

BYLAWS
OF
SABLEWOOD PROPERTY OWNERS' ASSOCIATION, INC.
(a corporation not-for-profit)

ARTICLE I. IDENTITY

The name of this corporation is SABLEWOOD PROPERTY OWNERS' ASSOCIATION, INC., and its address is 90 Hickory Hill Road, Tequesta, Florida, 33494.

All terms used herein which are defined in that certain Declaration of Protective Covenants, Conditions and Restrictions of Sablewood, as it may be amended from time to time, shall have the same meaning herein as therein.

ARTICLE II. PURPOSES

This corporation is organized for the purpose of functioning as the Property Owners' Association of the residential development known as Sablewood in Martin County, Florida, in accordance with the Declaration of Protective Covenants, Conditions and Restrictions of Sablewood (hereinafter sometimes referred to as the Declaration). It is organized to serve as the instrumentality of property owners in Sablewood for the purposes of controlling and regulating development in Sablewood; of promoting, assisting and providing adequate and proper maintenance of Sablewood, and the property, lots, dwellings or parcels therein for the benefit of all owners therein; the maintenance of said land and such other means and methods as it may deem in the best interest of its members; to exercise all powers and discharge all responsibilities granted to it as a corporation under the laws of the State of Florida, its Articles of Incorporation and these Bylaws and the aforementioned Declaration of Protective Covenants, Conditions and Restrictions of Sablewood; to acquire, hold, convey and otherwise engage in and with real and/or personal property in this corporation's capacity as a property owners' association; and to otherwise engage in such additional lawful activities for the benefit, use, convenience and enjoyment of its members as it may deem proper.

ARTICLE III. DIRECTORS, OFFICERS, ARCHITECTURAL REVIEW BOARD, EXECUTIVE AND OTHER COMMITTEES

A. Directors.

1. The affairs of the Association shall be managed by a Board of Directors which shall consist of three (3) members. The initial Board shall consist of the individuals named in the Articles of Incorporation of the Association, who shall serve until such time as the developer relinquishes control of the Association, as described in the Declaration, or until replaced by the developer. After relinquishment of control of the Association, and so long as developer owns any property within Sablewood, developer shall have the right to appoint one (1) member of the Board of Directors. Such director need not be a member of the Association.

2. At the first annual meeting of the members next succeeding the date upon which the developer transfers and conveys of record all property owned by it as hereinabove set forth, and at each succeeding annual meeting thereafter, directors shall be elected by the members and shall hold office until their successors are elected and shall qualify.

At least ten (10) days before the annual meeting, a complete list of members entitled to vote at such election, together with the residence of each, shall be prepared by the Secretary. Such list shall be open at the office of the corporation for ten (10) days prior to the election for the examination of every member and shall be produced and kept at the time and place of election, subject to the inspection of any member who may be present.

Directors shall be elected for a term of two (2) years.

Directors shall be elected as follows:

a.) Nominations shall be from the floor at the annual meeting and a vote shall be had by written ballot. The three (3) persons receiving the highest number of votes shall be declared elected. There shall be no cumulative voting.

b.) No director shall be required to be a member of the corporation.

c.) The Board of Directors shall fill any vacancy which occurs on the Board of Directors prior to the next annual meeting.

3. Any or all of the directors may be removed for cause by vote of the members or by action of the Board of Directors. Directors may be removed without cause only by vote of the members.

4. A director may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

B. Officers.

1. The officers of the corporation shall be a President, a Vice-President, a Secretary and a Treasurer and such other officers as the Board of Directors may appoint who need not be members of the Board or members of the Association. The officers named in the Articles of Incorporation shall serve until the first regular meeting of the Board and at such meeting the Board shall appoint the aforesaid officers. Officers elected at the first meeting of the Board shall hold office until the next annual meeting of Directors or until their successors shall have been appointed and shall qualify. So long as developer retains the right of appointment of the Board of Directors, no officer appointed by the Board of Directors shall serve the Association until such time as the developer approves the appointment. Upon the appointment of an officer by the Board of Directors, whether or not said appointment occurs at the annual meeting for such appointment or otherwise, the Board of Directors shall forthwith submit the name of such newly appointed officer or officers (as the case may be), in writing, to the developer. Developer shall approve or disapprove said officer, or officers, within twenty (20) days after receipt of said name or names. In the event developer fails to act within such time period, such failure shall be deemed an approval by the developer.

