AMENDMENT AND RESTATEMENT

Rec Fee $ 69.00
Add Rec $ 9.00
Doc Tax $ --
Int Tax $ --
Total $ 78.00

THOMAS H. LOCKER, Orange County Comptroller
By: _____ Deputy Clerk

OF

BY-LAWS

OF

3977280 ORANGE CO. FL.
10:32:40AM 04/06/88

13970 P03151

SOUTH BAY HOMEOWNERS' ASSOCIATION, INC.

The undersigned, being the President and Secretary of this corporation, certify that this Amendment and Restatement of By-laws of South Bay Homeowners' Association, Inc., has been duly adopted and approved by a majority of the Directors of the Board of Directors and by a majority of the Membership (including the Developer) at a joint meeting of the Board of Directors and Membership, and the undersigned by and through this Amendment and Restatement of Bylaws of South Bay Homeowners' Association, Inc., (hereinafter referred to as the "Bylaws") consolidate, amend and restate in their entirety the amended Bylaws for this corporation and continue this Florida corporation not for profit under Chapter 617, Florida Statutes, and the undersigned certify the following as properly restating in their entirety, the actual, amended Bylaws of the corporation:

W I T N E S S E T H:

WHEREAS, South Bay Homeowners Association, Inc. (hereinafter referred to as the "Association") operates the following property:

> SOUTH BAY, SECTION 1, 1A and 1B, per the recorded plats in Plat Book 8, Page 72; Plat Book 8, page 45; and Plat Book 8, Page 73; SOUTH BAY, SECTION 2, per the recorded plat in Plat Book 11, Pages 30 and 31; SOUTH BAY, SECTION 3, per the recorded plat in Plat Book 17, Pages 111 and 112; SOUTH BAY, SECTION 4, per the recorded plat in Plat Book 18, Page 60; SOUTH BAY, SECTION 5, per the recorded plat in Plat Book 17, Page 137; SOUTH BAY, SECTION 6, per the recorded plat in Plat Book 17, Page 138; and SOUTH BAY VILLAS, per the recorded plat in Plat Book 17, Page 7, all in the Public Records of Orange County, Florida; and

WHEREAS, that certain proposed Restatement of the Declaration of Covenants and Declaration for SOUTH BAY, which shall be recorded in the Public Records of Orange County, Florida, has been made and shall be imposed on the lands hereinabove described; and

WHERRAS, the Association held an Annual Joint Meeting of the Board of Directors and Membership on November 19, 1987; and

WHEREAS, the Association is desirous of consolidating, amending and restating the prior Bylaws into this Amendment and Restatement of the Bylaws of SOUTH BAY HOMEOWNERS' ASSOCIATION, INC.; and

WHEREAS, the Association voted to consolidate, amend and restate the Bylaws of said Association into this Amendment and Restatement of Bylaws of SOUTH BAY HOMEOWNERS' ASSOCIATION, INC. (hereinafter referred to as the "Bylaws") as provided herein; and

WHEREAS, the Association wishes to give public notice of the restatement of these Bylaws.

NOW, THEREFORE, the Association certifies through the signatures below of its corporate officers that the following is a true and correct copy of the Amendment and Restatement of the Bylaws of this corporation as approved at the duly called joint meeting of the Board of Directors and Membership.

(1) Whereas Clauses. The "WHEREAS" clauses stated above are true and accurate and are incorporated herein.

(2) The following restates the Bylaws of this corporation in their entirety:

ARTICLE I. DEFINITIONS

Section 1. The "Association" shall mean and refer to the SOUTH BAY HOMEOWNERS' ASSOCIATION, INC., a Florida not for profit corporation, organized and existing under Chapter 617, Florida Statutes, as amended.

Section 2. The "Property" or "Properties" shall mean and refer to SOUTH BAY, SECTIONS 1, 1A and 1B, per the recorded plats in Plat Book 8, Page 72; Plat Book 8, Page 45; and Plat Book 8, Page 73; SOUTH BAY, SECTION 2, per the recorded plat in Plat Book 11, Pages 30 and 31; SOUTH BAY, SECTION 3, per the recorded plat in Plat Book 17, page 111 and 112; SOUTH BAY, SECTION 4, per the recorded plat in Plat Book 18, Page 60; SOUTH BAY, SECTION 5, per the recorded plat in Plat Book 17, Page 137; SOUTH BAY, SECTION 6, per the recorded plat in Plat Book 17, Page 138; and SOUTH BAY VILLAS, per the recorded plat in Plat Book 17, Page 7, all in the Public Records of Orange County, Florida; and which term shall also mean the SOUTH BAY DEVELOPMENT PROPERTY.

