

**BY-LAWS
OF
SCOTSDALE BLUFFS HOMEOWNERS' ASSOCIATION, INC.
(A Not-For-Profit Corporation Under the Laws of the State of Florida)**

ARTICLE I – INTRODUCTION

Section 1. Name. The name of the Corporation is Scotsdale Bluffs Homeowners' Association, Inc., (hereinafter referred to as the "Association"). The principal office of the Association shall be as specified in the Articles of Incorporation, or at such other place as the Board of Directors may determine from time to time.

Section 2. Applicability. The provisions of these By-Laws are applicable to the developments and subdivisions that are subject to those certain restrictions which refer to and incorporate by reference to the Articles of Incorporation of the Association and these By-Laws, (hereinafter referred to as the "Development") located in Pinellas County, Florida.

Unless defined in these By-Laws of the Association (the "By-Laws"), or the Articles of Incorporation (the "Articles"), all terms used in the By-Laws and Articles shall have the same meanings as used in the Declaration of Covenants, Conditions and Restrictions for Scotsdale Bluffs, (the "Declaration").

Section 3. Effect. All present and future members of the Association and all other persons entitled to use any of the common areas of the Association in any manner, are subject to the regulations set forth in these By-Laws and in the Amended Declaration of Covenants, Conditions and Restrictions of Scotsdale Bluffs dated January 31, 1997, otherwise known and referred to herein as the Restrictions, ("Restrictions"), that may now or hereafter be recorded on the Public Records of Pinellas County, Florida and Rules & Regulations as established by the Board of Directors. The acquisition of membership in the Association or the acquisition or rental of any lot in the Development shall mean the provisions of these By-Laws and the Restrictions are accepted, ratified and will be adhered to.

Section 4. Terms. All of the terms utilized herein shall have the same meanings ascribed to them in the Restrictions and Articles of Incorporation. Notwithstanding anything contained herein to the contrary, the terms "Common Area" shall mean any property real, personal, or intangible, held or to be held in the name of the Association, or indicated as common area on any plat now or hereafter recorded concerning the subject property.

Section 5. Seal. 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.

ARTICLE II – VOTING MEMBERS, QUORUM, PROXIES

Section 1. Association Membership. Each owner of a Lot, herein after referred as a Lot owner, ("Lot owner"), shall be a member of the Association and the Lot owner(s) of each Lot shall be entitled to cast one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as determined by the Voter Registration List maintained by the Board of Directors. In no event shall more than one vote be cast with respect to any Lot.

Section 2. Action by Association. Unless a higher percentage is expressly required in these By-Laws, or in the Articles of Incorporation, or in the Restrictions, or by Statute, or any amendment thereto, any action that is required to be taken by the members of the Association may be so taken by a majority of the votes entitled to be cast by a quorum of the total available votes of the members of the Association.

Section 3. Quorum. Except as otherwise provided in these By-Laws, the Articles of Incorporation, or in the Restrictions, the presence in person or by proxy of the members entitled to cast at least thirty percent (30%) of the votes entitled to be cast by all of the members of the Association shall

constitute a quorum of the members at a membership meeting. Such members present at a duly called membership meeting at which a quorum thereof is present may conduct and continue to accomplish the business of the Association until adjournment pursuant to Florida statute. In the event, however, the required quorum is not present, the meeting may be rescheduled subject to the notice requirements set forth herein. If a quorum cannot be attained AFTER renote to the members then a reduced quorum of not less than ten percent (10%) of the members may hold and conduct business at the membership meeting.

Section 4. Proxies. Votes of members may be cast in person or by proxy. Proxies must be in writing, on the form provided by the Association, and shall be filed with the Secretary of the Association before the appointed time of each meeting. Each proxy shall be revocable but shall continue as valid only for the meeting intended and any reconvening of an adjourned meeting pursuant to Florida statute.

Section 5. Waiver and Consent. Meetings of Association Members are required by provision of Florida statutes and these By-Laws. It is a duty of membership to vote either in person or by proxy, in connection with any action of the Association requiring a member to vote at meetings of the members.

When a member(s) of the Association does NOT vote, either in person or by proxy at duly noticed membership meeting(s) then that member(s) waives their right to vote and gives consent to the actions voted upon and decisions made at such meeting(s).

