

*Original Bylaws
1985*

BYLAWS
OF
CHESTNUT CREEK MASTER ASSOCIATION, INC.

A non-profit corporation
existing under the laws
of the State of Florida

I. DEFINITIONS

All terms used in these Bylaws that are defined in the Declaration of Maintenance and Land Use Provisions for CHESTNUT CREEK (the Declaration) shall have the same meaning as the terms used in the Declaration. However, CHESTNUT CREEK MASTER ASSOCIATION, INC., is referred to as the Master Association.

II. PRINCIPAL OFFICE

The principal office of the Master Association shall be located at 3801 Bee Ridge Road, Suite 12, Sarasota, Florida 33581. The address of the principal office may be changed at the discretion of the Board of Directors.

III. MEMBERSHIP

1. MEMBERS. All owners of land subject to maintenance assessments and maintenance liens shall be members of the Master Association and must maintain this membership in good standing. Memberships shall be effective upon acquisition of the fee simple title to such lands by an instrument recorded in the Public Records of Sarasota County, Florida. Membership shall automatically terminate upon the sale or

other transfer of title by an instrument recorded in the Public Records of Sarasota County, Florida. Reference to this membership in any instrument of conveyance or transfer of title shall be unnecessary. The change of membership in the Master Association shall be evidenced in the the Master Association records by delivery to the secretary of a certified copy of the deed or other instrument of conveyance.

Prior to the recording of said Declaration, the subscribers to the Articles of Incorporation shall remain the members of the Master Association and shall each be entitled to one vote.

This membership may be evidenced by the issuance of a membership certificate which shall be deemed automatically cancelled when the membership it evidences is terminated.

2. VOTING RIGHTS. Each member shall have the voting rights provided in the Articles of Incorporation and any such vote may be cast in person or by proxy executed in writing and filed with the secretary.

3. ANNUAL MEETING. An annual meeting of the members shall be held at the principal office of the Master Association or at such other place in Sarasota County as may be designated by the president, at 8:00 P.M. on the first Tuesday in the month of February for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

4. SPECIAL MEETINGS. Special meetings may be called by the president or by the board of directors, or by a written request of a majority of the voting rights of the members, for any purpose and at any time within Sarasota County.

5. NOTICE. Written notice of any annual or special meetings shall be mailed to each Owner at least 14 days prior to the meeting. Notice of any special meeting shall state the purpose of the meeting. Unless an Owner waives in writing the right to receive notices of meetings by mail, the notice shall be mailed to each Owner at the address shown on the Master Association's records, and the post office certificate of mailing may be retained as proof of such mailing. Owners may waive notice of specific meetings, and may take action by written agreement without meetings.

6. QUORUM. A majority of the voting rights represented in person or by proxy shall constitute a quorum, and if a quorum is not present, a majority of the voting rights present may adjourn the meeting from time to time. A simple majority of all voting rights present in person or by proxy shall decide any question brought before the meeting, except when otherwise required by the Declaration, Articles of Incorporation or these Bylaws.

7. PROXIES. At any meeting of members, a member entitled to vote may do so by proxy executed in writing by the member or by his duly authorized attorney-in-fact. The proxy shall contain the name and address of the Owner or Owners, as the case may be, shall designate the lot number owned by the person or persons granting such proxy, shall contain a designation as to the meeting or meetings concerning which such proxy is to be used, shall contain a statement that the person or persons granting such proxy will not be available for the designated meeting or meetings, and shall contain the name and address

of the person or persons authorized to cast such proxy vote. Only individuals who are members of the Master Association shall be authorized to hold proxies. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period larger than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the unit owner executing it, by giving written notice of the revocation to the secretary of the Master Association.

IV. BOARD OF DIRECTORS

1. POWERS. The board of directors shall have all powers necessary to manage the affairs of the Master Association and to discharge its rights, duties and responsibilities as provided in the Declaration and the Articles of Incorporation.