Section 3. The "Common Property" shall mean and refer to those areas of land shown on the recorded subdivision plat of The Properties intended to be devoted to the common use and enjoyment of the Owners of The Properties.

Section 4. "Lot" shall mean and refer to the plot of land shown on the recorded subdivision plat of The Properties. The word Lot shall also include the Living Unit located thereon when a house has been constructed on the Lot.

Section 5. "Living Unit" shall mean and refer to any single family structure situated upon The Properties designed and intended for use and occupancy as a residence by a single family.

Section 6. "Owner" shall mean and refer to the record owner (including the Developer), whether one or more persons or entities, of the fee simple title to any Lot situated upon The Properties. However, no person or entity who holds such title to a Lot merely as a security for the performance of any obligation shall be an Owner, unless and until such mort-

gagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. The term "Owner" shall not mean or refer to a builder who in its normal course of business purchases any Lot for the purpose of constructing a Living Unit thereon for resale, unless that builder occupies or allows occupancy of a Living Unit, then it shall be an Owner for as long as it is the fee simple titleholder to the Lot.

Section 7. The "Declaration" shall mean and refer to that certain document known as the Restatement of the Declaration of Covenants and Restrictions for South Bay, which shall be recorded in the Public Records of Orange County.

Section 8. "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III of these Bylaws.

Section 9. "Developer" shall mean JULIAN CONSOLIDATED, INC., a Florida corporation, its successors, legal representatives and assigns, until it ceases to have Developer status in accordance with Article III of the Declaration.

Section 10. "Builder" shall mean a person or entity who in its normal course of business purchases a Lot for the purpose of constructing a Living Unit thereon for resale.

ARTICLE II. LOCATION

Section 1. The principal office of the Association shall be located at 7491 Conroy - Windermere Road, Suite B, Orlando, Florida 32811, or any such other place as designated by the Board of Directors.

ARTICLE III. MEMBERSHIP

Section 1. Every Owner, as defined in Section 6 of Article I of these Bylaws shall be a Member of the Association.

Section 2. For the purpose of this Article, the Developer shall be considered the record owner of a fee simple interest in, and therefore a Member to, all unsold Lots and unsold Living Units (excluding resales) developed or platted in the SOUTH BAY DEVELOPMENT PROPERTY as defined in the Declaration, which are owned by builders and not by persons who own said Lots for future construction of their own personal residences or for resale at a profit (an investor).

Section 3. Regardless of the possible loss of its Developer status, for purposes of this Article, the Developer shall still retain status as a Member to any Lot and Living Unit owned by persons or entities not entitled to Membership as herein defined.

Section 4. The rights of membership are subject to the payment of certain assessments levied by the Association, the obligation of which assessments are imposed against each owner of and become a lien upon the Lot against which such assessments are made as provided by Article VIII of the Declaration.

Section 5. The membership rights of any Member, whether or not he be personally obligated to pay such assessments, may be suspended by an action of the Board of Directors during the period when the assessments remain unpaid; but upon payment of such assessments, plus interest and attorney's fees and costs, if applicable, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the Common Property and facilities, and if such rules and regulations are violated by any person, the Board of Directors may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE IV. VOTING RIGHTS

Section 1. Each Member, including the Developer, shall be entitled to one (1) vote for each Lot in which they hold the interest or qualifications required for Membership in accordance with Article III hereinabove.

Section 2. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of the Lot. When more than one person owns a Lot, the vote for such Lot shall be exercised as they among themselves determine, but in the event of disagreement among such persons and an attempt by two (2) or more of them to cast such vote or votes, such persons shall not be recognized and such vote or votes shall not be counted.

Section 3. When the Developer shall no longer have Developer status, in accordance with Article III of the Declaration, it shall be an Owner, with all the attached rights and obligations of an Owner, for purposes of voting, as to any Lot in the Subject Property for which it is still the record owner of the fee or undivided fee interest.

Section 4. No Member, including the Developer, shall be allowed to cast a vote for any Lot on which any assessments levied pursuant to Article VIII of the Amendment and Restatement of Declaration of Covenants and Restrictions for South Bay are delinquent and on which Lot a lien has been imposed.

ARTICLE V. PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

Section 1. Each Member shall be entitled to

the use and enjoyment of the Common Property and facilities as provided by Article V of the Declaration.

