

Prepared by and Return to:
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CERTIFICATE OF AMENDMENT

**ASSOCIATION BY-LAWS
HIGHLANDS ROSEDALE HOMEOWNERS' ASSOCIATION, INC.**

We hereby certify that the attached amendments to the Bylaws of HIGHLANDS ROSEDALE HOMEOWNERS' ASSOCIATION, INC. (herein, the "Association"), the original Bylaws of which were attached as an exhibit to the Declaration of Covenants, Conditions and Restrictions for Rosedale Highlands, a Subdivision, (which Declaration was originally recorded at Official Records Book 1722, Page 6362 et seq. of the Public Records of Manatee County, Florida) was duly adopted by a majority of the Association Board of Directors at its February 27, 2007 Board of Directors' meeting, as required by Article IX of the Bylaws of the Association and Article 7.1 of the Articles of Incorporation.

DATED this 9TH day of ^{MARCH}~~February~~, 2007.

Signed, sealed and delivered
in the presence of:

HIGHLANDS ROSEDALE
HOMEOWNERS' ASSOCIATION, INC.

sign: [Signature]

By: [Signature]
Orlando Guida, President

print: Nikki Orth

sign: [Signature]

print: DEBRA K. REGAS

Signed, sealed and delivered
in the presence of:

By: [Signature]
William Wellstead, Secretary

sign: [Signature]

print: Nikki Orth

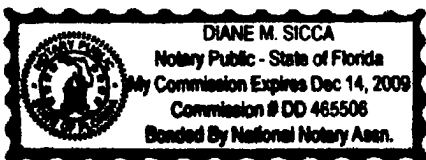
sign: [Signature]

print: DEBRA K. REGAS

(Corporate Seal)

STATE OF FLORIDA
COUNTY OF MANATEE

The foregoing instrument was acknowledged before me this 9th day of ^{MARCH}~~February~~, 2007, by Orlando Guida as President of Highlands Rosedale Homeowners' Association, Inc., a Florida not for profit corporation, on behalf of the corporation. He is personally known to me or has produced Florida Drivers License as identification.



NOTARY PUBLIC

sign *Diane M. Sicca*
print Diane M. Sicca
State of Florida at Large (Seal)
My Commission expires:

STATE OF FLORIDA
COUNTY OF MANATEE

The foregoing instrument was acknowledged before me this 9th day of ^{MARCH}~~February~~, 2007, by William Wellstead as Secretary of Highlands Rosedale Homeowners' Association, Inc., a Florida not for profit corporation, on behalf of the corporation. He is personally known to me or has produced Florida Drivers License as identification.



NOTARY PUBLIC

sign *Diane M. Sicca*
print Diane M. Sicca
State of Florida at Large (Seal)
My Commission expires:

**PROPOSED
AMENDED AND RESTATED**

BY-LAWS OF

**HIGHLANDS ROSEDALE HOMEOWNERS' ASSOCIATION, INC.
A Corporation Not for Profit**

[Additions are indicated by underline; deletions by ~~strike-through~~]

ARTICLE I. MEMBERS

1.1 Qualification: The MEMBERS of the ASSOCIATION shall consist of the ~~DECLARANT, NEWTON DEVELOPMENTS, INC., (until such time as DECLARANT MEMBERSHIP is terminated and converted to Regular Membership as provided by the terms of the DECLARATION)~~ and all the record OWNERS of Lots or Units in ROSEDALE HIGHLANDS HD-1, A SUBDIVISION, which are subject to the DECLARATION, in accordance with the DECLARATION. The Declaration of Covenants, Conditions and Restrictions for ROSEDALE HIGHLANDS, a Subdivision, are recorded at Official Records Book 1722, Page 6362 et seq. of the Public Records of Manatee County, Florida (herein, the "DECLARATION").

