

EXHIBIT "C"

BY-LAWS

OF

DISCOVERY POINTE HOMEOWNER'S ASSOCIATION, INC.

a corporation not for profit
under the laws of the State of Florida

I. IDENTITY

These are the By-Laws of DISCOVERY POINTE HOMEOWNER'S ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, hereinafter referred to as the "Association", the Articles of Incorporation of which were filed in the Office of the Secretary of State of Florida, and subject to the Charter granted by the Secretary of State and the Declaration of Covenants and Restrictions of Discovery Pointe affecting the land and all improvements thereon known as DISCOVERY POINTE, hereinafter referred to as the "Project". The Association has been organized for the purpose of administering the Project upon certain lands in Broward County, Florida.

1. The office of the Association shall be at the address set forth in the Articles of Incorporation or at such other place as may be designated by the Board of Directors from time to time.
2. The fiscal year of the Association shall be the calendar year.
3. 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.

II. MEMBERS' MEETINGS

1. The annual members' meeting shall be held at such site as may be designated by the Board of Directors on the 15th day of March each year, for the purpose of electing directors and of transacting any other business authorized to be transacted by the members, provided, however, if that day is a legal holiday, or a Saturday or Sunday the meeting shall be held at the same hour on the next succeeding day.
2. Special members' meetings shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors and must be called by such officers upon receipt of a written request from twenty-five (25%) percent of the members.
3. Notice of all members' meetings stating the time and place and the objects for which the meeting is called shall be given by the President or Secretary-Treasurer, unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be sent by mail to each member not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting, and the post office certificate of mailing shall be retained in the records of the Association as proof of such mailing. The person giving the notice shall also furnish an affidavit attesting to such mailing. In addition, a notice of the meeting shall be posted at a conspicuous place on the Project property at least fourteen (14) days prior to said meeting. Members may waive notice of specific meetings and may take action by written agreement without meeting. The Institutional Mortgagee holding the greatest dollar amount of mortgages on the units shall, upon written request, be entitled to

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receive notice of all members' meetings. Failure to provide such notice shall not invalidate any action taken at an otherwise properly noticed meeting.

4. The percentage of members of voting rights required to make decisions and to constitute a quorum shall be a majority of the owners of the units. Decisions shall be made by owners of a majority of the units represented at a meeting at which a quorum is present. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof within ten (10) days after such meeting shall constitute the presence of such member for the purpose of determining a quorum.

5. Each unit shall be entitled to one (1) vote. The vote of the owners of a unit owned by more than one person or by a corporation or other entity shall be cast by the person named in a certificate signed by all of the owners of the unit and filed with the Secretary-Treasurer of the Association. Such certificate shall be valid until revoked by a subsequent certificate. If such certificate is not on file, the vote of such owners shall not be considered in determining the requirements for a quorum nor for any other purposes, provided, however, a spouse shall be entitled to cast the vote for a unit owned by husband and wife in the absence of the other spouse.

6. Votes may be cast in person or by proxy. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof and must be filed with the Secretary at or before the appointed time of the meeting. In no event shall any proxy be valid for a period of longer than ninety (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 member executing it.

7. Approval or disapproval of a member upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such member if in an Association meeting.

8. If any meeting of members cannot be organized because a quorum of unit owners 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.

9. The order of business at annual members' meetings and, as far as practicable at all other members' meetings, shall be:

- A. Call to Order
- B. Election of Chairman of the meeting
- C. Calling of the roll and certifying of proxies
- D. Proof of notice of meeting or waiver of notice
- E. Reading and disposal of any unapproved minutes
- F. Report of Officers
- G. Report of Committees
- H. Election of Directors
- I. Unfinished Business
- J. New Business
- K. Adjournment

10. For so long as the Developer holds units for sale in the ordinary course of business, or until the Developer terminates its control of the Association, as provided for herein, whichever shall first occur, the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors. Further, provided that for so long as the Developer holds units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

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A. Assessment of the Developer as a unit owner for capital improvements.