Section 2. Any Member may delegate his rights and enjoyment in the Common Property to the members of his family who reside upon the Property. Such Member shall notify the Secretary in writing of the name of any such person and of the relationship of the Member to such person. The rights and privileges of such person are subject to suspension under Article III, Section 5 of these Bylaws, to the same extent as those of a Member.

ARTICLE VI. ASSOCIATION PURPOSES AND POWERS

Section 1.. The purpose for which the Association is organized is to promote the recreation, health, safety, and welfare of the residents within The Properties.

Section 2. The Association does not contemplate pecuniary gain or profit, direct or indirect, to its Members, and the Association shall make no distributions of income to its Members, directors or officers for serving in such capacity.

Section 3. To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the approval of fifty-one percent (51%) of the votes of all Members, other than the Developer, who are voting in person or by proxy at a meeting duly called for that purpose, written notice of which such meeting shall be mailed to all Members at least thirty (30) days in advance setting forth the purpose of said meeting.

Section 4. The Association shall have the power to mortgage the Common Property only as authorized in the Declaration.

ARTICLE VII. BOARD OF DIRECTORS

Section 1. The affairs and powers of the Association, as provided in Article VI hereinabove, shall be managed by a Board of Directors consisting of five (5) Directors. The initial Board of Directors shall consist of three (3) designees of the Developer and of two (2) Members who are elected by fifty-one percent (51%) of the Owners other than the Developer and are Owners within The Properties as defined by the Declaration and Article I hereinabove, who are voting in person or by proxy.

Section 2. Term.

A. The Terms the initial Board shall serve are as follows:

1. The three (3) designees of the Developer shall be appointed by the Developer and shall serve at its discretion until Developer loses Developer status in accordance with Article III of the Declaration.

2. The two (2) Directors who are Members elected by Owners other than the Developer shall serve as follows:

a) One (1) Director shall serve a two (2) year term;

b) One (1) Director shall serve a one (1) year term; and

After completion of these initial terms these Directors each shall serve a two (2) year term so that each year one (1) Director will be elected and their terms shall be staggered.

Section 3. When the Developer no longer has Developer status in accordance with the provisions of Article III of the Declaration and control of the Association shall be in the Members other than the Developer, the Board of Directors shall consist of only three (3) Directors. One (1) Director shall be selected by JULIAN CONSOLIDATED, INC., so long as JULIAN CONSOLIDATED, INC., or any builder, has any ownership interest in any land in SOUTH BAY DEVELOPMENT. The other Directors shall be elected by fifty-one percent (51%) of the votes of all Members who are voting in person or by proxy at a meeting duly called for that purpose, written notice of such meeting shall be mailed to all Members at least thirty (30) days in advance setting forth the purpose of said meeting.

The terms these three (3) Directors shall serve are as follows:

1. One (1) Director shall serve for a three (3) year term;

2. One (1) Director shall serve for a two (2) year term; and

3. One (1) Director shall serve for a one (1) year term.

After the completion of these initial terms a Director shall serve a three (3) year term so that each year one (1) Director will be elected and their terms shall be staggered.

Section 4. A Director shall be at least twenty-one (21) years of age.

Section 5. In the event any Director of the Board shall be absent from three (3) consecutive regular meetings of the Board, the Board may by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant.

Section 6. While the Developer is still in control of the Association, vacancies on the Board of Directors shall be filled in the manner in which they are elected or appointed in Sections 1 and 2 of this Article. When all the Directors are elected in accordance with Section 3 of this Article, then the vacancies on the Board of Directors shall be filled by the remaining Directors. Any such appointed Director is to hold office until his successor is elected by the Members, who may make such election at the next annual meeting of the Members or at any special meeting duly called for that purpose.

ARTICLE VIII. ELECTION OF DIRECTORS; NOMINATING COMMITTEE; ELECTION COMMITTEE

Section 1. Any Member who is elected a Director to the Board in accordance with Article VII hereinabove shall be elected by the Members, other than the Developer, by written ballots as herein provided. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The names receiving the largest number of votes shall be elected.

Section 2. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the Standing Committees of the Association.

Section 3. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association other than the Developer. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting.

Section 4. The Nominating Committee shall make as many nominations for the election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members other than the Developer. Nominations shall be placed on a written ballot as provided in Section 5 and shall be made in advance for the time fixed in Section 5 for the mailing of such ballots to Members.