1.2 Change of Membership: Change of membership in the ASSOCIATION shall be established by (a) recording in the Public Records of Manatee County, Florida, a deed or other instrument establishing a change in record title to a Lot; and (b) the delivery to the ASSOCIATION of a certified copy of such recorded instrument. Upon the happening of both such events, the OWNER established by such instrument shall thereupon become a MEMBER of the ASSOCIATION, and the membership of the prior OWNER shall be terminated.

1.3 Multiple OWNERS: When a Lot is owned by more than one person, whether as co-tenants, joint tenants, tenants by the entirety or otherwise, each OWNER shall be a MEMBER of the ASSOCIATION by virtue of being a record OWNER of an interest in a Lot. Lessees of Lots and Units shall not be MEMBERS. All matters of voting shall, however, be determined on a per Lot basis, as provided in Article III II of these Bylaws.

1.4 Restraint Upon Assignment of Membership, Shares and Assets: The membership of a LOT OWNER, and the share of a MEMBER in the funds and assets of the ASSOCIATION shall not be assigned, hypothecated or transferred in any manner except as an appurtenant to his Lot.

1.5 Evidence of Membership: There shall be no stock or membership certificates in the ASSOCIATION. Membership shall be determined by approved ownership as herein provided.

ARTICLE II. VOTING

2.1 Voting Rights: The MEMBER or MEMBERS who are the record OWNERS of each Lot shall be collectively entitled to one (1) vote for each Lot owned, as provided in the DECLARATION and the ARTICLES. A vote may not be divided. ~~The number of votes that the DECLARANT MEMBER is entitled to cast shall be determined from time to time as provided in the DECLARATION until such time as the DECLARANT MEMBER shall be deemed a REGULAR MEMBER.~~

2.2 Voting Procedure: The single or multiple OWNERS of each Lot who are REGULAR MEMBERS shall have one vote for each Lot Owned ~~and the DECLARANT MEMBER shall have the number of votes provided for in the DECLARATION.~~ All determination of requisite majorities and quorums for all purposes under the DECLARATION, the ARTICLES and these BY-LAWS shall be made by reference to the number of votes of the REGULAR MEMBERS entitled to vote, ~~plus the number of votes, if any, to which the DEVELOPER MEMBER is entitled to vote.~~ Decisions of the ASSOCIATION shall be made by a majority of the votes entitled to be cast by MEMBERS represented at a meeting at which a quorum is present, unless a greater percentage is required by the DECLARATION, the ARTICLES, or these BY-LAWS.

2.3 Quorum: A quorum shall exist when the MEMBERS representing thirty percent (30%) a majority of the Association's voting interests (i.e., 18 voting interests) all votes are present, either in person, by designated member voting representative or by proxy to another member of the ASSOCIATION. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the act of the membership, except where approval of a greater number of MEMBERS is required by the DECLARATION or these BY-LAWS.

2.4 Designation of Voting Representative: The right to cast the vote attributable to each Lot owned shall be determined by a certificate filed with the ASSOCIATION, signed by all OWNERS of the Lot. If no such certificate is filed, the presiding officer at any meeting may make such rulings as may be reasonable to the allocation of the vote(s) attributable to a Lot among multiple OWNERS, or the right of a representative of a corporate, partnership or similar OWNER to vote, provided that such rulings are uniformly applied and remain always subject to appeal to the vote of the full membership. The right to cast the vote is further limited to the provisions of this section:

- (a) **Single OWNER:** If one natural person owns the Lot, that person shall be entitled to cast the votes for his Lot.
- (b) **Multiple OWNERS:** If a Lot is owned by more than one person, either as co-tenants or joint tenants, the person(s) entitled to cast the votes for the Lot and the number of votes each person is entitled to cast shall be designated by a certificate signed by all of the record OWNERS and filed with the Secretary of the ASSOCIATION.