2. Any officer elected or appointed by the Board of Directors may be removed by the Board with or without cause. In the event of the death, resignation or removal of an officer, the Board, in its discretion, may elect or appoint a successor to fill the unexpired term. Any two or more offices may be held by the same person, except the offices of President and Secretary. The salaries of all officers shall be fixed by the Board.

C. Architectural Review Board. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, shall appoint an Architectural Review Board (A.R.B.), which shall be a permanent committee of the Association.

The A.R.B. shall consist of three (3) members and shall have such power and duties as provided for the A.R.B. by the Declaration. The A.R.B. shall act for the developer for approval of plans, specifications and location of buildings. The A.R.B. shall keep regular minutes of its proceedings and report the same to the Board of Directors when required.

D. Executive and Other Committees. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in the resolution, shall have and may exercise all the authority of the Board of Directors. The executive committee, and any other committees, shall keep regular minutes of its proceedings and report the same to the Board of Directors when required.

The Board of Directors, by resolution adopted in accordance with this section, may designate one or more directors as alternate members of any such committee, who may act in the place and stead of any absent member or members at any meeting of the committee.

ARTICLE IV. POWER AND DUTIES OF THE CORPORATION AND THE EXERCISE THEREOF

The corporation shall have all powers granted to it by law, the Declaration of Protective Covenants, Conditions and Restrictions of Sablewood, the Articles of Incorporation and these Bylaws, all of which shall be exercised by its Board of Directors unless the exercise thereof is otherwise restricted in the Declaration of Protective Covenants, Conditions and Restrictions, these Bylaws or by law; and the aforementioned powers of the corporation shall include, but not be limited to, the following:

A. All of the powers specifically provided for in the Declaration of Protective Covenants, Conditions and Restrictions of Sablewood.

B. The power to levy and collect general assessments, special assessments and individual assessments.

C. The power to expend monies collected for the purpose of paying the expenses of the corporation.

D. The power to purchase equipment, supplies and material required in the maintenance, repair, replacement, operation and management of the corporation property.

E. The power to insure and keep insured the buildings and improvements of the corporation.

F. The power to employ the personnel required for the operation of the corporation and the corporation property.

G. The power to pay utility bills for utilities serving the corporation property.

H. The power to contract for the management of the corporation property and to delegate to its contractor as manager, all the powers and duties of the corporation, except those things which must be approved by members.

I. The power to make reasonable rules and regulations and to amend them from time to time, and see to it that all members are notified of such changes in the rules and regulations as may be enacted.

J. The power to improve the corporation property subject to the limitations of the Declaration of Protective Covenants, Conditions and Restrictions of Sablewood.

K. The power to enforce by any legal means the provisions of the Articles of Incorporation, the Bylaws, the Declaration of Protective Covenants, Conditions and Restrictions and the regulations promulgated by the corporation.

L. The power to collect delinquent assessments by suit or otherwise and to abate nuisances and enjoin or seek damages from parcel owners for violation of the provisions of the Declaration of Protective Covenants, Conditions and Restrictions and related documents.

M. The power to pay all taxes and assessments which are liens against the corporation property.

N. The power to control and regulate development within Sablewood and to promote, assist and further provide adequate and proper maintenance of Sablewood and the parcels therein for the benefit of all owners therein. This provision shall not be deemed to require the Association to maintain any parcel individually owned.

O. The power to select depositories for the corporation funds and to determine the manner of receiving, depositing and disbursing corporate funds and the form of check and the person or persons by whom the same shall be signed when not signed as otherwise provided by these Bylaws.

P. The power to acquire real and personal property for the benefit and use of its members and to dispose of said property in accordance with the Declaration of Protective

Covenants, Conditions and Restrictions of Sablewood and related documents.

