committees; have general and active management of the business of the Association and 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-President(s), 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. 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. The Secretary shall cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for that purpose; shall perform like duties for the standing committees when required; 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 Association 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; The Treasurer shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer shall oversee the 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 Covenants and Restrictions shall be supplemented by the following provisions:

6.1 Depository. The Association shall maintain its funds in FDIC insured accounts or investments with such institutions doing business in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall require signatures of two Board Members and must be authorized by the Board of Directors.

6.2 Budget. The Board of Directors shall adopt a budget of common expenses in advance for each calendar year for CLOISTERS PROPERTY OWNER ASSOCIATION, INC. A copy of the budget shall be provided to the owner or notice given to the owner that a copy is available upon request at no charge to the owner. The copy of the budget must be provided within 10 business days of receipt of a written request. The budget shall be detailed and

shall show the estimated revenues, expenses, surplus or deficit of the current year. The projected cash inflows may include estimates of earnings from investments and accounts receivable minus an allowance for doubtful accounts. The budget must also set out separately all fees or charges for recreational amenities, whether owned by the association, developer or another person.

If the Association is responsible for capital improvements and the reserves are not provided for, the following statement must be provided in conspicuous type:

THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO THE PROVISIONS OF 720.303(6), FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF NOT LESS THAN A MAJORITY OF THE TOTAL VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A MEETING OR BY WRITTEN CONSENT.

If the Association budget provides for funding of deferred expenditures not created by the developer or by vote of the members, each financial report is required to contain the following statement in conspicuous type:

THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES. THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

6.3 Reserves for Capital Expenditures and Deferred Maintenance. In addition to annual operating expenses, the budget may include reserve accounts for capital expenditures and deferred maintenance. The amount to be reserved shall be computed by a formula based upon estimated life and replacement cost of each item.

The Association shall be required to establish statutory reserve accounts for capital expenditures and deferred maintenance if the Developer imposed reserve accounts while under the Developers control or if the majority of owners voted at a duly convened meeting to establish reserve accounts. Once reserve accounts are established, reserve funding shall be at proper amounts unless a lesser amount is approved by the majority of those owners attending a meeting in person or by proxy.

Should the owners vote to terminate the reserves with a majority of the vote of the total voting interest of the Association, the reserve account shall be removed from the budget.

6.4 Other Reserves. In addition to the reserves provided in Section 6.3 above, 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 reserved shall be shown in the proposed annual budget each year. These funds may be spent for any purpose approved by the Board.

6.5 Assessments. Regular annual maintenance assessments based on the adopted budgets, shall be paid in monthly installments, in advance, due on the first day of each month of each year. Written notice of each monthly installment shall be sent to the members at least fifteen (15) days prior to the due date or one notice of maintenance assessments may be given for the entire fiscal year. 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 monthly installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last monthly payment. It shall be continued at such rate until a budget is adopted and pro rata assessments are calculated. At this time, any overage or shortage calculated shall be added or subtracted from each unit's next due monthly installment.

6.6 Special Assessments. Special assessments may be imposed by the Board 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.

6.7 Fidelity Bonds. The President, Secretary and Treasurer, and all other persons who are authorized to sign checks, shall be bonded in such amounts as may be required by law and the Association Documents. The premiums on such bonds shall be a common expense.

6.8 Audits. A formal, certified audit of the accounts of the Association shall be required and a copy of the audit report, if one is performed, shall be made available to all members each fiscal year upon written request of a unit owner.

6.9 Financial Reports. In accordance with Florida Statute, within ninety(90) days after the close of each fiscal year, the Board of Directors shall prepare a financial report for the preceding year. Within twenty-one (21) days after the financial report is completed, but no later than 120 days after the end of the fiscal year, the Association shall provide each owner with a copy of the financial report or give written notice that a copy of a financial report is available upon request at no charge to the owner. This report must be furnished within ten(10) business days after receipt of a written request. The Association shall prepare audited financial statements.

The majority of the owners present at a properly called meeting of the Association may vote to prepare a lesser type of financial statement.

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

7. RULES AND REGULATIONS. The Board of Directors may, from time to time, adopt and amend Rules and Regulations governing the use, maintenance, management and control of the Common Property, Common Area, units, lots recreation areas and the operation of the Association. Copies of such Rules and Regulations shall be furnished to each lot owner. The Association may not unreasonably restrict an owners right to peaceably assemble or right to invite public officers or candidates for public office to speak in Common Areas.