- (c) Corporations: If a Lot is owned by a corporation, the officers or employees thereof entitled to cast the votes for the Lot and the number of votes each person is entitled to cast shall be designated by a certificate executed by an executive officer of the corporation and attested by the Secretary or an Assistant Secretary, and filed with the Secretary of the ASSOCIATION.
- (d) Partnership: If a Lot is owned by a general or limited partnership, the general partner(s) entitled to cast the votes for the Lot and the number of votes each person is entitled to cast shall be designated by a certificate executed by all general partners and filed with the Secretary of the ASSOCIATION.
- (e) Trustees: If a Lot is owned by a trust, the trustee or trustees, such trustee or trustees or the resident beneficiary shall be entitled to cast the votes for the Lot. Multiple trustees may designate a single trustee, or a beneficiary entitled to possession, and a single trustee may likewise designate such beneficiary as the person entitled to cast the votes for the Lot by a certificate executed by all trustees and filed with the Secretary of the ASSOCIATION.
- (f) Estates and Guardianships: If a Lot is subject to administration by a duly authorized and acting Personal Representative or Guardian of the property, then such Personal Representative or Guardian shall be entitled to cast the votes for such Lot upon filing with the Secretary of the ASSOCIATION a current certified copy of his Letters of Administration or Guardianship.
- (g) Tenants by the Entirety: If a Lot is owned by a husband and wife as tenants by the entirety, they may designate the voting member(s) in the same manner as other multiple OWNERS. If no certificate designating a voting MEMBER is on file with the ASSOCIATION, and only one of the husband and wife is present at a meeting, he or she may cast the votes for their Lot(s) without the concurrence of the other OWNER.
- (h) Certificate: Whenever a certificate designating a voting representative is permitted or required, such certificate shall, once filed, be valid until revoked. If a certificate is not filed, the Lot shall not be counted in determining a quorum, unless all OWNERS required to execute such certificate are present, in person or by proxy, and such LOT OWNERS shall lose their vote on any particular matter unless they concur on the manner in which the vote of the Lot is to be cast on that matter.

2.5 Approval or Disapproval of Matters: Whenever the decision of any MEMBER is required upon any matter, whether or not the subject of an ASSOCIATION meeting, such decision shall be expressed by the same person who would cast the vote of such OWNER if at an ASSOCIATION meeting, unless the joinder of record OWNERS is specifically required by the DECLARATION or these BY-LAWS.

2.6 Proxies: Votes may be cast in person or by proxy. A proxy shall be in writing and signed by the designated voting representative(s), or the OWNER, if no voting representative(s) have been designated. A proxy shall be valid only for the particular meeting designated in the proxy and any lawful adjournment thereof, and must be filed with the Secretary of the ASSOCIATION before the appointed time of the meeting or any adjournments thereof. A properly executed and delivered proxy may be revoked by a writing delivered to the Secretary prior to the appointed time of the meeting or any adjournments thereof, or by the attendance in person of the persons executing said proxy at any meeting or adjournment thereof. In no event shall a proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given.

2.7 Method of Voting: Subject to the provisions of the DECLARATION, voting may be by roll call, voice vote or by written ballot; provided that whenever written approval is required by the DECLARATION, or whenever any amendment to the DECLARATION is proposed, or when any borrowing of funds, pledge, or other disposition of ASSOCIATION Property or asset is proposed, the voting shall be by written ballot. Routine matters such as approval of minutes, adjournment, acceptance of reports, parliamentary questions and social business may be determined by "yeas" and "nays," provided, that any five (5) voting MEMBERS, or the chairman, may require a roll call vote.

2.8 Suspension of Voting Rights: The Association's Board of Directors may suspend the voting rights of a MEMBER for the nonpayment of regular annual assessments that are delinquent in excess of ninety (90) days.

ARTICLE III. MEETINGS OF MEMBERS

3.1 Annual Meeting: The annual meetings of the MEMBERS shall be held during the month of ~~January~~ November of each year on a day and at a time determined by the BOARD; provided that notice pursuant to Section ~~3.3~~ 4.3 is given at least thirty (30) days prior to the date set for the annual meeting. The annual meeting shall be for the purpose of electing Directors, and transacting any other business authorized to be transacted by the MEMBERS.