Section 5. All elections to the Board of Directors shall be made on written ballots which shall: (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominating Committee for such vacancies; and (c) contain a space for write-in vote by the Members for each vacancy. Such ballots shall be prepared and mailed by

the Secretary to the Members at least fourteen (14) days in advance of the date set forth therein for return (which shall be a date not later than the day before the annual meeting or special meeting called for the elections).

Section 6. Each Member shall receive as many ballots as he has votes. Notwithstanding that a Member may be entitled to several votes, he shall exercise on any one ballot only one vote for each vacancy shown thereon. The completed ballot shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot, and the Members shall be advised that because of the verification procedures of Section 7, the inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope, or envelopes (if a Member or his proxy is exercising more than one vote) shall be placed in another sealed envelope which shall bear on its face the name and signature of the Member or his proxy, the number of ballots being returned, and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary at the following address: 7491 Conroy - Windermere Road, Suite B, Orlando, Florida 32811, or such other address as may be designated by the Board of Directors.

Section 7. Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set for the annual or other special meeting in which the elections are to be held. On that day the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to an Election Committee which shall consist of five (5) Members, appointed by the Board of Directors, two (2) of which must be Members other than the Developer. The Election Committee shall then adopt a procedure which shall: (a) establish that the number of envelopes marked "Ballot" corresponds to the number of votes allowed to the Member or his proxy identified on the outside of the envelope containing them; and (b) ensure that the signature of the Member or his proxy on the outside of the envelope is genuine; and (c) ensure that if the vote is by proxy that a proxy has been filed with the Secretary as provided in Article XV, Section 2 of the Bylaws, and that such proxy is valid. Such procedure shall be followed as to ensure that the vote of any Member or his proxy shall not be disclosed to anyone, including members of the Election Committee.

The outside envelopes shall thereupon be placed in a safe or other locked place and the Election Committee shall proceed to the open-

ing of the "Ballot" envelopes and the counting of the votes. If a "Ballot" envelope is found to contain more than one "Ballot", all ballots in such envelope shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is demanded by the Members present, the ballots and the outside envelopes shall be destroyed.

ARTICLE IX.
BUDGET; EXECUTIVE COMMITTEE

Section 1. The proposed annual budget for the coming fiscal year shall show the anticipated income and operating expense (including reasonable special assessments for capital improvements) of the corporation, in accordance with Section 4 of this Article. This budget shall be prepared by the Executive Committee and presented at the annual meeting. This Committee shall also be responsible for establishing, buying, levying and collecting any assessments provided for in the Bylaws and the Declaration or any other governing document. The Executive Committee shall be one of the Standing Committees of the Association.

Section 2. The Executive Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more Members other than the Developer. The Executive Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting.

Section 3. The Association's fiscal year shall be set from January 1 to December 31 of each year; provided, however, that the first fiscal year shall be the 1987 calendar year.

Section 4. The Executive Committee's proposed annual budget for the upcoming fiscal year shall be presented to the Board of Directors to be considered for adoption. The Executive Committee shall cause a copy of the proposed annual budget to be mailed to each Member at least thirty (30) days prior to the Board meeting at which time it will be considered for adoption. The Members shall be given at least thirty (30) days' prior written notice of this meeting of the Board of Directors which shall include the time, place, and purpose of the meeting and such copy of the proposed budget. This meeting shall be open to the Members. In any given year, the Board of Directors of the Association may, after consideration of current maintenance costs and future needs, adopt a budget that requires assessments at a lesser amount than the assessments for the previous year, or up to the maximum authorized assessments allowed in Article VIII of the Declaration, provided such new budget is adopted in accordance with

the procedure stated in Article VIII of the Declaration.

If in any given year, after considering the above factors, a proposed budget requires an assessment to be imposed against the Members which shall exceed the assessment of the previous year by more than fifteen percent (15%), then upon written application of ten percent (10%) of the Members within ten (10) days of receipt of a copy of said budget, the Board shall call a special meeting of the Members within thirty (30) days upon not less than ten (10) days' written notice to each Member. At the special meeting, Members shall consider and adopt a budget. The adoption of the budget shall require approval of fifty-one percent (51%) of the votes of all Members who are voting in person or by proxy at said meeting. In determining whether assessments exceed said fifteen percent (15%) of the assessments in the prior year, any authorized provisions for reasonable special assessments, anticipated expenses of the Association which are not anticipated to be incurred on a regular or annual basis, or assessment for betterments to the Association Property, shall be excluded from the computation.

