

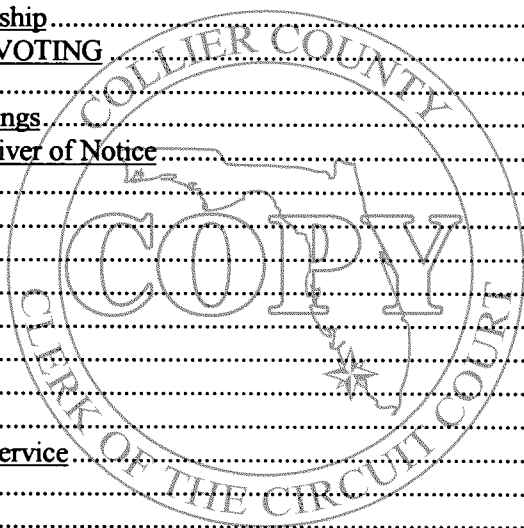
BYLAWS
FOR
MILANO SECTION II RESIDENTS' ASSOCIATION, INC.



EXHIBIT C

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FOR
BYLAWS
OF
MILANO SECTION II RESIDENTS' ASSOCIATION, INC.

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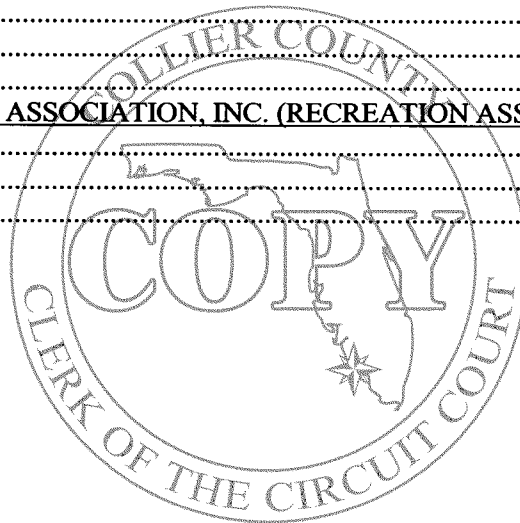
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BYLAWS**MILANO SECTION II RESIDENTS' ASSOCIATION, INC.**

1. **GENERAL**: These are the Bylaws of Milano Section II Residents' Association, Inc., hereinafter the "Association", a corporation not for profit organized under the laws of Florida for the purpose of operating Milano Section II (the "Neighborhood") pursuant to the Florida Not-For-Profit Corporations Act.

1.1 **Principal Office**. The principal office of the Association is c/o Pulte Home Corporation, 9148 Bonita Beach Road, Suite 102, Bonita Springs, FL 34135.

1.2 **Seal**. The seal of the Association shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "not for profit." The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the corporation where a seal may be required.

1.3 **Definitions**. The definitions set forth in the Declaration of Covenants, Conditions and Restrictions for Milano Section II (the "Declaration"), and Sec. 720.301, F.S., (2004), shall apply to terms used in these Bylaws.

2. **MEMBERS**:

2.1 **Qualifications**. The members of the Association shall be the record owners of legal title to the Parcels in the Neighborhood (except as expressly stated to the contrary herein, the terms "Parcels", "Lots", "Units" and "Living Units" shall be utilized interchangeably). In the case of a Parcel subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the Parcel for purposes of determining voting and use rights. Membership shall become effective upon the occurrence of the last to occur of the following events.

- (A) Recording in the Public Records of a Deed or other instrument evidencing legal title to the Parcel.
- (B) Approval by the Board of Directors as provided for in the Declaration.
- (C) Delivery to the Association of a copy of the recorded deed or other instrument evidencing title.
- (D) Delivery to the Association, if required, of a written designation of a primary occupant.

2.2 **Voting Interest**. The Class A Members of the Association are entitled to one (1) vote for each Parcel owned by them. The total number of Class A votes shall not exceed the total number of Parcels subject to the Declaration. Prior to Transition (as referenced in Section 15 of the Declaration), the Class B Member shall be entitled to a number of votes equal to the total number of Parcels owned by the Class A Members plus one (1) vote. After Transition, the Class B Member shall be entitled to one (1) vote for each Parcel owned by the Class B Member. If a Parcel is owned by one natural person, his right to vote shall be established by the record title to the Parcel. If a Parcel is owned jointly by two or more natural persons, that Parcel's vote may be cast by any one of the record owners. If two or more owners of a Parcel do not agree

among themselves how their one vote shall be cast, that vote shall not be counted for any purpose. If the owner of a Parcel is a corporation, partnership, limited liability company, trust or other entity other than a natural person, the vote of that Parcel shall be cast by any officer, director, partner, managing member, member, or trustee, as the case may be.