B. Any action by the Association that would be detrimental to the sale of units by the Developer as determined by the Developer in its sole discretion. An increase in assessments for common expenses without discrimination against the Developer shall not be deemed to be detrimental to the sale of units.

11. The term "Developer" as used in these By-Laws shall mean ZAHN ATLANTIC DEVELOPMENT CORPORATION, a Florida Corporation, its successors and assigns, particularly including, but in no way limited to, successors through mortgage foreclosure or grantees of deeds in lieu of foreclosure, unless the context otherwise requires.

III. DIRECTORS

1. The affairs of the Association shall be managed by a Board of Directors who shall be members of the Association, excepting that the first Board of Directors and their successors appointed by the remaining Directors shall consist of three (3) Directors who need not be members of the Association, and thereafter the membership of the Board shall consist of not less than three (3) Directors. Within these limits, the Board of Directors may from time to time increase or decrease the number of persons to serve on the Board.

2. Election of Directors shall be conducted in the following manner:

A. Members of the Board of Directors shall be elected by a plurality of the votes cast at any annual meeting of the members of the Association. There shall be no cumulative voting. The President may appoint a nominating committee which shall nominate a minimum of one (1) member of the Association for each office coming vacant. This nominating process shall not preclude any member desiring to be a candidate for membership on the Board of Director from being nominated from the floor.

B. Vacancies in the Board of Directors may be filled by the remaining Directors subject to the provisions of Paragraph 2.C. of this Article. A Director appointed to fill a vacancy in office shall serve the remainder of the term of the office to which he is appointed.

C. The Directors named in the Articles of Incorporation shall serve until the first election of Directors, and any vacancies in office occurring before the first election shall be filled by the remaining Directors and such successor Directors need not be members of the Association. In the event there are not remaining Directors then any such vacancies shall be filled by the Developer.

(a) At such time as fifteen (15%) percent or more of the units are owned by unit owners other than the Developer, the unit owners other than the Developer shall be entitled to elect not less than one third (1/3) of the members of the Board of Directors of the Association.

(b) Unit owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board of Directors of the Association three (3) years after sales by the Developer have been closed of fifty (50%) percent of the units that will be operated ultimately by the Association, or three (3) months after sales have been closed by the Developer of ninety (90%) percent of the units that will be operated ultimately by the Association, or when all of the units that will be operated ultimately by the Association have been completed and some of them have been sold and none of the

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others are being offered for sale by the Developer in the ordinary course of business, whichever shall first occur.

(c) The Developer shall be entitled to elect not less than one (1) member of the Board of Directors of the Association as long as the Developer holds for sale in the ordinary course of business at least five (5%) percent of the units that will be operated ultimately by the Association.

(d) As to the election of Directors pursuant to Subparagraphs (a), (b) and (c), within sixty (60) days after Unit Owners other than the Developer are entitled to elect a member or members of the Board of Directors of the Association, the Association shall call and give not less than thirty (30) days nor more than forty (40) days notice of a meeting of the Unit Owners for this purpose.

(e) Nothing in this subparagraph shall be construed so as to preclude the Developer from relinquishing control of the Board of Directors at any time the Developer may so elect.

3. At the first Election at which all of the members of the Board of Directors are elected by Unit Owners other than the Developer, the majority of those Directors receiving the most votes shall serve for a two (2) year term and the remaining Directors shall serve for a one (1) year term. Thereafter, each Director's service shall extend for a two (2) year period and thereafter until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided. Prior to the first election at which all of the members of the Board of Directors are elected by Unit Owners other than the Developer, the term of office of each Director elected by the members shall extend until the next annual meeting of the members and thereafter until his successor is duly elected or qualified or until he is removed in the manner elsewhere provided.

4. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their 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 organizational meeting shall be necessary providing a quorum shall be present.

5. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph at least three (3) days prior to the date named for such meeting unless such notice is waived. Notice of all meetings of the Board shall be posted in a conspicuous place on the project property for the benefit of Unit Owners at least 48 hours in advance of such meetings, except in an emergency. All meetings of the Board of Directors shall be open to all members of the Association who shall attend as observers unless called upon by the chairman of the meeting to participate.

6. Special meetings of the Directors may be called by the President and must be called by the Secretary-Treasurer at the written request of one-third (1/3) of the votes of the Board. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

7. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Any Director's attendance at a meeting shall constitute a waiver of the notice of that meeting.

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8. A quorum at Director's meetings shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors. If at any meeting of the Board of Directors 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 an adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice. A Director may join in the action of a meeting by signing a concurrence in the minutes thereof within ten (10) days after such meeting but such concurrence shall not constitute the presence of such Director for the purpose of determining a quorum at the meeting.

9. The presiding officer of Directors' meetings shall be the President of the Association. In the absence of the President, the Vice-President shall preside.

10. Directors' fees, if any, shall be determined by the members of the Association.

11. Any member of the board of administration may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all unit owners. A special meeting of all the unit owners to recall a member or members of the board of administration may be called by 10 percent of the unit owners giving notice of the meeting as required for a meeting of unit owners, and the notice shall state the purpose of the meeting.

IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association shall be exercised by the Board of Directors including those existing under the common law and statutes, the Articles of Incorporation of the Association and the Declaration of Restrictions. Such powers and duties of the Directors shall be exercised in accordance with the provisions of the Declaration of Covenants and Restrictions which governs the use of the land, and shall include but not be limited to the following:

1. To adopt a budget and to make and collect assessments against members to defray the costs of the maintenance and administration of the project.
2. To use the proceeds of assessments in the exercise of its powers and duties.
3. To maintain, manage, repair, replace and operate the project, including but not limited to, obtaining and maintaining adequate insurance to protect the Association and the Project property.
4. To reconstruct improvements after casualty and to construct further improvements to the Project property.
5. To make and amend rules and regulations respecting the use of the Project property. Such rules and regulations may be promulgated by the Board of Directors at any duly noticed meeting of the Board or of the members.

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6. To enforce by legal means the provisions of the Project Documents, the Articles of Incorporation, the By-Laws, and the Rules and Regulations of the Association.

7. To contract for management of the Project and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the Project Documents to have approval of the Board of Directors or members of the Association.

8. To pay taxes and assessments which are liens against any part of the project other than individual units and the appurtenances thereto, and to assess the same against the Unit Owner subject to such liens.

9. To pay the cost of all power, water, sewer and other utility services rendered to the Project and not billed to owners of individual units.

10. To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association, including but not limited to accountants and attorneys.

11. To bond any and all employees, Officers and Directors of the Association, for which the Association shall bear the cost.

V. OFFICERS

1. The executive officers of the corporation shall be a President, a Vice President and a Secretary-Treasurer, all of whom shall be Directors who shall be elected annually by the Board of Directors who shall be elected annually by the Board of Directors at its first meeting following the annual meeting of the Association. No person may hold two or more offices. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board determines necessary to manage the affairs of the Association.

2. The President shall be the chief executive of the Association. He shall have all of the powers and duties which are usually vested in the office of President of an Association, including but not limited to the power of appointing committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association.

3. The Vice President shall in the absence of or disability of the President exercise the powers and 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.

4. The Secretary-Treasurer shall keep the minutes of the proceedings of the Directors and the members in a book available for inspection by the Directors or members, or their authorized representatives, at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years. He shall attend to the giving and serving of all notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall have custody of all property of the Association, including financial records, funds, securities and evidences of indebtedness. He shall keep the financial records of the Association and shall

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keep the assessment rolls, the accounts of the members, and the books of the Association in accordance with good accounting practices. He shall perform all other duties incident to the office of Secretary-Treasurer of an Association and as may be required by the Directors or the President.

5. The compensation of all employees of the Association shall be fixed by the Directors. This provisions shall not preclude the Board of Directors from employing a Director or Officer as an employee of the Association nor preclude the contracting with a Director for the management of the Project.

