

BY-LAWS

OF

THE INLETS AT RIVERDALE, INC.
A Corporation Not for Profit

ARTICLE I. IDENTIFICATION

1.1 Identity: These are the By-Laws of The Inlets at Riverdale, Inc., a corporation not for profit organized and existing under the laws of Florida, hereinafter called "Master Association."

1.2 Purpose: The Master Association has been organized for the purpose of perpetuating the maintenance of, preserving, managing and exercising architectural control over the Lots, Parcels, and Common Property within The Inlets at Riverdale ("The Inlets"), a planned development located within the unincorporated area of Manatee County, Florida in accordance with the Master Declaration of Covenants, Conditions, Restrictions and Easements for The Inlets at Riverdale, herein called the "Master - Declaration," and to promote the health, safety and welfare of the Owners and occupants of The Inlets.

1.3 Office: The office of the Master Association shall be at 1205 Manatee Avenue West, Bradenton, Florida, 34205, until otherwise changed by the Board.

1.4 Fiscal Year: The fiscal year of the Master Association shall be the calendar year.

1.5 Seal: The seal of the corporation shall bear the name of the corporation, the word "Florida," the words "corporation not for profit," and the year of incorporation.

ARTICLE II. MEMBERS

2.1 Qualification: The Members of the Master Association shall consist of the Declarant, Nordic of Florida Development, Inc., a Florida corporation, and all of the record Owners of Lots or Parcels in The Inlets which are subject to the Master Declaration, in accordance with the Master Declaration until such time as the Declarant Membership is terminated and converted to Regular Membership as provided by the terms of the Master Declaration.

2.2 Change of Membership: Change of membership in the Master Association shall be established by recording in the Public Records of Manatee County, Florida, a deed or other instrument establishing a change in record title to a Lot or Parcel. Upon the happening of such event, the Owner established by such instrument shall thereupon become a Member of the Master Association, and the

membership of the prior Owner shall be terminated. The Master Association may establish reasonable rules and regulations for the provision to it of appropriate notice and evidence of such change of ownership, including, but not limited to, delivery to the Master Association of a copy of such instrument. Until appropriate evidence of such change of ownership as may be reasonably required by the Master Association is furnished to it, the Master Association may rely upon its record of Members.

2.3 Multiple Owners: When a Lot or Parcel is owned by more than one person, whether as co-tenants, joint tenants, tenants by the entirety or otherwise, each Owner shall be a Member of the Master Association by virtue of being a record Owner of an interest in a Lot or Parcel. Lessees of Lots or Parcels shall not be Members. All matters of voting shall, however, be determined as provided in Article III.

2.4 Restraint Upon Assignment of Membership, Shares and Assets: The membership of an Owner, and the share of a Member in the funds and assets of the Master Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenant to his Lot or Parcel.

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

ARTICLE III. VOTING

3.1 Voting Rights: The Regular Member or Members who are the record Owners of each Lot or Parcel in the Inlets shall be collectively entitled to one (1) vote for each Index Point assigned to each Lot or Parcel as provided in the Master Declaration and the Articles. A vote may not be divided. The number of votes that the Declarant Member is entitled to cast shall be as specified in the Master Declaration and shall be decreased from time to time as provided in the Master Declaration until such time as the Declarant Member shall be deemed a Regular Member.

3.2 Voting Procedure: The single or multiple Owners of each Lot or Parcel who are Regular Members shall have one vote for each Index Point assigned to each Lot or Parcel owned and the Declarant Member shall have the number of votes provided for in the Master Declaration. All determination of requisite majorities and quorums for all purposes under the Master Declaration, the Articles and these By-Laws shall be made by reference to the number of votes of the Regular Members entitled to vote, plus the number of votes, if any, to which the Declarant Member is entitled to vote. Decisions of the Master Association shall be made by a majority of the votes entitled to be cast by Members represented at a meeting at which a quorum is present, unless a greater percentage is required by the Master Declaration, the Articles, or these By-Laws.