2. NUMBER. The number of directors shall be designated by resolution of the membership from time to time but shall in no event be less than three directors. Each shall be a member of the Master Association or a person exercising the rights of an owner who is not a natural person, or a person appointed by the Developer. No director shall be elected for more than a two-year term. Directors shall be elected in such manner at the annual meetings so that the number of directors serving on the board from time to time shall have their terms of office evenly divided so far as possible so that half of their terms shall expire at the time of each annual meeting of the members.

3. REGULAR MEETINGS. A regular meeting of the board of directors shall be held immediately after, and at the same place as, the annual meeting of the membership. Additional regular meetings may be held as provided by resolution of the board.

4. SPECIAL MEETINGS. Special meetings of the board may be called by the president or a majority of the directors for any purpose and at any time or place. A Notice stating the purpose of the special meeting shall be mailed by regular or air mail or delivered to each director at his address shown in the Master Association records at least five days before such meeting, unless such notice is waived by any director or directors.

5. NOTICE. Notices of all meetings of the directors, except emergency meetings, shall be posted conspicuously at the principal office of the Master Association at least 48 hours in advance of the meeting. Notice of any meeting where assessments against Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. All meetings of the board shall be open to all members. The board shall also mail to all Owners at the address last shown in the Master Association's records a meeting notice and copies of the proposed annual budget of income and common expenses, not less than 30 days prior to the meeting at which the budget will be considered. The notice shall state the time and place of the meeting of the board of directors which will consider the annual budget. However, these provisions shall not apply during any period of time,

or extension thereof, that Developer is in control of the Master Association and has also guaranteed the maximum amount of maintenance assessments payable by owners of lots in Chestnut Creek.

6. QUORUM. A majority of directors shall constitute a quorum. If a quorum is not present, a majority of those present may adjourn the meeting from time to time. The vote of a majority of directors present shall decide any matter before the board, except as may be otherwise required in the Articles of Incorporation, these Bylaws or the Declaration.

7. REMOVAL. Any director may be recalled and removed from office with or without cause by a vote or an agreement in writing by Owners having a majority of voting rights in the Master Association. A special meeting of the Owners to recall a member or members of the board of directors may be called by 10% of the Owners giving notice of the meeting as required for a meeting of Owners, and the notice shall state the purpose of the meeting.

8. LIABILITY AND INDEMNIFICATION. Directors shall not be liable to the members of the Master Association for any mistake of judgment and shall only be liable for their own individual willful misconduct or bad faith. The Master Association shall indemnify and hold harmless each director against all contractual liability to others arising out of contracts made on behalf of the Master Association unless such contract shall have been made in bad faith. Directors shall have no personal liability with respect to any contract made by them on behalf of the Master Association.

9. COMPENSATION. Directors shall serve without compensation unless otherwise provided by resolution of the membership. However, the Master Association may reimburse directors for reasonable direct expenses incurred in performing their duties as directors.

10. FIDELITY BONDS. All directors may be bonded by a surety company selected by the board in an amount determined by the board to be sufficient to insure the proper handling of all cash funds and other corporate assets. The cost of such bond shall be paid by the Master Association.

V. OFFICERS

1. NUMBER. The officers shall be a president, a vice president a secretary and a treasurer, each of whom shall be elected by the board of directors. Such assistant officers as may be deemed necessary may be elected by the board of directors. The president and secretary may not be the same person. Officers must be members of the Master Association or a person exercising the membership rights of an Owner that is not a natural person, or a person appointed by the Developer. The president must be a member of the board of directors. All officers shall serve without compensation unless otherwise provided by resolution of the membership. However, the Master Association may reimburse officers for reasonable direct expenses incurred in performing their duties as officers.

2. ELECTION AND TERM. Each officer shall be elected annually by the board of directors at the first meeting of directors following the annual meeting of members and shall hold office until his

successor shall have been elected and duly qualified, unless sooner removed by the board of directors.

3. PRESIDENT. The president shall be the principal executive officer of the Master Association and shall supervise all of the affairs of the Master Association. He shall preside at all meetings of the members and of directors. He shall sign all documents and instruments on behalf of the Master Association.