2.3 Approval or Disapproval of Matters. Whenever the decision or approval of the Owner of a Parcel is required upon any matter, whether or not the subject of a Association meeting, such decision or approval may be expressed by any person authorized to cast the vote of such Parcel at an Association meeting as stated in Section 2.2 above, unless the joinder of all record owners is specifically required.

2.4 Change of Membership. Following written approval of the Association, as elsewhere required herein, a change of membership in the Association shall be established by the new member's membership becoming effective as provided in 2.1 above. At that time the membership of the prior owner shall be terminated automatically.

2.5 Termination of Membership. The termination of membership in the Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Neighborhood during the period of his membership, nor does it impair any rights or remedies which the Association may have against any former owner or member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

3. MEMBERS' MEETINGS: VOTING:

3.1 Annual Meeting. There shall be an annual meeting of the members in each calendar year. The annual meeting shall be held in Collier, Florida, each year at a day, place and time designated by the Board of Directors, for the purpose of electing Directors and transacting any business duly authorized to be transacted by the members.

3.2 Special Members' Meetings. Special members' meetings must be held whenever called by the President or by a majority of the Directors, and may also be called by members having at least twenty-five percent (25%) of the voting interests. The business at any special meeting shall be limited to the items specified in the notice of meeting.

3.3 Notice of Meetings: Waiver of Notice. Notice of all members' meetings must state the time, date, and place of the meeting, and include an agenda for the meeting. The notice of meeting must be mailed to each member at the address which appears on the books of the Association, or may be furnished by personal delivery. The member is responsible for providing the Association with notice of any change of address. The Notice of Meeting must be mailed or delivered at least fourteen (14) days before the meeting. An affidavit of the officer or other person making such mailing shall be retained in the Association records as proof of mailing. Attendance at any meeting by a member constitutes waiver of notice by that member unless the member objects to the lack of notice at the beginning of the meeting. A member may waive notice of any meeting at any time, but only by written waiver. Notice to the members of meetings of the Board, meetings of a committee requiring notice in the same manner as meetings of the Board, and annual and special meetings of the members, may be electronically transmitted in the manner set forth in Section 617.0141, Florida Statutes (except as limited by the Act and these Bylaws). Notice to the members by electronic transmission is effective: when actually transmitted by facsimile telecommunication, if correctly directed to a number at which the member has consented to receive notice; when actually transmitted by electronic mail, if correctly directed to an electronic mail address at which the member has consented to receive notice. Notice is also effective when posted on an electronic network that the member has consented

to consult, upon the later of: such correct posting; or the giving of a separate notice to the member of the fact of such specific posting; or when correctly transmitted to the member, if by any other form of electronic transmission consented to by the member to whom notice is given. Consent by a member to receive notice by electronic transmission shall be revocable by the member by written notice to the Association. Any such consent shall be deemed revoked if: the Association is unable to deliver by electronic transmission two consecutive notices given by the Association in accordance with such consent; and such inability becomes known to the Secretary, Assistant Secretary or other authorized person responsible for the giving of notice. However, the inadvertent failure to treat such inability as a revocation does not invalidate any meeting or other action. The member is responsible for providing the Association with notice of any change of mailing address, facsimile number or electronic mail address. To the extent that a member has provided the Association with a facsimile number or electronic mail address and consented to receive notices by electronic transmission, such information shall be considered an "official record" until the member has revoked his consent. However, the Association is not liable for an erroneous disclosure of electronic mail address or facsimile number. As used in these Bylaws, the term "electronic transmission" means any form of communication, not directly involving the physical transmission or transfer of paper, which creates a record that may be retained, retrieved, and reviewed by a recipient thereof and which may be directly reproduced in a comprehensible and legible paper form by such recipient through an automated process. Examples of electronic transmission include, but are not limited to, telegrams, facsimile transmission of images, and text that is sent via electronic mail between computers. An affidavit of the Secretary, an Assistant Secretary, or other authorized agent of the Association that the notice has been given by a form of electronic transmission is, in the absence of fraud, prima facie evidence of the facts stated in the notice.

3.4 Quorum. A quorum at meetings of the members shall be attained by the presence, either in person or by proxy, of members entitled to cast at least thirty percent (30%) of the votes of the entire membership. After a quorum has been established at a members' meeting, the subsequent withdrawal of any voting members, so as to reduce the number of voting interests represented below the number required for a quorum, shall not affect the validity of any action taken at the meeting before or after such persons leave.