3.3 Quorum: A quorum shall exist when the Members representing a majority of all votes are present, either in person, by designated voting representative or by proxy.

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

- (a) Single Owner: If the Lot or Parcel is owned by one natural person, that person shall be entitled to cast the votes for his Lot or Parcel.
- (b) Multiple Owners: If a Lot or Parcel is owned by more than one person, either as co-tenants or joint tenants, the person(s) entitled to cast the votes for the Lot or Parcel and the number of votes each person is entitled to cast shall be designated by a certificate signed by all of the record Owners and filed with the Secretary of the Master Association.
- (c) Corporations: If a Lot or Parcel is owned by a corporation, the officers or employees thereof entitled to cast the votes for the Lot or Parcel and the number of votes each person is entitled to cast shall be designated by a certificate executed by an executive officer of the corporation and attested by the Secretary or an Assistant Secretary, and filed with the Secretary of the Master Association.
- (d) Partnership: If a Lot or Parcel is owned by a general or limited partnership, the general partner(s) entitled to cast the votes for the Lot or Parcel and the number of votes each person is entitled to cast shall be designated by a certificate executed by all general partners and filed with the Secretary of the Master Association.
- (e) Trustees: If a Lot or Parcel is owned by a trustee or trustees, such trustee or trustees shall be entitled to cast the votes for the Lot or Parcel. Multiple trustees shall designate a single trustee, or a beneficiary entitled to possession, and a single trustee may likewise designate such beneficiary as the person entitled to cast the votes for the Lot or Parcel by a certificate executed

by all trustees and filed with the Secretary of the Master Association.

- (f) Estates and Guardianships: If a Lot or Parcel is subject to administration by a duly authorized and acting Personal Representative or Guardian of the property, then such Personal Representative or Guardian shall be entitled to cast the votes for such Lot or Parcel upon filing with the Secretary of the Master Association a current certified copy of his Letters of Administration or Guardianship.
- (g) Tenants by the Entirety: If a Lot or Parcel is owned by a husband and wife as tenants by the entirety, they may designate the voting member(s) in the same manner as other multiple Owners. If no certificate designating a voting Member is on file with the Master Association, and only one of the husband and wife is present at a meeting, he or she may cast the votes for their Lot(s) or Parcel(s) without the concurrence of the other Owner.
- (h) Certificate: Whenever a certificate designating a voting representative is permitted or required, such certificate shall, once filed, be valid until revoked. If a certificate is not filed, the Lot or Parcel shall not be counted in determining a quorum, unless all Owners required to execute such certificate are present, in person or by proxy, and such Lot or Parcel Owners shall lose their vote on any particular matter unless they concur on the manner in which the vote of the Lot or Parcel is to be cast on that matter.
- (i) Limitation: If there has been a change in ownership of a Lot or Parcel, until such change has been approved by the Master Association as required by the Master Declaration, the vote attributable to such Lot or Parcel shall not be counted for any purpose.

3.5 Approval or Disapproval of Matters: Whenever the decision of any Lot or Parcel Owner is required upon any matter, whether or not the subject of an Master Association meeting, such decision shall be expressed by the same person who would cast the vote of such Owner if at an Master Association meeting, unless the joinder of record Owners is specifically required by the Master Declaration or these By-Laws.

3.6 Proxies: Except for the election of members of the Board of Directors, votes may be cast in person or by limited proxy. A proxy shall be in writing and signed by the designated voting representative(s), or the Owner, if no voting representative(s) have been designated. Except as permitted by applicable statutes, a general proxy shall not be used. A proxy shall be valid only for

the particular meeting designated in the proxy, and must be filed with the Secretary of the Master Association before the appointed time of the meeting or any adjournments thereof. A properly executed and delivered proxy may be revoked by a writing delivered to the Secretary prior to the appointed time of the meeting or any adjournments thereof, or by the attendance in person of the persons executing said proxy at any meeting or adjournment thereof. In no event shall a proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given.

