

**BY-LAWS OF THE
PROPERTY OWNERS OF HARBOR HILLS, INC.
A FLORIDA NOT-FOR-PROFIT CORPORATION**

ARTICLE I: NAME AND PURPOSE

Section 1 NAME: The name of this not-for-profit corporation is PROPERTY OWNERS OF HARBOR HILLS, INC. hereinafter referred to as the "Association."

Section 2 PURPOSE: The Association is a Social Welfare Organization and, consistent with Section 501(c) (4) of the Internal Revenue Code, has been established for the purpose of promoting the common good and general welfare of the entire community known as Harbor Hills, which includes but is not limited to The Grove at Harbor Hills, Sunrise Cove and Bella Vista at Harbor Hills.

More particularly with respect to the foregoing, the Association is organized:

- A) To take such action as will:
- (i) generally improve the quality of life within Harbor Hills,
 - (ii) promote and foster friendship, goodwill and community spirit,
 - (iii) educate and inform citizens on topics of concern to the community,
 - (iv) promote good government & good citizenship within the community within the Harbor Hills community.
- B) To exercise all powers necessary, suitable or proper for the accomplishment of the purposes enumerated above including the acceptance of dues and donations and the administration and disbursement of funds arising therefrom to advance and achieve said purposes.

Donations made to the Association and funds arising therefrom, shall not be diverted from the purposes herein set forth. Neither shall any net earnings inure to the benefit of any individual.

No significant part of the activities of the Association shall be devoted to:

- (i) attempting to influence by propaganda or otherwise, or
- (ii) participating or interfering directly or indirectly in any political activity on behalf of or in opposition to any candidate for public office.

ARTICLE II: MEMBERSHIP

Section 1 MEMBERSHIP ELIGIBILITY: The Association shall have two (2) classes of Membership to include:

- A) Voting Members which consist of non-developer Lot Owners who have paid their annual Membership dues, and
- B) Non-voting Members which consist of non-residents, who are non-Lot Owners, who have paid their annual Membership dues

Section 2 ANNUAL DUES: Dues shall be payable on or before the 31st day of January each year. Dues shall be developed and reviewed annually by the Board of Directors.

Section 3 RIGHTS OF MEMBERS: Each Class A Member, regardless of number lots owned, shall be eligible to cast one (1) vote or appoint a representative to vote his/her proxy. Class B Members are ineligible to vote. If Membership is owned by more than one (1) person, those persons (including husbands and wives) shall decide among themselves who shall cast the vote of the Membership. In the event that those persons cannot so decide, no vote shall be cast. A person casting a vote for a Membership shall be presumed to have the authority to do so unless the President of the Board of Directors is otherwise notified.

Section 4 EVIDENCE OF MEMBERSHIP: Membership shall be evidenced by the Treasurer's record of dues paid.

Section 5 RESIGNATION: Any Member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the Member so resigning of the obligation to pay any dues, or other assessments, or other charges theretofore accrued and unpaid.

Section 6 REINSTATEMENT: Upon written request, signed by a former Member and filed with the Secretary, the Board of Directors may, by a majority vote of those Directors present at any meeting constituting a quorum, reinstate such former Member to Membership upon such terms as said Board of Directors may deem appropriate.

Section 7 TERMINATION: The Board of Directors may, by a majority vote of those present at any regularly constituted meeting, terminate the Membership of any Member who becomes ineligible for Membership, or suspend or expel any Member who shall be in default in the payment of dues.

Section 8 TRANSFER OF MEMBERSHIP: Membership in the Association is transferable or assignable to anyone meeting all of the qualification for membership.

ARTICLE III MEMBERSHIP MEETINGS

Section 1 PLACE OF MEETINGS: Meetings of the Association shall be held at the principal office, as designated, of the Association or at such other suitable place as may be designated by the Board of Directors from time to time.

Section 2 ANNUAL MEETINGS: The Association shall meet annually during the month of March, the specific date, time and location of which will be designated by the Board of Directors. After the first annual meeting, the succeeding meetings shall be held on the anniversary date or within two weeks thereof in each year on such day as may be formally set by the President. At the annual meeting, the Members shall be informed of the election results for the Board of Directors and receive reports on the activities of the Association.