4. VICE PRESIDENT. In the absence of the president, the vice president shall perform the duties of the president, and when so acting, shall have the powers and responsibilities of the president. The vice president shall, moreover, perform any duties designated by the board of directors.

5. SECRETARY. The secretary may countersign all documents and instruments on behalf of the Master Association, record the minutes of meetings of members and directors, and give notices required by these Bylaws or the Declaration. The minutes shall be kept in a book available for inspection by Owners, or their authorized representatives, and board members at any reasonable time. These minutes shall be retained by the secretary for the Master Association for a period of not less than seven years. He shall have custody and maintain the records of the Master Association, other than those maintained by the treasurer.

6. TREASURER. The treasurer shall have custody of all funds of the Master Association, shall deposit the same in such depositories as may be selected as hereinafter provided, shall disburse the same, and

shall maintain accounting records of the Master Association and Chestnut Creek according to good accounting practices, which shall be available for inspection by any member or his authorized representative during the business hours on any week day. These accounting records shall be kept and maintained in Sarasota County, Florida.

At the discretion of the board of directors, the functions of the treasurer may be delegated to and performed by a financial institution or an accounting firm, or a manager or management firm located in Sarasota County. No bond will be required of any financial institution or certified public accountants, but shall be required of other firms or persons.

7. FIDELITY BONDS. All officers or directors who control or disburse funds of the Association shall be bonded by a surety company selected by the board in an amount determined by the board to be sufficient to insure the proper handling of all cash funds and other corporate assets, but in no event in a principal sum of less than \$10,000 for each such officer or director. The cost of the bond shall be paid by the Master Association.

8. LIABILITY AND INDEMNIFICATION. Officers shall not be liable to the members or the Master Association for any mistake of judgment and shall only be liable for their own individual willful misconduct or bad faith. The Master Association shall indemnify and hold harmless each officer against all contractual liability to others arising out of contracts made on behalf of the Master Association unless such contract shall have been made in bad faith. Officers shall have no personal liability with respect to any contract made by them on behalf of the Master Association.

9. REMOVAL. Any officer may be removed by two-thirds' vote of the board of directors called for that purpose and the vacancy thereby created shall be filled by an election by the remaining directors at the same meeting.

VI. MANAGER AND EMPLOYEES

The board of directors may employ the services of a manager or management firm and other employees and agents as they shall determine appropriate to actively manage, operate, and care for property in Chestnut Creek, with such powers and duties and at such compensation as the board may deem appropriate and provide for by resolution.

VII. CONTRACTS AND FINANCES

1. CONTRACTS. The board of directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Master Association. This authority may be general or confined to specific instances.

2. LOANS. No loans shall be contracted on behalf of the Master Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. The board may authorize the pledge and assignment of any regular or special assessment and the lien rights of the Master Association as security for the repayment of loans.

3. CHECKS, DRAFTS, ETC. All checks, drafts and other orders for payment of money, notes, or other evidences of indebtedness

issued in the name of the Master Association shall be signed by such officer or officers, agent or agents of the Master Association and in such manner as shall be determined by resolution of the board of directors.

4. DEPOSITS. All funds of the Master Association not otherwise employed shall be deposited to the credit of the Master Association in savings and loan associations, banks, trust companies, or other depositories selected by the board of directors.

5. FISCAL YEAR. The fiscal year of the Master Association shall begin on the first day of January of each year.

6. BUDGET AND PROCEDURE. Notice of any meeting at which the annual budget shall be considered by the board of directors shall be given as provided in Article IV, Section 5. The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications.

VIII. VACANCIES

A vacancy in any office or in the board of directors shall be filled by the board of directors although less than a quorum remains by reason of such vacancy.

XI. AMENDMENTS

These Bylaws may be altered, amended or rescinded by the Developer, while it controls the Master Association, and thereafter, by a simple majority vote of all voting rights of all members of the Master Association.