3.7 Method of Voting: Subject to the provisions of the Master Declaration and applicable statutes, voting may be by roll call, voice vote or by written ballot; provided that whenever written approval is required by the Master Declaration, or whenever any amendment to the Master Declaration is proposed, or when any borrowing of funds, pledge, or other disposition of Common Property or asset is proposed, the voting shall be by written ballot. Routine matters such as approval of minutes, adjournment, acceptance of reports, parliamentary questions and social business may be determined by "yeas" and "nays," provided, that any twenty-five (25) voting Members, or the chairman, may require a roll call vote.

ARTICLE IV. MEETINGS OF MEMBERS

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

4.2 Special Meetings: Special meetings of the Members shall be held whenever called by the President, or Vice President, or by a majority of the Board, and must be called by such officers upon receipt of a written request from voting Members entitled to cast votes for not fewer than ten percent (10%) of the total number of votes.

4.3 Notice of Meeting: Reasonable notice of all meetings of the Members, stating the time, place and the objects for which the meeting is called, shall be given by any officer unless waived in writing. All such notices shall be given in writing to each Neighborhood Association, at the address of such Association as it appears on the books of this Mater Association, or as such Association may have otherwise directed in writing, and shall be mailed or delivered not fewer than ten (10) days, nor more than thirty (30) days, prior to the date of the meeting. The notice for any meeting at which Assessments against Lot or Parcel Owners are to be considered shall advise of the nature of such Assessments and

that such Assessments will be considered. Notice of meetings may be waived in writing before, during or after meetings.

4.4 Place: Meetings of the Master Association Members shall be held at such place as the Board may designate in the Notice of Meeting.

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

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

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

4.7 Action Without Meeting: Whenever the affirmative vote or approval of the Members is required or permitted by the Master Declaration or these By-Laws such action may be taken without a meeting if Members entitled to cast not fewer than the minimum number of votes necessary to authorize such action if such meeting were held and all members entitled to vote on such action were present and voted, shall agree in writing that such action be taken and waive the necessity of such meeting. Provided, however, that if a greater percentage approval is required, then not less than such percentage must so agree in writing. Provided further that the Master Declaration, Articles and these By-Laws may not be amended without a meeting. Notice of the action so taken shall be given in writing to all Members who did not approve such action in writing within twenty (20) days of such approval.

4.8 Proviso: Provided, however, that until the Declarant has terminated its control of the Master Association and its affairs in accordance with the Master Declaration, the proceedings of all meetings of the Members of the Master Association shall have no effect unless approved by the Board, except for any rights of the Regular Members to elect Directors.

ARTICLE V. DIRECTORS

5.1 Number: The affairs of the Master Association shall be managed by a Board of not less than three (3) nor more than five (5) Directors, the exact number to be determined by the Members from time to time as provided in the Master Declaration. Until the number of directors is increased as otherwise provided by the Master Declaration, there shall be three (3) Directors.

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

- (a) Election of Directors shall be held at the annual meeting of the Members. A nominating committee of not less than three (3) nor more than five (5) Members may be appointed by the Board not less than thirty (30) days prior to the annual meeting of the Members. The nominating committee shall nominate at least one (1) person for each Directorship. Other nominations may be made from the floor, and nominations for additional directorships, if any, created at the meeting shall be made from the floor.
- (b) The election of directors shall be by ballots, and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. Proxies may not be used for casting ballots in an election of directors. There shall be no cumulative voting.
- (c) Any Director may be recalled and removed from office, with or without cause, by the vote or agreement in writing by a majority of votes entitled to be cast by all Members, including the Declarant. A special meeting of the Master Association Members to recall a member or members of the Board may be called by ten percent (10%) of the Members giving notice of the meeting as required for a meeting of Master Association Members, and the notice shall state the purpose of the meeting. The vacancy in the Board so created shall be filled by vote of the Members of the Master Association at the same meeting subject to the rights of the Declarant provided by Paragraph 5.2(d) below.
- (d) The Declarant shall be vested with the power to designate the Board, the members of which need not be Owners of Lots in The Inlets until such time as Declarant Membership ceases as provided in the Master Declaration. A director designated by the Declarant may be removed upon the election of the Declarant and a replacement designated by the Declarant. The initial Board shall serve until the first election of Directors unless earlier removed by the Declarant. Any vacancies

occurring prior to the first election shall be filled by the remaining Directors.