ARTICLE III – ADMINISTRATION

Section 1. Place of Meetings. Meeting of the members shall be held at a suitable place in Pinellas County, Florida, as may be designated by the Board of Directors.

Section 2. Annual Meeting of Members. The annual meeting of the members shall be held on the date and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting during the month of October every calendar year. The members may transact such business of the Association as may properly come before the annual meeting.

Section 3. Special Meetings of Members. Special meetings of the members may be called at any time by a majority of a quorum of either the Board of Directors or a quorum of the members. Notice of any special meeting shall state the time and place of such a meeting and the purpose thereof. No business shall be transacted at the special members' meeting except as stated in the notice.

Section 4. Notice of Meetings of Members. It shall be the duty of the Secretary of the Association to mail a notice of each meeting of members, stating the purpose thereof as well as the date, hour and place where it is to be held to each member at least fourteen (14), but no more than sixty (60) days prior to such meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The mailing of a notice, postage pre-paid shall be considered notice served. If no address has been furnished to the Secretary, notice shall be deemed to have been given to a member if posted in a conspicuous place within the Development designated by the Board of Directors with notice of such location being provided to the membership.

Section 5. Adjourned Meetings. If any meeting of the membership cannot be conducted because of the lack of a quorum, the members who are present, either in person or in proxy, may adjourn the meeting to a time not less than five (5) days and no more than thirty (30) days, from the time the original meeting was called. Such adjourned meetings may only be held upon a new notice as provided in this Article; however, such notice may be given by announcement at the meeting at which such adjournment is taken. If a meeting is adjourned for more than thirty (30) days, notice of the adjourned meeting shall be given as in the case of an original meeting.

Section 6. Order of Business. The order of business at all meetings of the membership shall, unless waived, be as follows:

- a. Roll call and certification of proxies.
- b. Ascertainment of quorum.
- c. Proof of notice of meeting.
- d. Appointment of inspector(s) of election.
(Annual Meeting only.)
- e. Election of directors.
(Annual Meeting only.)
- f. Reading and disposal of any unapproved minutes.
- g. Reports of officers.
- h. Reports of committees.
- i. Unfinished business.
- j. New business.
(Announcement of election results.)
- k. Adjournment.

An organizational meeting of the Board of Directors shall immediately follow the Annual Meeting.

Section 7. Minutes, Presumption of Notice. Minutes of the proceedings of meetings of members, when signed by the President or Secretary shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes that any such meeting, properly given, shall be prima facie evidence that such notice was given.

ARTICLE IV – BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Association shall be governed and managed by a Board of Directors as specified in the Articles of Incorporation. Eligible persons need to be members of the Association, each of whom shall be at least eighteen (18) years of age.

Directors shall not receive any salary for their services as directors; provided, however,; (a) nothing herein contained shall be construed to preclude any director from serving the Association in some other capacity and receiving compensation therefore; and (b) any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 2. Initial Board of Directors. The members of the initial board of Directors shall hold office and exercise all powers of the Board of Directors until the first membership meeting, anything herein to the contrary notwithstanding; provided, however, any or all said directors shall be subject to replacement in the event of resignation or death as provided for below.

Section 3. Powers and Duties. The Board of Directors has the powers and duties necessary for the administration of the affairs of the Association and may take all such acts and do such things as required by law, the Restrictions, the Articles of Incorporation, or these By-Laws.

Section 4. Special Powers and Duties. Without prejudice to the foregoing general powers and duties and such powers and duties as are set forth in the Articles of Incorporation and Restrictions, the Board of Directors is vested with and responsible for the following powers and duties:

- a. To conduct, manage and control the affairs and business of the Association and to make and enforce such rules and regulations consistent with the law, with the Restrictions, the Articles of Incorporation, and these By-Laws as the Board of Directors may deem necessary or advisable;
- b. To designate the place for the holding of annual or special meetings of members consistent with the provisions hereof;
- c. To borrow money and to incur indebtedness for the purposes of the Association, and cause to be executed and delivered therefore in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation or other evidences of debt and security therefore;