3.2 Special Meetings: Special meetings of the MEMBERS shall be held whenever called by the President, or Vice President, or by a majority of the BOARD, and must be called by such officers upon receipt of a written request from voting MEMBERS entitled to cast votes for not fewer than thirty-three percent (33%) of the total number of votes.

3.3 Notice of Meeting: Reasonable notice of all meetings of the MEMBERS, stating the date, time, place and the objects for which the meeting is called, shall be given by any officer unless waived in writing. The notice for any meeting at which ASSESSMENTS against LOT OWNERS are to be considered shall advise of the nature of such ASSESSMENTS and that such ASSESSMENTS will be considered. Notice of meetings may be waived in writing before, during or after meetings. The Association may

provide notice of any membership meeting via email to MEMBERS who consent to receive such email notice.

3.4 Place: Meetings of the ASSOCIATION MEMBERS shall be held at such place as the BOARD may designate in the Notice of Meeting.

3.5 Adjournments: If any meeting of MEMBERS cannot be organized because a quorum has not attended, the MEMBERS who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

3.6 Order of Business: The order of business at annual meetings, and as far as practical at all special meetings, shall be:

- (a) Election of Chairman of the meeting (if necessary).
- (b) Calling of the roll and certifying of the proxies.
- (c) Proof of notice of the meeting or waiver of notice.
- (d) Reading and disposal of any unapproved minutes.
- (e) Reports of officers.
- (f) Reports of committees.
- (g) Election of Directors.
- (h) Unfinished business.
- (i) New business.
- (j) Announcements.
- (k) Adjournment.

3.7 Action Without Meeting: Whenever the affirmative vote or approval of the MEMBERS is required or permitted by the DECLARATION, ~~the ARTICLES~~ or these BY-LAWS such action may be taken without a meeting if MEMBERS entitled to cast not fewer than ~~seventy five percent (75%)~~ of the number of votes required to approve the action if such meeting were held, shall agree in writing that such action be taken and waive the necessity of such meeting. ~~Provided, however, that if a greater percentage approval is required, then not less than such percentage must so agree in writing.~~ Provided further that the DECLARATION, ARTICLES and these BY-LAWS may not be amended without a membership meeting. Notice of the action so taken shall be given in writing to all MEMBERS who did not approve such action in writing within twenty (20) days of such approval.

~~3.8 Proviso: Provided, however, that until the DECLARANT has terminated its control of the ASSOCIATION and its affairs in accordance with the DECLARATION, the proceedings of all meetings of the MEMBERS of the ASSOCIATION shall have no effect unless approved by the BOARD, except for the rights of the REGULAR MEMBERS to elect Directors.~~

ARTICLE IV. DIRECTORS

4.1 Number: The affairs of the ASSOCIATION shall be managed by a BOARD of not less than three (3) nor more than seven (7) Directors, the exact number to be determined by the MEMBERS from time to time. The Association shall have five (5) Directors unless the MEMBERS determine otherwise.

4.2 Election of Directors. The election of Directors shall be conducted in the following manner:

- (a) Election of Directors shall be held at the annual meeting of the MEMBERS. A nominating committee of not less than three (3) nor more than five (5) MEMBERS may be appointed by the BOARD not less than thirty (30) days prior to the annual meeting of the MEMBERS. The nominating committee shall nominate at least one (1) person for each Directorship. Other nominations may be made from the floor, and nominations for additional directorships, if any, created at the meeting shall be made from the floor.
- (b) The election of directors shall be by ballots, unless dispensed with by unanimous consent and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.
- (c) Any Director may be recalled and removed from office, with or without cause, by the vote or agreement in writing by a majority of votes entitled to be cast by all MEMBERS. A special meeting of the ASSOCIATION MEMBERS to recall a member or members of the BOARD may be called by ten percent (10%) of the MEMBERS giving notice of the meeting as required for a meeting of ASSOCIATION MEMBERS, and the notice shall state the purpose of the meeting. The vacancy in the BOARD so created shall be filled by vote of the MEMBERS of the ASSOCIATION at the same meeting subject to Paragraph 5.2(d) below. Notice of membership meetings to recall or remove a Director from office shall not be provided by email.
- ~~(d) The DECLARANT shall be vested with the power to designate the BOARD, the members of which need not be OWNERS of Lots and Units in HIGHLANDS HOMEOWNERS' ASSOCIATION, INC. until such time as DECLARANT MEMBERSHIP ceases as provided in the DECLARATION. The power to designate is further subject to Paragraph 5.2(e) below. The initial BOARD shall serve until the first election of Directors.~~

