

**BYLAWS**  
**OF**  
**SAVANNA OAKS HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I**  
**NAME AND LOCATION**

The name of the corporation is Savanna Oaks Homeowners Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 613 Camden Ave, Stuart, Florida 34994. Meetings of Members and Directors may be held at such places within the State of Florida, as may be designated by the Board of Directors.

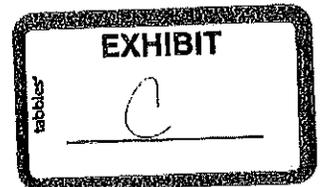
**ARTICLE II**  
**DEFINITIONS**

All terms used herein which are defined in the Declaration of Covenants and Restrictions for Savanna Oaks ("Declaration") as the same may be amended from time to time, shall have the same meaning herein as therein.

**ARTICLE III**  
**POWERS OF THE ASSOCIATION**

The Association shall have all the powers and duties reasonably necessary to operate and maintain the Association, including, but not limited to, the following:

- (a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration or in the Articles of Incorporation, as the same may be amended from time to time as therein provided, said Declaration and Articles of Incorporation being incorporated herein as if set forth at length;
- (b) To enforce, by legal action or otherwise, the provisions of the Declaration, Articles and Bylaws and all of the rules, regulations, covenants, restrictions and agreements governing the Association and the Property;
- (c) To fix, levy, collect and enforce payment by any lawful means, all charges and assessments pursuant to the terms of the Declaration, the Articles or the Bylaws of the Association; to pay all expenses in connection therewith, and all office and other expenses incident



to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(d) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer or otherwise dispose of real or personal property in connection with the affairs of the Association;

(e) To borrow money, and with the assent of two-thirds of the Members present at a duly called meeting of the Association, mortgage personal property as security for money borrowed or debts incurred;

(f) To dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication, sale or transfer shall be effective without first obtaining approval for such dedication, sale or transfer from the Martin County Board of County Commissioners or other government agency as required under Florida law, and/or the Declaration and the consent of two-thirds of the Members, in writing or by vote at a duly called meeting of the Association;

(g) To participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Areas, provided that any such merger, consolidation or annexation which occurs after the closing of the last lot owned by Developer shall have the consent of two-thirds of the Members at a duly called meeting of the Association;

(h) To promulgate or enforce rules, regulations, bylaws, covenants, restrictions or agreements to effectuate all of the purposes for which the Association is organized;

(i) To have and to exercise any and all powers, rights and privileges which a non-profit corporation organized under the Laws of the State of Florida may now or hereafter have or exercise;

(j) To contract for management of the Association and to delegate in such contract all or any part of the powers and duties of the Association except the right to borrow money or hold property, and to contract for services to be provided to the Owners, which may include but are not limited to, garbage pick-up, utilities, master antenna, cable television, and security.

#### ARTICLE IV MEMBERSHIP

Every Owner of a Parcel shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Parcel.

## ARTICLE V VOTING RIGHTS

The Owner of each Parcel shall be entitled to one vote for each Parcel owned by such Owner. When more than one person holds an interest in a Parcel, all such persons shall be Members of the Association; and the vote for such Parcel shall be exercised in accordance with the Declaration.

The Association may suspend the voting rights of a member for the nonpayment of regular annual assessments that are delinquent in excess of ninety (90) days.

Developer shall have the right to retain control of the Association until no later than 90 days after the Developer has conveyed ninety percent (90%) of the Parcels within the Property, or until such earlier time as is determined by Developer at Developer's sole discretion whichever shall first occur. So long as Developer retains control of the Association, Developer shall have the right to appoint all members of the Board of Directors and to approve the appointment of all officers of the Association, and no action of the membership of the Association shall be effective unless, and until, approved by Developer.

## ARTICLE VI MEETING OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the members shall be held on the Association property, on the first Sunday in March, at 7:00 p.m. Upon the unanimous vote of the members, the annual meeting may be changed to another location, date and/or time.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by at least ten percent (10%) of the total voting interest of the Association of the members who are entitled to vote. Business conducted at special meetings shall be limited to the purpose described in the notice.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary, or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen days but not more than sixty days before such meeting (provided, however, in the case of an emergency, four days' notice will be deemed sufficient) to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The percentage of voting interest required to constitute a quorum at a meeting of the members shall be thirty percent (30%) of the voting interest. Decisions that require a vote of the members must be made by a concurrence of at least a majority of the voting interest present, in person or by proxy, at a meeting at which a quorum has been attained. If,

however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. Members have the right, unless otherwise provided in the governing documents, to vote in person or by proxy. To be valid, a proxy must be dated, must state the date, time, and place of the meeting for which it was given, and must be signed by the authorized person who executed the proxy. A proxy is effective only for the specific meeting for which it was originally given, as the meeting may lawfully be adjourned and reconvened from time to time, and automatically expires ninety (90) days after the date of the meeting for which it was originally given. A proxy is revocable at any time at the pleasure of the person who executes it. If the proxy form expressly so provides, any proxy holder may appoint, in writing, a substitute to act in his or her place.