- d. To fix, levy and collect from time to time annual assessments and special assessments and to determine and fix the due date for the payment of such assessments;
- e. To enforce the provisions of the Articles of Incorporation, the Restrictions, these By-Laws, applicable Rules and Regulations and other agreements of the Association;
- f. To contract and pay for fire, casualty, errors and omissions, blanket liability, malicious mischief, vandalism and other insurance, insuring the Association, the Board of Directors and other interested parties, covering and protecting against such damages or injuries as the Board of Directors deems advisable, which may include without limitation, medical expenses of persons injured on the Common Areas, and to bond the agents and employees of any management body if deemed advisable by the Board. The Board of Directors shall review not less frequently than annually all insurance policies and bonds obtained by the Board of Directors on behalf of the Association;
- g. To contract and pay for maintenance, repairs, gardening, utilities, materials, supplies and services relating to the Common Areas and to employ personnel necessary for the operation of the Common Areas and the Association, including without limitation, all legal and accounting services;
- h. To delegate its powers according to the law;
- i. To grant easements over the Common Areas where necessary to utilities, drainage, sewer facilities, cable television and other utility services;
- j. To adopt such reasonable rules and regulations as the Board of Directors may deem necessary for the management of the Common Areas and Development, which rules and regulations shall become effective and binding after (1) they are adopted by a majority of the Board of Directors at a meeting called for that purpose and, (2) copies of the Rules and Regulations or changes thereto shall be delivered to the members in accordance with the procedure set forth herein relative to providing notice of members' meetings. Such rules and regulations may concern, without limitation, use of the Common Areas and Development;
- k. To sue and be sued and appear and defend in all actions and proceedings, whether judicial, administrative or otherwise in the corporate name, and to institute actions and proceedings in its sole discretion on behalf of the members of the Association.

Section 5. Election and Term of Office. Directors shall be elected at the annual meetings of the membership: The number of Directors shall always consist of an odd number. Election of the Board of Directors shall be by written ballot. Each registered voting member shall be entitled to cast one vote. The person receiving the largest number of votes for each director's position shall be elected. Cumulative voting is not permitted. Directors shall be elected for a specific director position and term. The members of the Board of Directors shall hold office until their respective successors have been elected by the Association.

Initial terms of office for directors shall be for periods of either 1, 2, or 3 years. Director 1 shall have a term of one (1) year. Director 2 shall have a term of two (2) years. Director 3 shall have a term of three (3) years. At the expiration of the initial term of office of each respective member of the Board of Directors, a successor shall be elected to serve for a term of three years.

All regular terms of office shall be for the same number of years, three (3) years, and until the election and qualification of successors. The regular terms of office shall be so fixed at the beginning, or upon any increase or decrease in the number of directors, that approximately an equal number of regular terms shall expire at each annual meeting.

Section 6. Vacancies. If the office of any director becomes vacant by reason of death, resignation, disqualification, removal from office, or otherwise, his successor shall be appointed by a vote of the majority of the remaining directors, even if less than a quorum, until the next annual meeting; at which time any unexpired terms shall be filled by vote of the Members, and until the qualification of their successors.

Section 7. Removal. Any director may be removed with or without cause at any meeting called expressly for such purpose by a majority of the votes entitled to be cast by a quorum of the membership.

Section 8. Books, Summary. The Board of Directors shall cause to be maintained a full set of books and records showing the financial condition of the Association in a manner consistent with generally accepted accounting principals and Florida statutes. They shall obtain a summary of such books and records consistent with generally accepted accounting principals at not greater than annual intervals. The Board of Directors shall cause an independent annual review of the books and all records of the Association. A copy of such summary shall be delivered to the members within sixty (60) days after the completion of such summary or independent annual review. Upon the written request of the holders of fifty-one (51%) percent of the mortgages upon homes/lots in the Development, the Association shall provide said mortgagees with an audited financial statement for the immediately preceding fiscal years, provided said mortgagees bear the cost of same.