- (e) When Declarant membership terminates and the Declarant Member is deemed to be a Regular Member pursuant to Section 3.2 of the Master Declaration, then the Declarant shall call a special meeting within sixty (60) days after such date. Such meeting shall be called on not fewer than thirty (30) nor more than forty (40) days notice. At such special meeting, all Regular Members shall elect a Board of Directors, to serve until the annual meeting date that is not fewer than eighteen (18) months following such election. Thereafter, Directors shall be elected annually at the annual meeting.
- (f) Declarant may waive its right to elect any one or more Directors, which waiver shall apply only to the specific election at which the waiver is made. If Declarant does waive such right, the Regular Members shall elect the Board member or members who would otherwise have been elected or designated by Declarant.

5.3 Term: The term of each Director's service shall extend to the next annual meeting of the Members and thereafter until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided.

5.4 Qualifications: Directors may, but need not, be Member of the Master Association; provided, however, that any Director elected or designated by Declarant pursuant to the Master Declaration, the Articles, and these By-Laws need not be Members. An officer of any corporate owner and a general partner of any partnership owner shall be deemed Members for the purposes of qualifying for election to the Board.

5.5 Vacancies: Except as otherwise provided herein, if the office of any Director becomes vacant, whether by reason of death, resignation, retirement, disqualification, incapacity or otherwise, a majority of the remaining Directors shall select a successor, who shall hold the office for the unexpired term of Director he is replacing. Vacancies following removal of office pursuant to Section 5.2(c) shall be filled as therein provided. Any vacancy in the Board occurring during the time that the Declarant Member and Regular Members share authority to elect and designate Directors shall be filled in the manner in which the Director who has vacated his office was originally elected or designated; i.e., if elected by Regular Members, the vacancy shall be filled by special election by Regular Members and if designated or elected by Declarant, then Declarant shall select and designate a person to fill such vacancy.

5.6 Disqualification and Resignation: Any Director may resign at any time by sending written notice to the Secretary of the Master Association. Such resignation shall take effect upon

receipt by the Secretary, unless otherwise specified in the resignation. Any Director who is a Member of the Master Association shall be deemed to have resigned if he transfers his Lot so that he ceases to be a Member of the Master Association. After the Declarant has transferred control of the Master Association pursuant to the Master Declaration, more than three (3) consecutive unexcused absences from regular Board meetings shall be deemed a resignation, which shall be effective upon acceptance by the Board.

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

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

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

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

5.11 Notice: Notice of each regular or special meeting shall be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the meeting date. All notices shall state the time and place of the meeting, and if a special meeting, the purposes thereof. Any Director may waive notice of a meeting before, during or after the meeting and all such waivers shall be deemed equivalent to the giving of notice. Attendance by a Director at a meeting shall be deemed a waiver of Notice by him.

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

5.13 Adjourned Meeting: If, at any meeting of the Board, there be less than a quorum present, the majority of those present

may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

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

5.15 Conference Telephone Meetings: The Board of Directors or a committee thereof may participate in a meeting by using conference telephones or similar communication equipment which permits all persons participating in the meeting to hear each other at the same time. Participation in this manner shall constitute presence in person at the meeting.

5.16 Meetings Open: Meetings of the Board shall be open to all Lot Owners, and notices of such meeting shall be posted conspicuously forty-eight (48) hours in advance of such meeting for the attention of Lot Owners except in an emergency.

5.17 Presiding Officer: The presiding officer at Directors' meetings shall be the President. In the absence of the President the Vice President shall preside. In the absence of both, the Directors present shall designate one of their members to preside.