4.3 Term: The terms of the Directors shall be staggered beginning with the elections to be held in January 2008. For this first year a simple majority (one more than half) of the director's seats shall be for two-year terms with the remaining seats being for

one-year terms. Candidates for directors shall specify in writing in advance of the election if they are running for a directorship with a two-year term or a one-year term. The candidates receiving the highest number of votes, per directorship, shall be elected. The term of office for the elected directors begins at the annual meeting at which they were elected and ends at the annual meeting at the conclusion of their term or until the Director's successor is duly elected and qualified. Beginning with 2009, all Director seats will be two-year terms. The Directors at a regular meeting of the Board of Directors may fill a vacancy on the Board of Directors. The appointee shall serve until the next Board election. The term of each Director's service shall extend to the next annual meeting of the MEMBERS and thereafter until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided.

4.4 Qualifications for Corporate or Partnership Owner: All Directors shall be MEMBERS. An officer of any corporate owner, and a general partner of any partnership owner and the spouse of a MEMBER shall be deemed MEMBERS for the purposes of qualifying for election to the BOARD.

4.5 Vacancies: Except as otherwise provided herein, if the office of any Director becomes vacant, whether by reason of death, resignation, retirement, disqualification, incapacity or otherwise, a majority of the remaining Directors shall select a successor, who shall hold the office for the unexpired term of Director he is replacing. Vacancies following removal of office pursuant to Section 4.2(c) shall be filled as therein provided.

4.6 Disqualification and Resignation: Any Director may resign at any time by sending written notice to the Secretary of the ASSOCIATION. Such resignation shall take effect upon receipt by the Secretary, unless otherwise specified in the resignation. Any Director who is a MEMBER of the ASSOCIATION shall be deemed to have resigned if he transfers his Lot so that he ceases to be a MEMBER of the ASSOCIATION. ~~After DECLARANT has transferred control of the Association pursuant to the DECLARATION,~~ More than three (3) consecutive unexcused absences from regular BOARD meetings shall be deemed a resignation, which shall be effective upon acceptance by the BOARD.

4.7 Voting: All voting for the election of Directors shall be by Lot as provided in Article II ~~III~~ hereof.

4.8 Organizational Meeting: The organizational meeting of a newly elected BOARD shall be held within twenty (20) days of its election, at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

4.9 Regular Meetings: The BOARD may, from time to time, establish a schedule of regular meetings to be held at such time and place as the BOARD may designate. Any regular scheduled meetings may be dispensed with upon written concurrence of not less than fifty-one percent (51%) of the members of the BOARD.

4.10 Special Meetings: Special Meetings of the Directors may be called by the President and must be called by the Secretary or an Assistant Secretary at the request of not less than twenty percent (20%) of the members of the BOARD.

4.11 Notice: Notice of each regular or special meeting shall be given to each Director personally or by email (if the Director consents in writing), hand-delivery, mail, telephone or telegraph and must be posted in a conspicuous place in the community at least forty-eight (48) hours three (3) days prior to the meeting date, except in an emergency. All notices shall state the date, time and place of the meeting, and if a special meeting, the purposes thereof. Any Director may waive notice of a meeting before, during or after the meeting and all such waivers shall be deemed equivalent to the giving of notice. Attendance by a Director at a meeting shall be deemed a waiver of Notice by him. An assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessments. Written notice of any meeting at which special assessments will be considered or at which amendment to rules regarding lot use will be considered must be mailed, delivered, or electronically transmitted to the members and posted conspicuously on the property not less than fourteen (14) days before the Board meeting.