Section 9. Regular Meetings. Regular meetings of the Board of Directors shall be open to the members of the Association and may be held at such time and place as shall be determined, from time to time, by a majority of a quorum of the Board of Directors; provided, however, that such meeting shall be held no less frequently than annually. A director shall be deemed present at any meeting for all purposes if a conference telephone or other similar communications device is utilized whereby all persons participating in the meeting can hear and speak to each other. Notice of regular meetings of the Board of Directors shall be given to each director by mail, email, fax or telephone at least seventy-two (72) hours prior to the date specified for such meeting.

All meetings of the Board must be open to all members except for meetings between the Board and its attorney with respect to proposed of 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 Development at least forty-eight (48) hours in advance of a meeting, except in an emergency.

Section 10. Special Meetings. Special meetings of the Board of Directors shall be open to all members and be called by the President or if he is absent, or if he is unable to act, by the Vice President or by any other director. At least seventy-two (72) hours notice shall be given to each director by mail, email, fax, or telephone at least seventy-two (72) hours prior to the date specified for such meeting.

Section 11. Waiver of Directors' Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall constitute notice to him of the time and place thereof. If all the directors are present at any meeting of the Board of Directors, no seventy-two (72) hour notice to each director shall be required and any business may be transacted at such meeting. The transactions at any meeting of the Board of Directors however called and noticed or wherever held shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs such written waiver of notice, a consent to hold such meeting, or an approval of the minutes therefore. All such waivers, consents and approvals shall be filed with the records of the Association as a part of the minutes of the meeting.

Section 12. Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any reconvening of such adjourned meeting, any business which might have been transacted at the meeting as originally called, may be transacted with renote to the members.

Section 13. Action without Meeting. The directors shall have the right to take any emergency action in the absence of a meeting which they could take at a meeting by obtaining the vote or written consent of the directors. However, such emergency actions taken must be ratified at the next regular noticed meeting of the Board of Directors. Any action so approved shall have the same effect as though taken at a duly constituted meeting of the directors.

Section 14. Committees. The Board of Directors by resolution may from time to time designate such committees as it shall desire and may establish purposes and powers of each committee created. The resolution designating and establishing the committee shall provide for the appointment of its members, as well as a Chairman, and shall state the purposes of the committee, and shall provide for its termination and other administrative matters as deemed appropriate by the Board of Directors.

The Architectural Review Board (ARB) is a standing committee of this Association as prescribed by the Restrictions of this Corporation.

Article V – Officers

Section 1. Designation. The principal officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors. More than one (1) office may be held by the same person, except that one (1) person shall not simultaneously hold the offices of President and Secretary.

Section 2. Election of Officers. Upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Association. Any such resignation shall take effect upon the date of receipt of such notice or at any later time specified therein, and unless otherwise specified in said notice, acceptance of said resignation by the Board of Directors shall not be necessary to make it effective.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the members of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of a corporation. The President shall be an ex-officio member of all standing committees, he shall have such other powers and duties as may be prescribed by the Board of Directors or these By-Laws.

Section 5. Vice President. The Vice President shall take over the place of the President and shall perform his duties whenever the President shall be absent, disabled, or is unable to act. If neither the President or Vice President is able to act, the Board of Directors shall appoint another member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed on him by the Board of Directors or by these By-Laws.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all the meetings of the Association at the principal office of the Association or at such other place as the Board of Directors may order. The Secretary shall keep the seal of the Association in safe custody and shall have charge over such books and papers as the Board of Directors may direct; and the Secretary shall, in general, perform all duties incident to the office of Secretary. The Secretary shall give cause to be given, notices of meetings to the members of the Association and of the Board of Directors required by these By-Laws or by law to be given. The Secretary shall maintain a list of the members of the Association, listing the names and addresses furnished to the Association, and such list shall be changed only at such time as satisfactory evidence of change in membership is presented to the Secretary. The Secretary shall perform all such other duties as may be prescribed by the Board of Directors.

Section 7. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and other records of business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies, other valuable effects in the name of the Association and for any funds of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall co-sign all checks on behalf of the Association. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, shall render to the President and the Directors, upon request,

an account of all of his transactions as Treasurer and of the financial condition of the Association, and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or by these By-Laws.

ARTICLE VI – OBLIGATIONS OF MEMBERS

Section 1. Assessments. All members are obligated to pay all regular and special assessments imposed by the Association to meet all expenses of the Association. All such assessments shall be allocated among the members in equal amounts. All delinquent assessments shall be enforced and collected in the manner specified herein.