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

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

ARTICLE VI. POWERS AND DUTIES OF BOARD OF DIRECTORS

The Board shall have all powers, authority, discretion and duties necessary for the administration and operation of The Inlets, the Master Association and Common Property, except as may be reserved or granted to the Owners, Declarant or a specific committee or committees of the Master Association by the Master Declaration, the Articles or these By-Laws. The powers of the Board shall include, but shall not be limited to, the following

6.1 General Powers: All powers specifically set forth in the Master Declaration, Articles and these By-Laws, and all powers incident thereto or reasonably to be inferred therefrom.

6.2 Enforcement: The Board shall enforce by legal means, provisions of the Master Declaration, the Articles, the By-Laws, the Architectural Standards and other Rules and Regulations for the use of the property of the Master Association. In the event that the Board determines that any Owner is in violation of any of the provisions of the Master Declaration, By-Laws, Articles, the Architectural Standards or other Rules and Regulations, the Board, or an agent of the Board designated for that purpose, shall notify the Owner of the nature of the violation. If said violation is not cured within five (5) days after the date of such notice, or if said violation consists of acts or conduct by the Owner, and such acts or conduct are repeated, the Board may exercise the responsibilities and rights as provided in the Master Declaration, including the levy of a fine for each offense against the Owner, the amount of such fine shall be in such reasonable amount as may be established from time to time by the Board, as being sufficient to encourage appropriate observance of applicable provisions of the Master Declaration, By-Laws and Rules and Regulations. Each day during which the violation continues shall be deemed a separate offense. Such fines shall be assessed as a Special Assessment against the Lot Owner and shall constitute a lien upon the Lot or Parcel of such Owner, and may be foreclosed by the Master Association in the same manner as any other lien; provided that before foreclosure of any lien arising from such a fine, the defaulting Owner shall be entitled to a hearing before the Board or other Committee so designated in the Master Declaration, upon reasonable written notice, specifying the violations charged and may be represented by counsel; provided further that no fine may be levied in any event against the Declarant. In addition, the Board may suspend the right of any Member to use facilities located on the Common Property for any period during which any Assessment against his Lot or Parcel remains unpaid and delinquent, and may likewise suspend such right for a period not to exceed thirty (30) days for any single infraction of the Rules and Regulations of the Master Association. Provided, however, that any suspension of such right to the use of facilities, other than for failure to pay Assessments, shall be made only after a hearing before the Board, upon reasonable written notice to the Owner, specifying the violations charged. At any such hearing, the Owner may be represented by counsel.

6.3 Budget and Assessments: To adopt budgets and make Assessments, and to use and expend Assessments and other receipts of the Master Association to carry out the powers and duties of the Master Association pursuant to the Master Declaration and By-Laws.

6.4 Employment: To employ, dismiss, control and contract for personnel and contractors for the administration and operation of the Master Association and Common Property, including but not

limited to managers, maintenance personnel, attorneys, accountants and other professionals, by employment or contract, as the Board may determine.

6.5 Rules and Regulations: To adopt, amend and rescind reasonable rules and regulations relating to the administration of the Master Association and operation and use of the Common Property, subject to the Master Declaration and By-Laws. Provided, however, that any rules or regulations adopted by the Board or other committee so designated in the Master Declaration may be supplemented, amended or rescinded by affirmative vote of the Owners entitled to cast three-fourths (3/4) of the votes of the Owners present at the meeting except that no such vote of the Owners to supplement, amend or rescind a rule adopted by the Board shall be effective unless the written consent and joinder of the Declarant shall also be obtained during any period of time in which the Declarant owns any portion of The Inlets. Any such rules or regulations approved by the Owners shall not thereafter be amended or rescinded except upon affirmative vote of the Owners entitled to cast sixty-six (66%) of the total votes of the Owners.