VI. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration of Covenants and Restrictions and the Articles of Incorporation shall be supplemented by the following provisions:

1. Assessments.

A. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each unit. Such an account shall designate the name and address of the owners or owner, the dates and amount in which the assessments come due, the amount paid upon the account and the balance due upon assessments. Assessments shall be made against members not less frequently than quarterly in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. In the absence of a determination by the Directors as to the frequency of assessments, assessments shall be due and payable monthly. The personal liability of a Unit Owner for assessments shall survive the termination of such Unit Owner's membership in the Association.

B. Any member shall have the right to require from the Association a certificate showing the amount of unpaid assessments against him with respect to his Unit. The holder of a mortgage or other lien shall have the same right as to any Unit upon which he has a lien. Any person who relies upon such certificate shall be protected thereby.

C. Notice of any meeting, whether a meeting of the Board of Directors or of the members of the Association, at which assessments against members are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of each assessment.

2. Budget.

A. The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the costs of performing the functions of the Association and estimates of the income of the Association. The proposed annual budget of Common Expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications. The budget shall include but not be limited to the following items:

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(a) Common Expense Budget

- i. Administration of the Association
- ii. Management fees, if applicable
- iii. Maintenance
- iv. Insurance
- v. Security, if applicable
- vi. Other expenses
- vii. Operating capital
- viii. Reserves
- ix. Utilities

(b) Proposed assessment against each member, together with an annual total of assessments.

B. Copies of the proposed budget and proposed assessments shall be transmitted to each member thirty (30) days prior to the meeting at which the budget is to be considered, together with a notice of the meeting which shall state the time and place of the meeting. The meeting shall be open to all members. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member. If an adopted budget requires assessments against the members in any fiscal or calendar year exceeding 115 percent of the assessments for the preceding year, the Board of Directors, upon written application of 10 percent of the members of the Association to the Board of Directors, shall call a special meeting of the members of the Association within thirty (30) days, upon not less than ten (10) days written notice to each member of the Association. At the special meeting, members shall consider and enact a budget. The adoption of the budget at such a special meeting shall require a vote of a majority of all members. The Board of Directors may propose a budget which exceeds 115 percent of the assessments for the preceding year to the members at a meeting of the members or in writing and if the budget or proposed budget is approved by the members at the meeting or by a majority of all unit owners in writing the budget shall be adopted. In determining whether assessments exceed 115 percent of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacements of the Project property, anticipated to be incurred on a regular or annual basis, or assessments for capital improvements to the Project property shall be excluded from the computation. However, as long as the Developer is in control of the Board of Directors, the Board of Directors shall not impose an assessment for any year greater than 115 percent of the prior fiscal or calendar years assessment without approval of a majority of all members of the Association.

3. The depository of the Association shall be such bank or banks located in Broward County, Florida, as shall be designated from time to time by the Directors and from which the monies in such account shall be withdrawn only by checks signed by such persons who are authorized by the Directors.

4. Within sixty (60) days following the end of the Association's fiscal year, the Board of Directors shall mail or furnish by personal delivery to each member a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall also be furnished to any Institutional Mortgagee upon written request. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications, including, if applicable, but not limited to the following:

A. Cost for security

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- B. Professional and management fees and expenses
- C. Taxes
- D. Cost for recreational facilities
- E. Expenses for refuse collection and utility services
- F. Expenses for lawn care
- G. Cost for building maintenance and repair
- H. Insurance cost
- I. Administrative and salary expenses
- J. General reserves, maintenance reserves and depreciation reserves

5. The Board of Directors shall obtain fidelity bonding of all Officers and Directors who control or disburse funds of the Association. The amount of such bonds shall be determined by the Directors. The premiums on such bonds shall be paid by the Association as a common expense.

VII. PARLIAMENTARY RULES

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

VIII. AMENDMENTS

Amendments to the By-Laws shall be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

2. Until the first election of all members of the Board of Directors by members other than the Developer, proposal of an amendment and approval thereof shall require only the affirmative action of a majority of all of the Directors, and no meeting of the members of the Association nor any approval thereof need be had.