4.12 Quorum: A quorum at Directors' meetings shall consist of a majority of the entire BOARD. Members of the BOARD may participate in a meeting of the BOARD by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the act of the BOARD; except where approval of a greater number of Directors is required by the DECLARATION or these BY-LAWS.

4.13 Adjourned Meeting: If, at any meeting of the BOARD, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business, which might have been transacted at the meeting as originally called, may be transacted without further notice.

~~**4.14 Joinder in Meeting by Approval of Minutes:** The joinder of a Director in the action of a meeting, by signing and concurring in the minutes thereof shall constitute the concurrence of such Director for the purpose of determining requisite majorities on any action taken and reflected in such minutes; provided such concurrence shall not be used to create a quorum. Directors may join in minutes under this section only after an open meeting, for the purposes herein provided.~~

4.14 15 Meetings Open: Except for meeting with the ASSOCIATION'S attorney to obtain legal advice, meetings of the BOARD shall be open to all MEMBERS, and notices of such meeting shall be posted conspicuously forty-eight (48) hours in advance of such meeting for the attention of MEMBERS except in an emergency.

4.15 16 Presiding Officer: The presiding officer at all Membership Meetings and Board of Directors' meetings shall be the President. In the absence of the President, the Vice President shall preside. In the absence of both, the Directors present shall designate a presiding officer ~~one of their members to preside~~.

4.16 17 Order of Business: The order of business of Directors' meetings shall be:

- (a) Roll Call.
- (b) Proof of notice of meetings or waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Reports of officers and committees.
- (e) Election of officers, if any.
- (f) Unfinished business.
- (g) New business.
- (h) Announcements.
- (i) Adjournment.

ARTICLE V. POWERS AND DUTIES OF BOARD OF DIRECTORS

The BOARD shall have all powers, authority, discretion and duties necessary for the administration and operation of the Subdivision, ROSEDALE 5, the ASSOCIATION and ASSOCIATION PROPERTY, except as may be reserved or granted to the OWNERS, DECLARANT or a specific committee or committees of the ASSOCIATION by the DECLARATION, THE ARTICLES or these BY-LAWS.

ARTICLE VI. OFFICERS

6.1 Officers and Election: The officers of the ASSOCIATION shall be a President, who shall be a Director; a Vice President, who shall be a Director; a Treasurer, a Secretary and such other officers and assistant officers as may be determined from time to time by the BOARD, all of whom shall be elected annually by the BOARD, and which officers may be removed by a majority vote of all Directors at any meeting. Any person may hold two (2) offices. The BOARD shall designate the powers and duties of such other officers as it may create.

6.2 President: The President shall be the chief executive officer of the ASSOCIATION. He shall have all of the powers and duties which are usually vested in the office of President of a Not for Profit Corporation; including but not limited to the power to appoint advisory committees from time to time, from among the MEMBERS or others as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the ASSOCIATION. He shall serve as Chairman at all BOARD and Membership meetings.

6.3 Vice President: The Vice President shall, in the absence or disability of the President exercise the powers and perform the duties of the President. He shall also

generally assist the President, and exercise such other powers and perform such other duties as shall be prescribed by the Board of Directors.

6.4 Secretary and Assistant Secretary: The Secretary shall keep the minutes of all proceedings of the Board of Directors and the MEMBERS. He shall attend to the giving and serving of all notice to the MEMBERS and Board of Directors, and other notices required by law and the governing DECLARATION documents. He shall keep the records of the ASSOCIATION, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an ASSOCIATION, as may be required by the Board of Directors or the President. The Assistant Secretary, if such office is created, shall perform the duties of the Secretary, when the Secretary is absent. The Secretary MEMBERS, or their or the Association's authorized representatives, and BOARD members shall keep the minutes of all meetings of the MEMBERS and the BOARD in books available for inspection at any reasonable time. All such records shall be retained for not less than seven (7) years.