6.6 Committees and Boards: To create and disband such committees and boards as the Board may from time to time determine as reasonably necessary or useful in and about the administration and operation of The Inlets, the Master Association and Common Property, and to delegate such authority to such committees as may be reasonable in connection with their purpose, subject always to the provisions of the Master Declaration, Articles and By-Law. All committees of the Master Association shall keep records and conduct meetings in the same manner, to the extent applicable, as is required of the Board. Nothing contained herein shall restrict the authority of the Owners to create, elect and disband such committees, or from modifying the duties and responsibilities of such committees. Any such action of the Owners shall not be amended or rescinded except by the Owners. Nothing contained herein shall be deemed to restrict the authority of the President of the Master Association from appointing advisory committees not inconsistent with committees created by the Board and the Owners. Subsequent to the termination of the Declarant's right to appoint a majority of the Board, the Architectural Review Committee (ARC) shall consist of not less than three (3) nor more than five (5) members but during the period the Declarant can appoint a majority of the Board, the Committee shall consist of two (2) persons appointed by the Declarant and the persons appointed shall serve until replaced by Declarant or until the Declarant no longer has the right to appoint a majority of the Board, whichever first occurs. Except as provided, the members of the ARC shall be appointed by the Board. The ARC members shall select their own chairman. Terms of the ARC members shall be for two (2) years, and the terms shall be staggered so that no more than two (2) members are appointed for the same term.

ARTICLE VII. OFFICERS

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

7.2 President: The President shall be the chief executive officer of the Master Association. He shall have all of the powers and duties which are usually vested in the office of President of an Master Association; including but not limited to the power to appoint advisory committees from time to time, from among the Members or others as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Master Association. He shall serve as Chairman at all Board and Membership meetings.

7.3 Vice President: The Vice President shall, in the absence or disability of the President exercise the powers and perform the duties of the President. He shall also generally assist the President, and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

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

7.5 Treasurer: The Treasurer shall have the custody of all the property of the Master Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Master Association in accordance with good accounting practices and provide for collection of Assessments and he shall perform all other duties incident to the Office of Treasurer. All such records shall be retained for not less than seven (7) years.

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

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

ARTICLE VIII. FISCAL MANAGEMENT

The provisions for fiscal management of the Master Association set forth in the Master Declaration shall be supplemented by the following provisions:

8.1 Accounting: Receipts and expenditures of the Master Association shall be credited and charged to such accounts as the Board, in consultation with its accountants, shall from time to time determine to be necessary, reasonable or appropriate. Such accounts may include various categories of current expenses and receipts, contingency funds, reserves for deferred maintenance, capital expenditures and replacements and such additional accounts as the Board may from time to time establish.

8.2 Budget: The Board shall adopt a budget for each calendar year which shall include the estimated funds required to defray the current expenses and may provide funds for reserves and funds for specifically proposed betterments and approved improvements.

8.3. Procedures: The Board shall adopt a budget in accordance with the Master Declaration.

8.4 Assessments: Regular Assessments against an Owner for his share of the items of the budget shall be made in advance on or before December 31 preceding the year for which the Assessment is made. Such Assessment shall be due either annually or, at the discretion of the Board, in four (4) equal quarterly installments, which shall come due on the 1st day, of January, April, July and October of the year for which the Assessments are made. If a Regular Assessment is not made as required, an Assessment shall be presumed to have been made in the amount of the last prior Assessment and monthly payments thereon shall be due from the 1st day of each month until changed by an amended Assessment. In the event the Regular Assessment proves to be insufficient, the budget may be amended at any time by the Board and a Special Assessment.

levied. The Special Assessment shall be due on the 1st day of the month next following the month in which the Special Assessment is made or as otherwise provided by the Board. The first Regular Assessment shall be determined by the Board of the Master Association. Other Special Assessments may be made from time to time by the Board as provided in Section 5.04 of the Master Declaration, with Master Association approval where required. In addition to Regular Assessments and Special Assessments, the Master Association and Board may levy other Assessments in accordance with the provisions of the Master Declaration.