Section 3 SPECIAL MEETINGS: Special meetings may be called by the President, the Executive Committee or a simple majority of the Board of Directors attending a constituted meeting. A petition signed by at least twenty-five percent (25%) of voting Members may also call a special meeting. The notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4 NOTICE OF MEETINGS: Notice of each Membership meeting shall be given to each voting Member by e-mail, telephone or mail. If a Member wishes notice to be given at an address other than their Harbor Hills street address, the Member must designate such other address by written notice to the Secretary. The delivering of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5 QUORUM: The presence at the meeting of Members entitled to cast a vote, or if by proxies entitled to cast, 30% of the Membership shall constitute a quorum for any action, except as otherwise provided in Florida Law, the Articles of Incorporation, or these By-Laws. If however, such quorum shall not be present or represented at any meeting, said meeting may be rescheduled by a majority of those Members present to a different date, time or place if the same is announced at that meeting before an adjournment is taken, or notice must be given of the new date, time or place in the manner as set forth in Section four (4) above. Any business that might have been transacted on the original date of the meeting may be transacted at the rescheduled meeting.

Section 6 VOTING: All issues to be voted on shall be decided by a simple majority of the voting interests voting in person or by proxy at the meeting in which the vote takes place. The Board of Directors has the discretion to use other vote counting methods as appropriate.

Section 7 PROXIES: A vote may be cast in person or by proxy. Proxies may be given to any Member and shall be valid only if in writing and in form approved by the

Secretary and shall be for the particular meeting designated therein and must be filed with the Secretary at least three (3) days before the appointed time of the meeting.

Section 8 CONDUCT OF MEETINGS: The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a Minute Book all motions which are submitted to the Board, seconded and adopted by majority vote), as well as a record of all transactions occurring thereat.

ARTICLE IV: BOARD OF DIRECTORS

Section 1 GOVERNING BODY: The affairs of the Association shall be governed by a Board of Directors who are Members of the Association and residents of Harbor Hills. The Board is responsible for overall policy and delegating responsibility for day to day operations to the officers and committees.

Initial Directors are named in the Articles of Incorporation and shall serve until the election of their successors at the first annual meeting. The Board shall have no more than seven (7) or fewer than three (3) Members.

Section 2 TERM OF OFFICE: Directors will be elected as expiring terms dictate (see Article V, Section 2.) except that no Director shall serve longer than three years without standing for re-election. Any Director wishing to serve for additional terms may place his/her name on the ballot for re-election.

Section 3 QUALIFICATIONS: The Directors must be Members of the Association and shall be resident Lot Owners of Harbor Hills.

Section 4 ELECTION PROCEDURES: A Board Appointed Nominating Committee shall be responsible for soliciting and nominating a slate of prospective Board Members. In addition, any Member may nominate a qualified candidate to the slate of nominees. The Committee shall consist of a Member of the Board of Directors and four (4) or more non-Board Members of the Association. The Committee shall be appointed by the Board of Directors not less than sixty (60) days prior to the Annual Meeting. In no case shall the list of nominees be less than the required number of Board positions to be filled.

Section 5 BOARD ELECTIONS: New Directors and current Directors shall be elected or re-elected by the voting interests voting in person or by proxy, by secret ballot, and by a plurality of votes cast at the Annual Meeting. Voting is restricted to paid up Class "A" Members of the Association.

Section 6 REMOVAL: At any regular or special meeting of the Association, duly noticed, any Member of the Board may be removed from office by a majority of the voting interests voting in person or by proxy, without cause, and a replacement may be immediately elected to fill the vacancy. Any Director whose removal has been proposed

by the Members shall be given at least ten (10) days notice and shall be given an opportunity to be heard at the meeting.

Section 7 RESIGNATIONS: Resignations from the Board must be in writing and received by the Secretary.

Section 8 VACANCIES: Mid-term vacancies on the Board of Directors for any reason other than removal shall be filled by a vote of a majority of the remaining Directors attending the special meeting. Replacement Directors will hold office for the remaining term of the vacating Directors.