Q. The power to acquire, without the approval of the membership of the Association, the property referred to in Declaration of Protective Covenants, Conditions and Restrictions of Sablewood.

R. The power to enter into a contract with any person, firm, corporation or real estate management agent of any nature or kind, to provide for the maintenance, operation, repair and upkeep of the corporation's property and of any facilities on lease to the corporation or otherwise provided for the corporation members' usage.

Said contract may provide that the total operation of said managing agent, firm or corporation shall be at the cost of this corporation. Said contract may further provide that the managing agent shall be paid from time to time a reasonable fee either stated as a fixed fee or as a percentage of the total costs of maintenance, operation, repair and upkeep or of the total funds of the corporation handled and managed by the managing agent. Such fee, if any, shall be another of the management function costs to be borne by the Association, unless the contract provides to the contrary.

S. The power to establish the office of additional officers of this corporation and to appoint all officers.

T. The power to possess, employ and exercise all powers necessary to implement, enforce and carry into effect the powers above-described, including the power to acquire, hold, convey and deal in real and personal property.

ARTICLE V. DUTIES OF OFFICERS

A. The President shall:

1. Act as presiding officer at all meetings of the corporation and of the Board of Directors.

2. Call special meetings of the Board of Directors and of members.

3. Sign with the Treasurer, if the Board of Directors so require, all checks, contracts, promissory notes, deeds and other instruments on behalf of the corporation, except those which the Board of Directors specifies may be signed by other persons.

4. Perform all acts and duties usually required of an executive to ensure that all orders and resolutions of the Board of Directors are carried out.

5. Appoint committees and to be ex-officio member of all committees and render an annual report at the annual meeting of members.

B. The Vice-President shall:

1. Act as presiding officer at all meetings of the corporation and of the Board of Directors when the President is absent.

2. Perform other acts and duties required of the President in the President's absence.

3. Perform such other duties as may be required of him by the Board of Directors.

C. Should the President and Vice-President be absent from any meeting, the directors shall select from among their members, a person to act as chairman of the meeting.

D. The Secretary shall:

1. Attend all regular and special meetings of the members of the corporation, of the Board of Directors, the Architectural Review Board, Executive and other committees, and keep all records and minutes of proceedings thereof or cause the same to be done.

2. Have custody of the corporate seal and affix the same when necessary or required.

3. Attend to all correspondence on behalf of the Board of Directors, prepare and serve notice of meetings, keep membership books and receive all applications for membership.

4. Perform such other duties as the Board of Directors may determine, and on all occasions in the execution of his duties, act under the superintendence, control and direction of the Board of Directors.

5. Have custody of the minute book of the meetings of the Board of Directors, members, the Architectural Review Board, Executive and other committees, which minute books shall, at all times, be available at the office of the corporation for the information of Directors and officers, and act as transfer agent to recordable transfers and regulations of the corporate books.

E. The Treasurer shall:

1. Attend all meetings of the membership and of the Board of Directors.

2. Receive such monies as shall be paid into his hands for the account of the corporation and disburse funds as may be ordered by the Board of Directors, taking proper vouchers for such disbursements and be custodian of all securities, contracts, leases and other important documents of the corporation which he shall keep safely deposited.

3. Supervise the keeping of accounts of all financial transactions of the corporation in books belonging to the corporation and deliver such books to his successor. He shall prepare and distribute to all of the members of the Board at least ten (10) days prior to each annual meeting, and whenever else required, a summary of the financial transactions and condition of the corporation from the preceding year. He shall make a full and accurate report on matters and business pertaining to his office to the members at the annual meeting and make all reports required by law.

4. The Treasurer may have the assistance of an accountant or auditor who shall be employed by the Board of Directors. In the event the corporation enters into a management agreement it shall be proper to delegate such of the Treasurer's functions to the management agent as is deemed appropriate by the Board of Directors.