## ARTICLE VII BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors consisting of not less than three (3) nor more than seven (7) persons who need not be members of the Association. The first Board shall consist of three members and there shall always be an odd number of Directors.

Section 2. Selection. The original members of the Board of Directors shall be appointed by the Developer and shall serve until the first election of Directors by the members of the Association which shall be after the Developer turns over the Association to the membership. The Developer is entitled to elect at least one member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the lots and/or Units. After the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer owned voting interest in the same manner as any other member except for purposes of reacquiring control of the Association or selecting a majority of the members of the Board of Directors.

Section 3. Term of Office. The original Directors shall serve until the first election of Directors by the members, and any vacancies in their number occurring before the first election by the members shall be filled by the Developer. The Developer shall have the right to remove and replace Directors until the first election of Directors by the members. The Directors elected by the members of the Association at the first meeting at which members elect Directors shall serve for the following terms: one member will serve for one year, one member shall serve for two years, and one member shall serve for three years. After said first meeting, the term of the Directors who are elected to replace the Directors as their terms expire, shall be elected to serve for terms of three years, and thereafter, the terms of the Directors shall be staggered so that no more than one-third of the terms of Directors terminate in any one year. Directors shall be elected at each annual meeting of members and each Director shall hold office for the term for which he was elected and until his successor is elected and qualified.

Section 4. Removal. At such time as the members of the Association are permitted to elect Directors, any Director may be removed from the Board of Directors with or without cause, by a majority vote of the voting interest. In the event of death, resignation or removal of a Director(s), his successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor.

(a) The Board of Directors may be recalled by an agreement in writing or by written ballot without a membership meeting. The agreement in writing or the written ballots, or a copy thereof, shall be served on the Association by Certified Mail or by personal service in the manner authorized by Chapter 48 of the Florida Rules of Civil Procedure. The Board shall duly notice and hold a meeting of the Board within five (5) full business days after receipt of the agreement. At the meeting, the Board shall either certify the written ballots or written agreement to recall a Director(s) of the Board, in which case such Director(s) shall be recalled effective immediately and shall turn over to the Board within five (5) full business days any and all records and property of the Association in their possession, or proceed as described in this Article, Section 4(c). Any rescission or revocation of a member's written recall ballot or agreement must be in writing and, in order to be effective, must be delivered to the Association before the Association is served with the written recall agreements or ballots. The agreement in writing or ballot shall list at least as many possible replacement Directors as there are Directors subject to the recall, when at least a majority of the Board is sought to be recalled; the person executing the recall instrument may vote for as many replacement candidates as there are Directors subject to recall.

(b) The members may recall/remove a Director(s) by a vote taken at a meeting. A special meeting of the members to recall a Director(s) may be called by ten percent (10%) of the voting interest giving notice of the meeting as required for a meeting of the members, and the notice shall state the purpose of the meeting. Electronic transmission may not be used as a method of giving notice of a meeting called in whole or in part for this purpose. The Board shall duly notice and hold a Board meeting within five (5) full business days after the adjournment of the member meeting to recall one or more Directors. At the meeting, the Board shall certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the Board within five (5) full business days any and all records and property of the Association in their possession, or shall proceed as set forth in this Article, Subparagraph 4(c).

(c) If the Board determines not to certify the written agreement or written ballots to recall a Director(s) or does not certify the recall by a vote at a meeting, the Board shall, within five (5) full business days after the meeting, file with the Department of Business and Professional Regulations a petition for binding arbitration pursuant to the applicable procedures in Florida Statutes 718.1255 and 718.112(2)(j) and rules adopted thereunder. For the purposes of this section, the members who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for the arbitration. If the arbitrator certifies the recall as to any Director(s), the recall will be effective upon mailing of the final order of arbitration to the Association. The Director(s) so recalled shall deliver to the Board any and all records of the Association in their possession within five (5) full business days after the effective date of the recall.