6.5 Treasurer: The Treasurer shall have the custody of all the property of the ASSOCIATION, including funds, securities and evidences of indebtedness. He shall keep the books of the ASSOCIATION in accordance with good accounting practices and provide for collection of ASSESSMENTS and he shall perform all other duties incident to the Office of Treasurer.

6.6 Indemnification of Directors and Officers: Every Director and every officer of the ASSOCIATION shall be indemnified by the ASSOCIATION against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or on which he may become involved by reason of his being or having been a Director or officer of the ASSOCIATION, whether or not he is Director or officer at the time such expenses are incurred, except in such cases when the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

6.7 Term: All officers shall hold office until their successors are chosen and qualify.

ARTICLE VII. FISCAL MANAGEMENT

7.1 Fiscal Year: The fiscal year of the ASSOCIATION shall be the calendar year, unless changed by vote of the Board of Directors as provided by law.

7.2 Fiscal Management: The fiscal management of the ASSOCIATION shall be in accordance with generally accepted accounting principals, and accounting principals imposed by law, if any.

7.3 Budget: The BOARD shall adopt a budget for each calendar year which shall include the estimated funds required to defray the current expenses and to provide funds for ~~reserves and funds for~~ maintenance, repair, replacement and improvement of the Subdivision, the Common Areas and improvements thereon, and specifically proposed betterments and approved improvements. The budget may also include funds for reserves and miscellaneous expenses, as deemed appropriate by the Board of Directors. The Board is authorized to place funds into such reserve accounts and may move funds between its reserve accounts as it deems appropriate. Any operating surplus at the end of the fiscal year will automatically be transferred to the reserves.

7.4 Expenditures: All funds of the ASSOCIATION shall be expended only upon authorization of the BOARD. Approval of the budget shall be deemed authority to expend funds for the items and contingency funds within the budget. Funds derived from SPECIAL ASSESSMENTS and funds in reserves shall be expended solely for the purpose for which such ASSESSMENT was made or reserve established. Contingency funds may be expended for any legitimate purpose by action of the BOARD.

7.5 Depository: The depository of the ASSOCIATION ~~may~~ shall be such bank or banks as shall be designated from time to time by the Board of Directors, and in which the moneys of the ASSOCIATION shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such persons as are authorized by appropriate resolution of the BOARD. Funds of the ASSOCIATION may be commingled or kept in separate accounts. The Board of Directors may invest Association funds as a reasonable and prudent investor.

ARTICLE VIII. PARLIAMENTARY RULES

Roberts Rules of Order, the latest edition, shall guide govern the conduct of the meetings of the ASSOCIATION, the BOARD and Committees of the ASSOCIATION when not in conflict with state law, the DECLARATION, ARTICLES or these BY-LAWS.

ARTICLE IX. AMENDMENTS

These BY-LAWS may be amended by the Board of Directors of the ASSOCIATION at any regular or special meeting duly called for that purpose by the affirmative vote of an absolute majority of all votes entitled to be cast. No Amendment shall be made that is in conflict with the ARTICLES or the DECLARATION. Amendments to the BY-LAWS shall not be effective until they have been certified by an authorized officer of the ASSOCIATION and a copy of the Amendment is recorded in the books of the ASSOCIATION.

ARTICLE X. MISCELLANEOUS

The provisions of these BY-LAWS shall be construed together with the DECLARATION and the ARTICLES. In the event of a conflict between the provisions hereof and the provisions of the DECLARATION, the provisions of the DECLARATION

shall control. The provisions hereof shall be liberally construed to grant to the ASSOCIATION sufficient practical authority to operate the Subdivision. Whenever the context so requires, the use of any gender herein shall be deemed to include all genders, and the use of the plural shall include the singular and the singular shall include the plural.

~~Until such time as the DECLARANT, or any SUCCESSOR DECLARANT, shall no longer own any portion of ROSEDALE 5, the ASSOCIATION, its Directors and officers, shall take all such actions as may be necessary or appropriate to enable the DECLARANT to exercise any power or authority reserved by the DECLARANT for its benefit in either the DECLARATION, the ARTICLES or these BY LAWS.~~