ARTICLE VI. MEMBERSHIP AND VOTING

A. Qualification for Membership. The qualification for membership, and the manner of admission to membership and termination of such membership, shall be as follows: A person or entity shall automatically become a member of the Association upon acquisition of fee simple title to any parcel, by filing a deed therefor in the Public Records of Martin County, Florida. Membership shall continue until such time as the member transfers or conveys his interest of record or the interest is transferred or conveyed by operation of law, at which time membership, with respect to the parcel conveyed, shall automatically be conferred upon the transferee. Membership shall be appurtenant to, and may not be separated from, ownership of property subject to the Declaration. No person or entity holding an interest of any type or nature whatsoever in a parcel only as security for the performance of an obligation, shall be a member of the Association. Developer, by including additional property within the imposition of the Declaration, may cause

additional membership in the Association and may designate the ownership basis for such additional membership. The developer shall be a member of the Association from and after the date of recordation of the Declaration, which membership shall continue so long as developer owns any parcels within Sablewood.

B. Voting. The Association shall have one (1) class of voting membership. Each member, including Developer, shall be entitled to one (1) vote for each parcel owned by such member as to matters on which the membership shall be entitled to vote, which vote may be exercised or cast by that member in person or by proxy. Proxies may be filed with the Secretary of the Association prior to the meeting. A proxy shall be valid and entitle the holder thereof to vote until the Secretary shall have received a written revocation of such proxy executed by the grantor of such proxy, or until the death or legal incompetence of the grantor. Any member who owns more than one (1) parcel shall be entitled to exercise or cast one (1) vote for each such parcel. When more than one (1) person owns a parcel, all such persons shall be members of the Association; provided, however, that the vote of such owners shall be exercised as provided hereinbelow, and that in no event shall more than one (1) vote be cast with respect to each parcel. If more than one (1) person, a corporation, or other entity, owns a parcel, they shall file a certificate with the Secretary of the Association naming the person authorized to cast votes for said parcel. If the certificate is not on file, such owner(s) shall not be considered nor shall the presence of such owner(s) at a meeting be considered in determining whether the quorum requirement has been met. If a parcel shall be owned by husband and wife, as tenants by the entirety, no certificate need be filed with the Secretary naming the person authorized to cast votes for said parcel, and either spouse, but not both, may vote in person or by proxy and be considered in determining whether the quorum requirement has been met at any meeting of the members, unless prior to such meeting, either spouse has notified the Secretary in writing that there is a disagreement as to who shall represent the parcel at the meeting, in which case, the certificate requirements set forth above shall apply.

ARTICLE VII. MEETINGS

A. Meetings of Members.

1. Place of Meetings: All meetings of the Association shall be held at the office of the Association, or may be held at such time and place in Martin County, Florida, as shall be stated in the notice thereof.

2. Annual Meetings: Annual members' meetings shall be held upon a date appointed by the Board of Directors which shall fall between the 1st day of January and the 30th day of April, in each calendar year subsequent to relinquishment of control of the Association by developer. No meeting shall be held on a legal holiday. The meetings shall be held at such time as the directors shall appoint from time to time. The purpose of such meetings shall be the election of directors and the transaction of other business authorized to be transacted by members. The order of business shall be as determined by the Board of Directors.

3. Special Meetings: Special meetings shall be held whenever called by the President or by a majority of the Board of Directors and must be called by the Secretary, upon receipt of a written request from members of the Association holding a majority of the total votes of the membership. Business transacted at all special meetings shall be confined to the objects and actions to be taken, as stated in the notice of the meeting.

4. Quorum: A quorum for the transaction of business at the annual meeting or any special meeting shall consist of a majority of the total votes of the membership, being present either in person or by proxy, but the members present at any meeting, although less than a quorum, may adjourn the meeting to a future date.

5. Voting Required to Make Decisions: When a quorum is present at any meeting, the vote of a majority of the members' votes present, in person or by proxy, shall decide any question brought before the meeting, unless the Declaration, the Articles of Incorporation, these Bylaws or any applicable statute provides otherwise.

B. Meetings of Board of Directors.

1. Annual Meeting: The annual meeting of the Board of Directors shall be held immediately following the adjournment of the annual meeting of members. The Board of Directors may establish a schedule of regular meetings to be held at such place as the directors may designate. Regular meetings may be held without notice.