(d) When it is determined by the Department of Business and Professional Regulations pursuant to binding arbitration that the initial recall effort was defective, written recall agreements or written ballots used in the first recall effort and not found to be defective may be reused in one subsequent recall effort. However, in no event is a written agreement or written ballot valid for more than 120 days after it has been signed by the member.

Section 5. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 6. Action Taken Without a Meeting. The Directors do not have a right to take any action in the absence of a meeting.

ARTICLE VIII  
NOMINATION AND ELECTION OF DIRECTORS

At such time as members of the Association are permitted to elect Directors, the nomination and election of Directors shall be conducted as follows:

Section 1. Nomination. All members of the Association shall be eligible to serve on the Board of Directors, and a member may nominate himself or herself as a candidate for the Board at a meeting where the election is to be held. Except as otherwise provided in the governing documents, the Board of Directors must be elected by a plurality of the votes cast by eligible voters. An election dispute between a member and an Association must be submitted to mandatory binding arbitration with the Division of Business and Professional Regulations. Such proceeding shall be conducted in the manner provided by Florida Statute 718.1255 and the procedural rules adopted by the Division.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot, unless unanimously waived by all members present. At such election the members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Elections shall take place at the annual meeting of the members.

(a) If a vacancy occurs on the Board as a result of a recall and less than a majority of the Directors are removed, the vacancy may be filled by an affirmative vote of a majority of the remaining Directors, notwithstanding any provision to the contrary in the Association documents. If vacancies occur on the Board as a result of a recall and a majority or more of the Board of Directors are removed the vacancies shall be filled by members voting in favor of the recall; if removal is at a meeting, any vacancies shall be filled by the members at the meeting. If the recall occurred by agreement in writing or by written ballot, members may vote for replacement Directors in the same instrument in accordance with procedural rules adopted by the Division, which rule need not be consistent with this section.

ARTICLE IX  
MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held on such dates and at such place and hour as may be fixed, from time to time, by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next business day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by at least ten percent (10%) of the total voting interest of the Association after not less than three days' notice to the voting interest. Business conducted at a special meeting shall be limited to the purposes described in the notice.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE X  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the powers reasonably necessary to operate and maintain the Association, including, but not limited to, the following:

(a) Adopt and publish rules and regulations governing the use of the Common Areas and the personal conduct of the members and their guests thereon, and to establish penalties and/or fines for the infraction thereof;

(b) Suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive regular meetings of the Board of Directors; and

(e) Employ managers, independent contractors, or such other employees as the deem necessary, prescribe their duties and delegate any or all of the duties and functions of the Association and/or its officers.

Section 2. Duties. It shall be the duty of the Board of Directors to cause the Association to perform the purposes for which it was formed, including, but not limited to, the following:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members;

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to fix the amount of the annual assessment against each lot and send notice thereof to every Owner at least twenty-five days in advance of each annual assessment period;

(e) Procure and maintain such insurance as deemed necessary by the Board of Directors;

(f) Cause all Officers or Directors who control or disburse association funds to be bonded. The amount of such bonds shall be determined by the Board of Directors. The cost of such bonds shall be paid by the Association; and

(g) Perform all other duties and responsibilities as provided in the Declaration. ..

#### ARTICLE XI OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The Officers of the Association shall be a President, Vice President, a Secretary, and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution create. The President, Vice President, Secretary and Treasurer may also be a member of the Board of Directors.

Section 2. Election of Officers. The election of Officers shall take place at the annual meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The Officers of the Association shall be elected annually by the Board of Directors. Each officer shall hold office for one year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board of Directors may elect such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 5. Resignation and Removal. The Board of Directors may remove any Officer from office with or without cause. Any Officer may resign at any time giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer being replaced.

Section 7. Multiple offices. The same person may hold the offices of Secretary and Treasurer. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the Officers are as follows:

PRESIDENT

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

VICE PRESIDENT

The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

SECRETARY

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors.

TREASURER

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; sign all checks and promissory notes of the Association; keep proper books of account; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE XII  
COMMITTEES

The Board of Directors shall appoint a nominating committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XIII  
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours be subject to inspection by any member, within ten (10) business days after receipt of a written request for access. The Declaration, the Articles of Incorporation and the Bylaws, revisions and amendments thereto ("Community Documents"), of the Association shall be available for inspection or copying by any member. Copies may be purchased at a reasonable cost. These Community Documents shall be maintained and held by the management company for the Association, if one has been employed, and/or the Board of Directors.