3. In addition to the procedure set forth in Section 2 above, an amendment may be proposed by either the Board of Directors or by the membership of the Association. Except as otherwise provided herein, a proposed amendment must receive approval of not less than a majority of all the Directors and not less than a majority of all the members of the Association. Directors and members not present at the meeting considering the amendment may express their approval in writing within ten (10) days after such meeting.

4. An amendment when adopted shall become effective only after being recorded in the Public Records of Broward County, Florida.

5. These By-Laws shall be amended, if necessary, so as to make the same consistent with the provisions of the Declaration of Covenants and Restrictions. No By-Laws shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text underlined, and words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted but instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of By-Law. See By-Law . . . for present text." Nonmaterial errors or omissions in the By-Law amendment process shall not invalidate an otherwise properly promulgated amendment.

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IX. SEVERABILITY AND CONFORMITY TO STATE LAW

These By-Laws are to be governed by and construed according to the laws of the State of Florida. If it should appear that any of the provisions hereof are in conflict with the Declaration of Covenants and Restrictions or any rule of law or statutory provision of the State of Florida, then such provisions of these By-Laws shall be deemed inoperative and null and void insofar as they may be in conflict therewith, and shall be deemed modified to conform to the Declaration of Covenants and Restrictions or such rule of law.

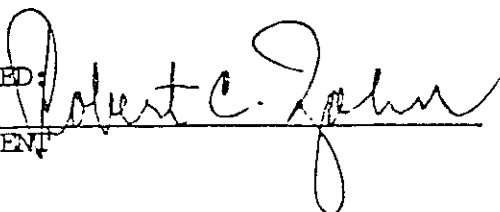
X. BILL OF RIGHTS

The Association has, by this document, been granted an extensive variety of powers to be exercised by the Association, its Board of Directors, and/or its Corporate Officers. The use, misuse, and/or improper, unwise, unjust, or discriminatory use of such powers have choked the courts with unnecessary and needless litigation, caused Association members unnecessary and needless expense, and have contributed to the decline in property values of housing units governed by the Homeowner's Associations. Accordingly, anything to the contrary notwithstanding, no act, rule, expense, or activity may be undertaken by the Association in any manner or form concerning or pertaining to the following without first obtaining the written consent of 80% of all members of the Association. This paragraph may not be amended without approval of at least 80% if all Board of Directors and at least 80% of all members of the Association:

1. Every member has the right to sell, lease, mortgage or convey any interest in his unit, for any period of time, to any individual or entity of his choosing. The Association shall have no right to first refusal, no right of approval or disapproval, no right to require any application, no right to require any application fee, and no right to in any manner or form to hinder, delay or interfere with any unit owner's right to freely alienate his unit by sale, lease or mortgage.
2. Other than in pursuance of maintenance or special assessment collection, the Association shall have no right to levy any fine or penalty, against any member.
3. The Association may make no rule interfering, amending or altering the rule concerning pets described in paragraph 9. H. of the Declaration of Covenants and Restrictions of Discovery Pointe.
4. The Association may make no rule or regulation the result of which would be discriminatory because of age. All human beings, regardless of age shall have the right to occupy units. The intent of this paragraph is not to unreasonably interfere with the reasonable health and safety rules such as prohibitions of use of the swimming pool by children without adult supervision.
5. The Association may undertake no litigation, the cost and expense of which may reasonably be expected to exceed \$1,000.00, whether to be reimbursed or not with the exception of assessment collection.

The foregoing were adopted as the By-Laws of DISCOVERY POINTE HOMEOWNER'S ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on the 31st day of December, 1986.


SECRETARY-TREASURER

APPROVED: 
PRESIDENT

RECORDED IN THE OFFICIAL RECORDS BOOK
OF BROWARD COUNTY, FLORIDA
F. T. JOHNSON
COUNTY ADMINISTRATOR

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