2. Special Meetings: Special meetings of the Board of Directors may be called by the President, upon notice to each director to be delivered by telephone, mail or in person. Special meetings may also be called on written request of two (2) directors. All notices of special meetings shall state the purpose, time and place of the meeting.

3. Quorum: At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of a majority of the directors present at such meeting at which a quorum is present, shall be the acts of the Board of Directors except where approval by a greater number is required by the Declaration, the Articles of Incorporation or these Bylaws. At any meeting at which a quorum is not present, the presiding officer may adjourn the meeting from time to time, and at any such adjourned meeting, any business which might have been transacted at the meeting as originally called, may be transacted without further notice.

4. Joinder: The joinder of a director in the action of a meeting, by signing and concurring in the minutes of that meeting, shall constitute the presence of such director for the purpose of determining a quorum.

5. Written Action: Any action required to be taken at a meeting of the Board of Directors 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, is filed in the minutes of the proceedings of the Board. Such consent shall have the same effect as a unanimous vote.

6. Presiding Officer: In the absence of the presiding officer, the directors present shall designate one of their number to preside.

7. Telephone Meeting: Any regular or special meeting of the Board of Directors may be held by telephone conference, at which each participating member can hear and be heard by all other participating members.

8. Order of Business: The order of business at meetings of the Board of Directors shall be as determined by the Board of Directors.

ARTICLE VIII. NOTICE OF MEMBERS' MEETINGS

A. Annual Meeting. Written notice of the annual meeting of members shall be served upon or mailed to each member entitled to notice, at least ten (10) days, and not more than sixty (60) days, prior to the meeting. Such notice shall be hand delivered or mailed to each member at its address as it appears on the books of the Association. Proof of such mailing may be given by the affidavit of the person giving the notice.

B. Special Meeting. Written notice of a special meeting of members stating the time, place and object of such meeting shall be served upon or mailed to each member

at least two (2) days, and nor more than sixty (60) days, prior to such meeting.

C. Waiver. Nothing herein is to be construed to prevent members from waiving notice of meetings or acting by written agreement without meetings.

ARTICLE IX. PROCEDURE

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

ARTICLE X. ASSESSMENTS AND MANNER OF COLLECTION

The Board of Directors shall have the power to levy and enforce assessments against parcels and owners, as set forth in the Declaration.

ARTICLE XI. FISCAL MANAGEMENT

A. Fiscal Year. The fiscal year of the Association shall be the calendar year; provided, however, that the Board of Directors is authorized to change to a different fiscal year at such time as the Board deems it advisable.

B. Depositories. The funds of the Association shall be deposited in such accounts in Martin County, Florida, as may be selected by the Board of Directors, including checking and savings accounts in one (1) or more banks and/or savings and loan associations, Certificates of Deposit, U.S. Treasury Bills and money market account with an investment firm or firms, all in accordance with resolutions approved by the Board of Directors. Association funds shall be withdrawn only over the signature of the Treasurer, the President or such other persons as the Board may authorize. The Board may require more than one (1) signature on checks and bank drafts. The funds shall be used only for corporate purposes.

C. Fidelity Bonds. Fidelity bonds may be required at the discretion of the Board of Directors from all officers and employees of the Association, and from any contractor handling or responsible for corporate funds. The premiums for such bonds shall be paid by the Association as a common expense.

D. Records. The Association shall maintain accounting records according to good practice which shall be open to inspection by members at reasonable times. Such records shall include a record of receipts and expenditures and accounts for each member, which accounts shall designate

the name and address of the member, the due dates and the amount of each assessment, the amounts paid upon the account, and the balance due. A register of the names of all institutional mortgagees who have notified the Association of their liens, and to which lienholders the Association will give notice of default if required, shall also be maintained.

E. Annual Statement. The Board of Directors shall present annually to the members a full and clear statement of the business and condition of the Association, as prepared by an independent accountant.