Section 2. Special Assessments. Each member shall reimburse the Association for any expenditures incurred in repairing or replacing any portion of the Common Areas that have been damaged through the fault of such member or his tenants, family, guests, invitees or agents. Such expenditures shall include all court costs and reasonable attorney fees incurred in enforcing any provisions of these By-Laws. All delinquent assessments for such expenditures shall be enforced, collected or foreclosed as in the manner provided herein.

Section 3. Delinquent Assessments. The Association, through its Board of Directors, shall have the power to collect all delinquent assessments by suit for damages and by filing a lien therefore among the Public Records of Pinellas County, Florida, and enforcing the same by foreclosing said lien in the same manner as a mortgage on the subject lot(s).

ARTICLE VII – AMENDMENTS TO BY-LAWS

These By-Laws may be amended by the membership of the Association. Amendments to these By-Laws may be proposed by either the Board of Directors or the membership of the Association. Amendments shall be approved by an affirmative vote of two-thirds, (2/3), of the voting members of the Association at a meeting of the membership of the Association duly called and constituted for that purpose.

ARTICLE VIII – CONFLICTING PROVISIONS

In case any of these By-Laws conflict with any provisions of the laws of the State of Florida, such conflicting By-Laws shall be null and void upon final court determination to such effect, but all other provisions of these By-Laws shall remain in full force and effect. In case of any conflict between the Articles and these By-Laws, the Articles shall control. In case any conflict between the Restrictions and these By-Laws, the Restrictions shall control.

ARTICLE IX – MISCELLANEOUS

Section 1. Execution of Documents. The Board of Directors hereby authorizes its President or Vice President to enter into any contract or execute any instrument in the name and on behalf of the Association as approved by the Board of Directors at a regularly held Board meeting.

Section 2. Inspection of Documents. The Association shall make available to members and mortgagees current copies of the Restrictions, these By-Laws, the Articles of Incorporation, and Rules and Regulations concerning the Development and the books, records and financial statement of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Section 3. Homeowner Association Documents. A binder containing a current copy of the Restrictions, these By-Laws, the Articles of Incorporation and the Rules and Regulations concerning the Development and Association shall be provided to each original Lot owner. This binder containing the aforementioned documents shall remain with the Lot owner until Association membership ceases upon sale or other transfer of ownership of property. It is the responsibility of the Lot owner or mortgagee to pass

such documents on to the successor Lot owner. If the Association is requested to provide a successor Lot owner with a new or replacement binder containing the aforementioned documents then a fee of not more than seventy-five dollars, \$75.00, will be assessed to the successor Lot owner or mortgagee

Section 4. Fiscal Year. The fiscal year of the Association shall be determined by the membership and having been so determined shall be subject to change from time to time as the Board of Directors shall determine. In the absence of a specific determination, the fiscal year shall be the calendar year.

Section 5. Membership. The Association shall keep and maintain a membership roster containing the names and addresses of each member. Termination or transfer of membership shall be recorded, together with the date on which such membership was transferred, in accordance with the provisions hereof.

Section 6. Board of Directors. Unless specific actions are expressly required to be taken by the members, all such actions may be taken by the Board through its proper officers with or without specific authorization of the membership.

WE HEREBY CERTIFY that the foregoing By-Laws of the Scotsdale Bluffs Homeowners' Association were duly adopted by the membership of the Association on this _____ day of _____, 2000.

Scotsdale Bluffs Homeowners' Association

(Corporate Seal)

By: _____
Secretary

State of Florida
County of Pinellas

SCRIBED AND SWORN TO before me this _____ day of _____, 2000, by _____ as Secretary of Scotsdale Bluffs Homeowners' Association, Inc., who is personally known to me or who has produced a driver's license as identification.

Notary Public – State of Florida

My Commission Expires: _____

NOTE: It is believed that this copy of the By-Laws of the Scotsdale Bluffs Homeowners' Association is a true and correct copy. This copy has been prepared for the sole and express use of Members of the Scotsdale Bluffs Homeowners' Association.