ARTICLE X. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The Board of Directors shall have power:

a) To establish, levy and collect any assessment provided for by the Bylaws or the Declaration or any other governing document;

b) To designate a banking institution(s) as a depository(ies) for Association funds, and the officer(s) authorized to make withdrawals therefrom and to execute obligations on behalf of the Association;

c) To negotiate and adopt agreements with any persons for the purpose of insuring that Association's Common Property is properly maintained and cared for;

d) To adopt reasonable rules of order for the conduct of the meetings of the Association and with reference thereto, on procedural questions upon which no rules have been adopted, the ruling of the Chairman of the meeting shall be final;

e) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, officer or director of the Association in any capacity whatsoever;

f) To establish committees of the Association and appoint the Members thereof. It may assign to such committees such responsibilities and duties not inconsistent with the provisions of these Bylaws or with the law as it may deem appropriate;

g) To call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon written request of the requisite number of voting membership, as provided in Article XIV, Section 2;

h) To adopt and publish rules and regulations governing the use of the Common Property and facilities and the personal conduct of the Members and their guests thereon;

i) To exercise for the Association all powers, duties and authority vested in or delegated to this Association;

j) In the event that any Member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may, in its discretion, by action taken at the meeting during which said third absence occurs or at any subsequunt consecutive meeting where said Member of the Board of Directors shall still be absent, declare the office of said absent Director to be vacant;

k) To enforce the recommendations, opinions and determinations of the Architectural Review Board;

l) To perform all other acts not inconsistent with these Bylaws or with the law and necessary for the proper functioning of the Association.

Section 2. It shall be the duty of the Board of Directors:

a) To cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such is requested in writing by the requisite number of the voting membership, as provided in these Bylaws;

b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

c) By delegating to the Executive Committee, as more fully provided in Article IX of these Bylaws and in accordance with Article VIII of the Declaration:

1) To fix the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and, at the same time;

2) To prepare a roster of the Property and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member; and, at the same time;

3) To send written notice of each assessment to every Owner subject thereto;

d) To issue, or to cause an appropriate officer to issue upon demand by any person, a Certificate setting forth whether any assessment has been paid. Such Certificate shall be conclusive evidence of any assessment therein stated to have been paid;

e) To agree to follow and to help enforce any and all recommendations, opinions and determinations of the ARB in any capacity available to it, unless the Board of Directors vote unanimously against such recommendation, opinion or determination.

ARTICLE XI. DIRECTORS' MEETINGS

Section 1. A regular meeting of the Board of Directors shall be held on the 5th day of each month at 7:30 p.m.; provided that the Board of Directors may, by resolution, change the day and hour of holding such regular meeting.

Section 2. Notice of such regular meeting is hereby dispensed with. If the day for the regular meeting shall be upon a Friday, Saturday, Sunday or a holiday, the meeting shall be held at the same hour on the first day following which is not a Friday, Saturday, Sunday or a holiday, and no notice thereof need be given.

Section 3. Special meetings of the Board of Directors shall be held when called by any Officer of the Association or by any two (2) Directors after not less than three (3) days notice to each Director.

Section 4. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or whenever held, shall be valid as though made at a meeting duly held after regular call and notice of a quorum is present and, if either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to a holding of such meeting, or approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof.

Section 6. Any action required to be taken at a meeting of the Directors of the Association, or any action which may be taken at a meeting

of the Directors or a committee thereof, may be taken without a meeting if a consent in writing setting forth the action so to be taken, signed by all of the Directors or of all members of the committee, as the case may be, is filed in the minutes of the proceedings of the Board or of the committee. Such consent shall have the same effect as a unanimous vote.

ARTICLE XII. OFFICERS

Section 1. The officers shall be a President, a Vice President, a Secretary, and a Treasurer. The President and Vice President shall be members of the Board of Directors.

Section 2. The officers shall be chosen by the majority of the Board of Directors.

Section 3. All of the officers shall hold office at the pleasure of the Board of Directors.

Section 4. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and sign all notes, checks, leases, mortgages, deeds and all other written instruments.

Section 5. The Vice President shall perform all duties of the President in his absence.

Section 6. The Secretary, if not an actual member of the Board of Directors, shall be ex officio Secretary to the Board of Directors, and shall record the votes and keep minutes of all proceedings in a book to be kept for that purpose. He shall keep the records of the Association. He shall record in a book kept for that purpose the names of all Members of the Association together with their addresses as registered by such Members.