F. Insurance. The Association shall procure, maintain and keep in full force and effect, such insurance as may be required by the Declaration of Protective Covenants, Conditions and Restrictions to protect the interests of the Association and the members.

G. Expenses. The receipts and expenditures of the Association may be credited and charged to accounts as the Board of Directors may determine, in accordance with good accounting practices.

H. Budget. The Board of Directors shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the common expenses, and to provide and maintain funds for the accounts established by the Board of Directors, in accordance with good accounting practices.

ARTICLE XII. SEAL

The seal of the corporation shall be as follows:

ARTICLE XIII. ADMINISTRATIVE RULES AND REGULATIONS

The Board of Directors may, from time to time, adopt rules and regulations governing the details of the operation and use of the Association property and the common property, provided that the rules and regulations shall be equally applicable to all members and uniform in application and effect.

ARTICLE XIV. VIOLATIONS AND DEFAULTS

In the event of a violation of any of the provisions of the Declaration of Protective Covenants, Conditions and Restrictions, these Bylaws, the rules and regulations adopted by the Association or the Articles of Incorporation, the Association shall have all rights and remedies provided by law, including without limitation (and such remedies shall be cumulative) the right to sue for damages, the right to injunctive relief, and, in the event of a failure to pay assessments or to abide by the architectural restrictions in the Declaration, the right to foreclose its lien as provided in the Declaration; and in every such proceeding, the owner at fault shall be liable for court costs and the Association's attorneys' fees, as the case may be. A suit to collect unpaid assessments may be prosecuted by the Association without waiving the lien securing such unpaid assessments.

ARTICLE XV. AMENDMENT OF BYLAWS

These Bylaws may be amended, altered or rescinded by a majority vote of the Board of Directors at any regular or special meeting; provided, however, that at no time shall the Bylaws conflict with the terms of the Declaration of Protective Covenants, Conditions and Restrictions or the Articles of Incorporation. Any member of the Association may propose an amendment to the Board, and the Board shall act upon such proposal at its next meeting. Until such time as developer relinquishes control of the Association, all amendments to these Bylaws shall be ineffective unless developer shall have joined in and consented thereto in writing. No amendment, alteration or modification of these Bylaws shall be made which affects the rights or privileges of any institutional mortgagee, nor may these Bylaws be rescinded without the express, prior written consent of all institutional mortgagees so affected. Any attempt to amend, alter, modify or rescind these Bylaws contrary to these prohibitions shall be of no force or effect.

ARTICLE XVI. DEVELOPER'S CONTROL

Anything contained herein to the contrary notwithstanding, the developer shall have the right to retain control of the Association until developer has closed the sale of all parcels within Sablewood, or until such earlier time as is determined by developer, in the developer's sole discretion. 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 the developer. Further, during the

period of the developer's control, the members of the Board of Directors and the officers may be removed, with or without cause, by developer, at its discretion. After turnover of control of the Association and so long as developer owns any property within Sablewood, developer shall have the right to appoint one (1) member of the Board of Directors; such director need not be a member of the Association and may be removed only by the developer.

ARTICLE XVII. VALIDITY

If any Bylaw, rule or regulation shall be adjudged invalid, such fact shall not affect the validity of any other Bylaw, rule or regulation.

ARTICLE XVIII. CONSTRUCTION

These Bylaws and the Articles of Incorporation of the Association shall be construed, in case of any ambiguity or lack of clarity, to be consistent with the provisions of the Declaration of Protective Covenants, Conditions and Restrictions. In the event of any conflict between the terms of the Declaration of Protective Covenants, Conditions and Restrictions, the Articles of Incorporation or these Bylaws, the following order of priority shall apply: The Declaration of Protective Covenants, Conditions and Restrictions, the Articles of Incorporation and the Bylaws.

The foregoing were adopted as the Bylaws of SABLEWOOD PROPERTY OWNERS' ASSOCIATION, INC., a not-for-profit corporation under the laws of the State of Florida, at the first meeting of the Board of Directors on the 14 day of February, 19 88.

SABLEWOOD PROPERTY OWNERS'
ASSOCIATION, INC.

By: 
Larry Andersen
President