Section 9 ORGANIZATIONAL MEETING: The organizational meeting of each newly elected Board of Directors will be held within ten (10) days of their election at such place and time as will be fixed by the Directors at the annual meeting. Officers will be elected by the Board of Directors at the organizational meeting.

Section 10 REGULAR MEETINGS: The Board shall meet at least quarterly during each fiscal year. Regular meetings of the Board may be called from time to time and held at such time and place as shall be determined by a majority of the Directors.

Section 11 SPECIAL MEETINGS: Special meetings may be called by the President, the Executive Committee or a simple majority of the Board of Directors. Notice of special meetings shall be sent by the Secretary to each Board Member at least two (2) days in advance.

Section 12 WAIVER OF NOTICE: Attendance by a Director at any meeting of the Board shall constitute a waiver of notice by him or her of the time, place and purpose of such meeting. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 13 QUORUM: At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business. The votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

If, at any meeting of the Board of Directors, there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any subsequent meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 14 ACTION WITHOUT A FORMAL MEETING: Any action that may be taken at a meeting of the Board may be taken without a meeting if a consent in writing is signed by all Directors approving the action to be taken.

Section 15 COMPENSATION: No compensation shall be paid to any person by virtue of his/her status as Director. However, any Director may be reimbursed for his/her actual expenses incurred in the performance of duties.

ARTICLE V: OFFICERS

Section 1 OFFICERS POSITIONS: The Officers of the Association shall be President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary and a Treasurer. The Board of Directors may appoint such other Officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person.

Section 2 ELECTION, TERM & VACANCIES: Directors will be elected for a term of not more than three years. One, two and three year Directors will be self-determined at the first Board meeting of the newly elected Directors. Any Director may seek re-election at the expiration of his/her term.

Section 3 REMOVAL: Any Officer may be removed by the Board of Directors by a majority of the Board of Directors whenever, in its judgment, the best interests of the Association will be served thereby.

Section 4 POWERS AND DUTIES: The Officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors.

The President shall be Chief Executive Officer and a Director of the Association and be responsible for day to day operations of the Association as well as for convening and presiding over meetings.

The Vice President shall be a Director of the Association and will fill in for the President as required and handle other tasks assigned by the President or the Board.

The Treasurer shall be appointed by the Board of Directors and have primary responsibility for deposits and withdrawals of Association funds as well as the preparation of the budget and financial reports to the Board and Members.

The Secretary shall be appointed by the Board of Directors and will be responsible for keeping records of Board actions, including taking of minutes at Board meetings, sending out meeting notices, distributing copies of agendas and minutes and keeping corporate records.

Section 5 RESIGNATION: Any Officer may resign, at any time, by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take

effect on the date of the 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 COMPENSATION: No compensation shall be paid to any person by virtue of his/her status as Officer. However, any Officer may be reimbursed for his/her actual expenses incurred in the performance of duties.

ARTICLE VI: COMMITTEES

Section 1 EXECUTIVE COMMITTEE: Officers serve as Members of the Executive Committee. Except for the power to amend the Articles of Incorporation and Bylaws, the Executive Committee shall have the powers and authority as given by the Board of Directors to act on its behalf in the intervals between meetings of the Board. The Executive Committee is subject to the direction and control of the full Board.

Section 2 COMMITTEE FORMATION: The Board or Executive Committee may create standing or ad hoc committees to perform specific duties such as legal research, Membership drives, publications, etc. The President appoints all committee chairs. Each committee shall operate within its scope of responsibilities as determined by the Executive Committee or Board of Directors.

ARTICLE VII: FISCAL MANAGEMENT

Section 1 FISCAL YEAR: The fiscal year for the Association shall be set by resolution of the Board of Directors and until further resolved, shall be the calendar year.

Section 2 DEPOSITORIES: The depositories of the Association will be such banks as will be designated by the Board of Directors from time to time. Withdrawal of funds from such accounts will be by check and demands for funds signed by such persons as are authorized by the Board of Directors.

Section 3 FIDELITY BONDS: Any person authorized by the Board of Directors to control or disburse Association funds will be bonded in an amount to be determined by the Directors, but not less than Florida Law. The premiums will be paid by the Association.