Section 7. The Treasurer shall receive and deposit in an appropriate bank account all moneys of the Association and shall disburse all funds as directed by the resolution of the Board of Directors, provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President or the Vice President.

Section 8. The Treasurer shall keep proper books of account and enable an annual audit of the Association's books to be made by the Executive Committee by providing any and all information to said committee so it may prepare the annual audit, and the annual budget and to properly impose assessments against the Members.

ARTICLE XIII. COMMITTEES

Section 1. The Standing Committees of the Association shall be: the Nominations Committee, the Recreation Committee, the Maintenance Committee, the Architectural Review Board, the Publicity Committee, and the Executive Committee.

Unless otherwise provided herein, each committee shall consist of a chairman and two (2) or more members and shall include a member of the Board of Directors for Board contact. Committees shall be appointed by the Board of Directors prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting. The Board of Directors may appoint such other committees as it deems desirable, or disband any standing committee deemed not necessary.

Section 2. The Nominations Committee shall have the duties and functions described in Article VIII of these Bylaws.

Section 3. The Recreation Committee shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines.

Section 4. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Property of the Association, and shall perform such other functions as the Board, in its discretion, determines.

Section 5. The Architectural Review Board shall be formed and have the duties and functions described in Article IX of the Declaration. It shall watch for any proposals, programs, or activities which may adversely affect the residential value of the Property and shall advise the Board of Directors regarding Association action on such matters.

Section 6. The Publicity Committee shall inform the Members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association.

Section 7. The Executive Committee shall have the duties and functions described in Article IX of these Bylaws. The Treasurer shall be an ex officio member of the committee.

Section 8. With the exception of the Nominations Committee, the Executive Committee and the Architectural Review Board (but then only as to those functions for the ARB that are

governed by Article IX of the Declaration), each committee shall have power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

Section 9. It shall be the duty of each committee to receive complaints from Members about any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented. The Board of Directors has overall responsibility for the action of the committees and can change and/or reverse any action taken by a committee if the Board of Directors considers such action to not be in the best interest of the Association and the Members.

ARTICLE XIV. MEETINGS OF MEMBERS

Section 1. The regular annual meeting of the membership shall be held on the first Monday of the month of March in each year, at the hour of 7:30 p.m. If the day for the annual meeting of the Members shall fall upon a holiday, the meeting shall be held on the same hour on the first day following which is not a holiday.

Section 2. Special meetings of the Members for any purpose may be called at any time by the President, the Vice President, the Secretary or Treasurer, or by any two or more members of the Board of Directors, and a special meeting shall be called upon written request of the Members who have a right to vote one-fourth (1/4) of all the votes of the entire membership.

Section 3. Notice of any meetings shall be given to the Members by the Secretary. Notice may be given to each Member either personally, or by sending a copy of the notice through the mails, postage thereon fully prepaid to his address appearing on the books of the corporation. Each Member shall register his address with the Secretary. Notices of meetings, regular or special, shall be mailed at least six (6) days in advance of the meeting and shall set forth in general the nature of the business of any meeting or any action governed by these Bylaws. In any action governed by the Articles of Incorporation or by the Declaration, notice of such meeting shall be given or sent as therein provided.

Section 4. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action governed by these Bylaws. Any action governed by the Articles of Incorpora-

tion or by the Dec aration shall require a quorum as therein provided.

ARTICLE XV. PROXIES

Section 1. At all Association meetings of Members, each Member shall vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the Member of his Living Unit or other interest in the Property.

ARTICLE XVI. BOOKS AND PAPERS

Section 1. The seal of the Association consists of two concentric circles with the words "South Bay Homeowners' Association, Inc." between the circles.

ARTICLE XVII. AMENDMENT

Section 1. These Bylaws may be amended at any regular or special meeting of the Members, by a vote of a majority of a quorum of the Members present in person or by proxy, provided that those provisions of these Bylaws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in such Declaration.

Section 2. In a case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

IN WITNESS WHEREOF, the undersigned President and Secretary of SOUTH BAY HOMEOWNERS' ASSOCIATION, INC., being duly authorized, have hereunto affixed their signatures on the 31st day of March, 1980, and have duly affixed the corporate seal.

Signed, sealed and delivered in the presence of:

SOUTH BAY HOMEOWNERS' ASSOCIATION, INC.

By: _____ President

Attest: _____ Secretary

(CORPORATE SEAL)