8.5 Acceleration of Assessments: Upon default in payment, the Board may elect to accelerate remaining installments of Regular, Supplemental or Special Assessments, and such Assessments shall stand accelerated thirty (30) days after delivery or receipt of such notice of election to or by the delinquent Lot Owner, or thirty (30) days after mailing of such notice of election by certified or registered mail, whichever first occurs.

8.6 Expenditures: All funds of the Master Association shall be expended only upon authorization of the Board. Approval of the budget shall be deemed authority to expend funds for the items and contingency funds within the budget. Funds derived from Special Assessments and funds in reserves shall be expended solely for the purpose for which such Assessment was made or reserve established. Notwithstanding the foregoing, amounts and reserves may be used from time to time to make otherwise authorized expenditures pending receipt of payment of assessments or other sums due as a method of management of cash flow provided that funds borrowed from reserves or other special purpose accounts are restored when cash flow again permits. This provision shall not be deemed to permit the Board to expend reserves or other special purpose funds for expenses in excess of budgeted expenses unless same are replaced by funds derived from assessments or other receipts not designated for such reserves or special purpose accounts. Contingency funds may be expended for any legitimate purpose by action of the Board.

8.7 Depository: The depository of the Master Association shall be such bank or banks as shall be designated from time to time by the Directors, and in which the moneys of the Master Association shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such persons as are authorized by appropriate resolution of the Board. Funds of the Master Association may be commingled or kept in separate accounts, but any such commingling shall not alter the accounting designated pursuant to Section 8.1 hereof.

8.8 Financial Report: After the Declarant transfers complete control of the Master Association, a report of the accounts of the Master Association shall be made annually by the Board, and a copy of the report shall be furnished to each Member not later than April 1 of the year following the year for which the report is

made. At least every three (3) years, the report shall include a review or an audit by an independent certified public accountant

8.9 Fidelity Bonds: Fidelity Bonds shall be required by the Board from all persons handling or responsible for Master Association's funds. The amounts of such bonds shall be determined by the Board of the Master Association. The premiums on such bonds shall be paid by the Master Association as a common expense.

ARTICLE IX. PARLIAMENTARY RULES

Roberts Rules of Order, the latest edition, shall govern the conduct of the meetings of the Master Association, the Board and Committees of the Master Association when not in conflict with the Master Declaration, Articles or these By-Laws.

ARTICLE X. AMENDMENTS

These By-Laws may be amended by Members of the Master Association at any regular or special meeting duly called for that purpose by the affirmative vote of an absolute majority of all votes entitled to be cast. No Amendment shall be made that is in conflict with the Articles or the Master Declaration and no amendment may be made without the prior written consent and joinder of the Declarant during any period of time in which the Declarant is a Declarant Member of the Association. Amendments to the By-Laws shall not be effective until they have been certified by an authorized officer of the Master Association and a copy of the Amendment is recorded in the books of the Master Association. Prior to the Turnover Date, these By-Laws may also be amended by the Declarant Members as provided in the Master Declaration.

ARTICLE XI. MISCELLANEOUS

The provisions of these By-Laws shall be construed together with the Master Declaration and the Articles. In the event of a conflict between the provisions hereof and the provisions of the Master Declaration, the provisions of the Master Declaration shall control. The provisions hereof shall be liberally construed to grant to the Master Association sufficient practical authority to operate the Subdivision. Whenever the context so requires, the use of any gender herein shall be deemed to include all genders, and the use of the plural shall include the singular and the singular shall include the plural. Unless the context shall otherwise require, terms used herein shall have the same meanings as set forth in the Master Declaration.

Until such time as the Declarant, or any Successor Declarant, shall no longer own any portion of The Inlets, the Master Association, its Directors and officers, shall take all such actions as may be necessary or appropriate to enable the Declarant to exercise any power or authority reserved by the Declarant

its benefit in either the Master Declaration, the Articles or these By-Laws.

The foregoing was adopted as the By-Laws of The Inlets at Riverdale, Inc. at the first meeting of the Board on the 25th day of February, 1994.

By: 
Richard B. Bishop, President