The Association shall maintain each of the following items, when applicable, which constitute the official records of the Association:

- (a) Copies of any plans, specifications, permits, and warranties related to improvements constructed on the common area or other property that the Association is obligated to maintain, repair, or replace;
- (b) A copy of the By-Laws of the Association and each amendment to the By-Laws;
- (c) A copy of the Articles of Incorporation of the Association and of each amendment thereto;
- (d) A copy of the Declaration of Covenants and a copy of each amendment thereto;
- (e) A copy of the current Rules of the Homeowners Association;
- (f) Minutes of all of the meetings of the Board of Directors and of the members, which minutes must be retained for at least seven (7) years;
- (g) A current roster of all of the members and their mailing address and parcel identifications. Members may consent to receive all notification through e-mail or facsimile. The Association shall maintain the e-mail address and the fax number designated by the members for receiving notice sent by e-mail or fax of those members consenting to receive notice by e-mail or fax. The e-mail address and fax numbers provided by Parcel Owners to receive notice by electronic

transmission shall be removed from the Association records when consent to receive notice by e-mail or fax is revoked. However, the Association is not liable for an erroneous disclosure of the e-mail address or the fax number for receiving notices;

(h) All of the Association's insurance policies or a copy thereof, which policies must be retained for at least seven (7) years;

(i) A current copy of all contracts to which the Association is a party, including without limitation, any management agreement, lease, or other contract under which the Association has an obligation or responsibility;

(j) Bids received by the Association for work to be performed must also be considered official records and must be kept for a period of one (1) year;

(k) The financial and accounting records of the Association, kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include: (1) accurate, itemized, and detailed records of all receipts and expenditures; (2) a current account and a periodic statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the date and the amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due; (3) all tax returns, financial statements, and financial reports of the Association; (4) any other records that identify, measure, record, or communicate financial information.

(l) A current copy of the Florida Homeowners Association Disclosure Summary [F.S.A. § 720.401(1), (2004)] submitted with all sales of lots and/or Units;

(m) All other written records of the Association not specifically included in the foregoing and which are related to the operation of the Association.

#### ARTICLE XIV ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay assessments that are secured by a continuing lien upon the property against which the assessments are made. Any assessments that are not paid when due shall be delinquent.

#### ARTICLE XV CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: SAVANNA OAKS HOMEOWNERS ASSOCIATION, INC., a Florida Not for Profit Corporation.

ARTICLE XVI  
AMENDMENTS

These Bylaws may be amended, altered or rescinded at a regular or special meeting of the Board of Director, by a vote of a majority of a quorum of Directors present at a duly called meeting; provided, however, that prior to conveyance of the last lot owned by Developer, no amendment shall be effective without the written consent of the Developer. Any attempt to amend or rescind contrary to this prohibition shall be of no force and effect.

ARTICLE XVII  
INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall and does hereby indemnify and hold harmless every Director and every Officer, their heirs, executors and administrators, against all loss, cost and expenses reasonably incurred in connection with any action, suit or proceeding to which said Director or Officer may be made a party by reason of being or having been a Director or Officer of the Association, including reasonable counsel fees, except as to matters wherein the Director or Officer shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such Director or Officer may be entitled.

ARTICLE XVIII  
TRANSACTIONS IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

No contract or transaction between the Association and one or more of its Directors or Officers, or between the Association and any other corporation, partnership, association, or other organization in which one or more of its officers or directors are Officers or Directors of this Association shall be invalid, void or voidable solely for this reason, or solely because the Officer or Director is present at, or participates in, meetings of the Board or committee thereof which authorized the contract or transaction, or solely because said Officers' or Directors' votes are counted for such purpose. No Director or Officer of the Association shall incur liability by reason of the fact that said Director or Officer may be interested in any such contract or transaction.

Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee that authorized the contract or transaction.

ARTICLE XIX  
MISCELLANEOUS PROVISIONS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

The Articles of Incorporation, Bylaws and Declaration shall be read and interpreted consistently. However, in the event of any conflict in the terms thereof, the terms of the Declaration shall prevail over the terms of the Articles of Incorporation and the Bylaws, and the Terms of the Articles of Incorporation shall prevail over the terms of the Bylaws. The terms of the Declaration and the Articles are incorporated herein by the reference.

Robert's Rules of Order (latest edition) shall govern the conduct of proceedings when not in conflict with the Articles of Incorporation or Bylaws of the Association or with the laws of the State of Florida.

Date: May 10, 2005

By: David R. Giunta  
Savanna Oaks Homeowners Association, Inc.  
David R. Giunta, President

DEVELOPER:  
Savanna Oaks Properties, LLC

By: David R. Giunta  
David R. Giunta, President  
Prosperity Development Group, Inc.,  
Its Managing Member