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

8.1 Fines. The Board of Directors may levy fines against lots whose owners commit violations of the Florida Statute, the provisions of the Association Documents or Association Rules and Regulations, or whose Owners condone such violations by their family members, guests or lessees. The Association may also levy fines against Owners who are more than ninety (90) days delinquent in any monetary obligation to the Association.

A. Owner is Liable. Each and every violation shall be the responsibility of, and attributed to the Owner (and his lot) regardless of whether the offending party is in fact the Owner or the Owners' tenant(s), their family, agent(s), guest(s), visitor(s), servant(s), etc. As such, the Owner is responsible for the actions of the Owner's tenant(s) and family, agent(s), guest(s), visitor(s), servant(s), etc.

B. Written Notice required; Contents. No fine shall be imposed against an Owner for any violation unless, and until the offending party or parties (which always shall include the Owner) has/have been given an opportunity to appear at a hearing on whether the fine should be levied. The Association shall provide at least fourteen (14) days notice to the offending party or parties that they have an opportunity to appear at a hearing on whether the fine should be levied. A Fining Committee shall be appointed by the Board. The Committee shall consist of at least three (3) members who are not Officers, Directors, or employees of the Association, or the spouse, parent, child, brother, or sister of an Officer, Director or employee.

C. Level of Fines. A fine for each violation shall be in the amount not to exceed \$100.00 or as amended by law. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing. Fines exceeding \$1000.00 shall be permitted unless prohibited by law.

D. Recordkeeping. The Association shall maintain a file of all notices issued and findings of the committee in order that a record of offenses and offenders may be kept.

E. Hearing Before the Committee. The following shall apply:

1. A party against whom the fine may be levied shall have a reasonable opportunity to respond, present evidence, provide written and oral argument on all issues involved and to have counsel present. They shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association.

2. Failure of the Owner and the violator in question to appear at the scheduled meeting may result in the automatic vote by the Committee that the Owner is in violation, whereupon the fine may be levied without further warning.

3. A majority vote of the Committee shall approve the fine.

F. Collection of the Fine. Once a fine is deemed to be due and owing, the Association shall provide written notice via regular mail or hand delivery to the Owner and tenant/occupant (if applicable) of the fine due and owing, with due date for payment. In any action to recover a fine, the prevailing party shall be entitled to collect its reasonable attorneys fees and costs from the non-prevailing party. The Association may collect fines that are \$1000 or more via lien.

G. Suspension. The Board of Directors of the Association shall be permitted to suspend the right to use of the Common Area of any member (including his family members, lessees, guests, etc.) during any period in which the member shall be ninety (90) days delinquent in the payment of any monetary obligation to the Association. Such suspension requires compliance with the notice and hearing procedures for fines above. Suspension of Common Area use rights shall not impair the right of an Owner or tenant to have vehicular and pedestrian ingress to and egress from the lot including, but not limited to the right to park.

The Board of Directors may also vote to suspend the use rights of an Owner (including his family members, lessees, guests, etc.) to the Common Area in the event that any owner or other violator violates any provision of the Governing Documents or Rules and Regulations or Law, other than delinquency in payment of assessments or charges levied by the Association. Such suspension requires compliance with the notice and hearing procedures for fines above.

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

9. AMENDMENT OF BYLAWS. Except as otherwise provided in the Declaration of Covenants and Restrictions, amendments may be proposed and adopted in the following manner:

9.1 Proposal. Amendments to these Bylaws may be proposed by a majority of the Board or upon written petition to the Board signed by at least one-fourth (1/4) of the voting interests.

9.2 Procedure. Upon any amendment or amendments to these Bylaws being proposed by said Board or lot 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 be given.

9.3 Vote Required. Except as otherwise provided by law, or by specific provision of the Association Documents, these Bylaws may be amended by a vote of a majority of members present in

person or by proxy at any Annual or Special Meeting called for the purpose or by a majority of the members via written consent, provided that notice of any proposed amendment has been given to the members in accordance with law.

9.4 Recording; Effective Date. A copy of each adopted amendment shall be attached to a certificate attesting that the amendment was duly adopted. The certificate shall be executed by the President or Vice-President of the Association with the formalities of a deed. The amendment shall be effective when the certificate and a copy of the amendment are recorded in the Public Records of Palm Beach County, Florida. The certificate must identify the book and page of the Public Records where the Declaration of Covenants and Restrictions is recorded.

10. MISCELLANEOUS.

10.1 Gender. Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

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

10.3 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration of Covenants and Restrictions or Articles of Incorporation, the provisions of the Declaration or Articles of Incorporation shall prevail over the provisions of these Bylaws.