Section 4 MEMBERSHIP DUES: The Board of Directors of the Association will determine, thirty (30) days prior to the first day of the fiscal year of the Association, the sum or sums necessary for the annual Membership dues for the fiscal year.

The Treasurer of the Association will mail or present to each Member a statement of said Member's dues, within ten (10) days of the determination of the Membership dues for the fiscal year. Payment of Membership dues will be due within thirty (30) days of the first day of the fiscal year of the Association.

Section 5 FAILURE TO PAY DUES: If a Member fails to pay Membership dues within sixty (60) days of the first day of the fiscal year for which they are due, The Board of Directors may suspend the Member's rights as a Member until such time as the Membership dues are paid in full.

Section 6 ACCOUNTS: The receipts and expenditures of the Association will be maintained in accordance with generally accepted accounting principles.

Section 7 BUDGETS: The Board of Directors will adopt an annual budget for each fiscal year that includes estimated funds required to defray the operating and escrow accounts, according to generally accepted accounting principles. Copies of the approved budget will be available to members upon request.

Section 8 ANNUAL AUDIT: An audit of the accounts of the Association will be performed annually by March 31st of the new fiscal year in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A copy of the audit report will be available to each Member of the Association.

ARTICLE VIII: MISCELLANEOUS

Section 1 PARLIAMENTARY PROCEDURES: Robert's Rules of Order shall govern the conduct of Association proceedings when not in conflict with Florida law, the Articles of Incorporation, or these By-Laws.

Section 2 CONFLICTS: If there are conflicts or inconsistencies between the provisions of Florida law, the Articles of Incorporation and these By-Laws, the provisions of Florida Law, then Articles of Incorporation, then these By-Laws (in that order) shall prevail.

Section 3 AMENDMENTS: These By-Laws may be amended when necessary by a two thirds (2/3) majority vote of the Board of Directors attending a constituted meeting. Notwithstanding the foregoing, those provisions of these By-Laws which are governed by Florida law may not be amended, repealed or altered except as provided in the applicable law. Proposed amendments must be submitted to the Secretary to be sent out with regular Board announcements.

Section 4 ARBITRATION: Any dispute as that term is defined in Section 718.1255 (1) (b), Florida Statutes, shall be subject to Mandatory Non-binding Arbitration as set forth in that statute.

Section 5 BOOKS AND RECORDS: The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Membership and Board of Directors meetings, and shall keep at its registered office or principal place of business in this State, a record of the names and addresses of its Members entitled to vote. The records of account of the Association shall reflect the total of all due and unpaid dues and special assessments.

Section 6 WAIVER: Whenever any notice is required to be given to any Member, Officer or Director of the Association under the provisions of the Florida Not For Profit Statute, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 7 FUND RAISING RESPONSIBILITY: It shall be the responsibility of the Board of Directors, or a committee thereof to raise all monies necessary for operation of the organization. This shall include the follow-up for delinquent dues after normal administrative procedures have been exhausted.

Section 8 DISTRIBUTION OF ASSETS UPON DISSOLUTION: Upon dissolution of the Association, assets remaining shall be distributed exclusively to organizations qualifying under Section 501(c) (3) the Internal Revenue Code.

ARTICLE IX INDEMNIFICATION AND INSURANCE

Section 1 INDEMNIFICATION: The Association hereby indemnifies any Director, Officer or Member or former Director, Officer or Committee Member of the Association for expenses and costs (including attorney's fees) actually and necessarily incurred by him or her, by action in court or otherwise, by reason of his or her being or having been such Director, Officer or Committee Member, except in relation to matters as to which he or she shall have been guilty of negligence or misconduct in respect to the manner in which indemnity is sought.

Section 2 INSURANCE: The Association shall purchase and maintain insurance on behalf of any person who is or was a Director, Officer, Committee Member, employee or agent of the Association against any liability asserted against such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability under the provisions of the Florida Not-For-Profit Corporation Act.

CERTIFICATION

These By-Laws were approved at a meeting of the Board of Directors by a two thirds (2/3) majority vote on April 21, 2009, and revised on January 20, 2011.

/signed/

Karen Setz, Secretary JANUARY 20, 2011