X. REGULATIONS

The board of directors may from time to time adopt such uniform administrative rules and regulations governing the details of the operation of Chestnut Creek, and restrictions upon and requirements respecting the use, maintenance and appearance of the Common Areas and Limited Common Areas of Chestnut Creek as may be deemed necessary and appropriate from time to time to assure the use and enjoyment of all Owners and to prevent unreasonable interference with the use and enjoyment of the Common areas and Limited Common Areas. However, rules and regulations may not be contrary to the Declaration, the Articles of Incorporation, and these Bylaws. A copy of such regulations shall be furnished upon request to each Owner and subsequent purchasers of lots and shall be posted and remain available in the offices of the Master Association. The Master Association may charge a reasonable fee in connection with a transfer or sale of a lot of parcel in Chestnut Creek, or in connection with any approval required of the Master Association.

XI. COMMITTEES

The board of directors may establish such standing or special committees as the board may, from time to time, deem advisable. Each committee thus established shall consist of a chairman and two or more members, one of whom shall be a member of the board of directors.

XII. ARCHITECTURAL REVIEW BOARD

Provisions have been made in the Declaration for review and approval or disapproval of improvements on the property, buildings, and other matters. Any or all of these rights and powers may be assigned and delegated by Developer to the Chestnut Creek Master Association, Inc. If and to the extent that these rights and powers (review powers) are assigned and delegated to the Chestnut Creek Master Association, Inc., and unless they are further assigned and delegated to another non-profit corporation as provided in the Declaration, they shall be exercised in the following manner:

A. The review powers shall be administered and exercised by an architectural review board (ARB), which shall consist of three members appointed annually by the board of directors. The members need not be members of the Master Association. The Developer shall have the right to appoint all of the members of the ARB, or such lesser number as it may choose, as long as it owns at least one lot or other property in Chestnut Creek. There shall, at all times, be at least one architect or licensed building contractor appointed as a member of the ARB.

B. The ARB may establish guidelines for improvements to property in Chestnut Creek to supplement criteria established in the Declaration, which shall be referred to as the architectural planning criteria, and which shall initially be approved by the board of directors and by the Developer. Any modification or amendment of the architectural planning criteria must be approved by the board of

directors, and also by the Developer as long as Developer owns at least one lot, parcel or other property in Chestnut Creek.

C. All decisions of the ARB shall be submitted in writing to the board of directors and to the Owner or party submitting the matter for decision to the ARB. Any Owner or party aggrieved by a decision of the ARB shall have the right to have the board of directors review the decision, provided that a written request for review, stating in brief terms the reasons why the review is sought, is filed at the principal office of the Master Association within 30 days from the date a copy of the decision of the ARB is either personally delivered or from the date the ARB's decision is placed in the U.S. mail, addressed to the Owner or other party, with postage prepaid. The matter shall be decided by the board of directors within 60 days from the date the request for review is filed. The Owner shall be notified at least 14 days in advance of the meeting of the board of directors at which the matter will be considered, and shall have the right to attend the meeting and be heard on the matter. The decision of the board of directors shall be final and binding.

D. The ARB may, subject to approval of the board of directors, adopt a schedule of reasonable fees for processing requests for ARB approval. Such fees shall be payable to the Master Association at the time the material or information is submitted to the ARB for approval. The ARB shall be under no obligation to consider requests for approval until such fees are paid in full.

XIII. SEAL

The board of directors shall provide a corporate seal, circular in form, showing the corporate name, the year and the state of incorporation, and the words "corporation not for profit".

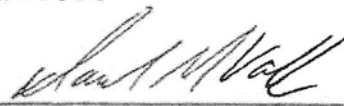
XIV. COLLECTION OF ASSESSMENTS

Assessments for the payment of maintenance assessments shall be made and collected in the manner provided in the Declaration.

These Bylaws of the Chestnut Creek Master Association, Inc., a non-profit corporation existing under the laws of the State of Florida, were adopted at the first meeting of the Board of Directors on _____, 1985.


Secretary

Approved:


President