3.5 Vote Required. The acts approved by a majority of the votes cast at a duly called meeting of the members at which a quorum has been attained shall be binding upon all members for all purposes, except where a greater or different number of votes is expressly required by law or by any provision of the governing documents.

3.6 Proxy Voting. To the extent lawful, any member entitled to attend and vote at a members meeting may establish his presence and cast his vote by proxy. A proxy shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting, and no proxy is valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the votes, specify the date, time and place of the meeting for which it is given, and the original must be delivered to the Secretary by the appointed time of the meeting or adjournment thereof. Holders of proxies need not be members. No proxy shall be valid if it names more than one person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy.

3.7 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be reconvened at a specific later time by vote of the majority of the voting interests present in person or by proxy, regardless of whether a quorum has been attained. When a meeting is adjourned it shall be necessary to give notice to all members of the time and place of its continuance regardless of whether such are announced at the meeting being adjourned. Any business which might have been conducted at the meeting

as originally scheduled may instead be conducted at the continuance, provided a quorum is then present, in person or by proxy.

3.8 Order of Business. The order of business at members' meetings shall be substantially as follows:

- (A) Call of the roll or determination of quorum.
- (B) Reading or disposal of minutes of last members meeting
- (C) Reports of Officers
- (D) Reports of Committees
- (E) Unfinished Business
- (F) New Business
- (G) Adjournment

3.9 Minutes. Minutes of all meetings of members and of the Board of Directors shall be kept in a businesslike manner and available for inspection by members or their authorized representatives and Board members at reasonable times and for a period of seven (7) years after the meeting. Minutes must be maintained in written form or in another form that can be converted into written form within a reasonable time. A vote or abstention from voting on each matter voted upon for each director present at a board meeting must be recorded in the minutes.

3.10 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall guide the conduct of the Association meeting when not in conflict with the law, with the Declaration, or with these Bylaws. The presiding officer may appoint a Parliamentarian whose decision on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

4. BOARD OF DIRECTORS: The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration, Articles of Incorporation, and these Bylaws, shall be exercised by the Board, subject to approval or consent of the Parcel owners only when such is specifically required.

4.1 Number and Terms of Service. The number of Directors which shall constitute the whole Board of Directors shall be three (3). The initial Directors shall be appointed by and shall serve at the pleasure of the Developer. At the Transition meeting, and subsequently, Directors shall be elected in accordance with the Act and these Bylaws. Prior to the Transition meeting, the Association shall solicit candidates and any eligible person may place his or her name in nomination. Nominations from the floor shall be accepted only if required by the Act. At the Transition meeting, the two (2) Directors who receive the highest number of votes shall be elected to two (2) year terms, and the remaining director elected shall serve an initial one (1) year term. In the event of a tie vote, or if there are three (3) or fewer candidates, then the candidates shall mutually agree on whom shall serve the longer initial term, or the Association shall conduct a "run-off election". In any subsequent election, a tie vote shall be broken by voluntary agreement or drawing lots between the candidates, or by a "run-off" election. Thereafter, all directors shall serve two (2) year terms. A Director's term will end at the annual election at which his successor is to be duly elected, unless he sooner resigns, or is recalled as provided in 4.4 below.

4.2 Qualifications. Directors appointed by the Developer need not be members. Directors elected by the membership must be a member or the spouse of a member. If a unit is owned by a corporation, partnership, limited liability company or trust, any officer, director, partner, managing member, member, or trustee, as the case may be, shall be eligible to be a Director.

4.3 Vacancies on the Board. If the office of any Director becomes vacant for any reason, other than recall by the membership at a membership meeting, a majority of the remaining Directors, though less than a quorum, shall promptly choose a successor to fill the remaining unexpired term except that vacancies of all Directors appointed by the Developer shall likewise be filled by the Developer. If the Association fails to fill vacancies on the Board sufficient to constitute a quorum, or if no member remains on the Board, the vacancy may be filled by the members (via a special meeting of the membership) or any member may apply to the Circuit Court for the appointment of a receiver to manage the Association's affairs, in the manner provided by Florida law.

4.4 Removal of Directors. Except for Directors appointed by the Developer, any or all Directors may be removed with or without cause by a majority vote of the entire membership, either by a written petition, or at any meeting called for that purpose, in the manner required by Section 720.303(10) of the Act.

4.5 Organizational Meeting. The organizational meeting of a new Board of Directors shall be held within ten (10) days after the election. The organizational meeting may be held immediately following the election, in which case noticing of the meeting may be effectuated by the Board existing prior to the election.

4.6 Other Meetings. Meetings of the Board may be held at such time and place in Collier or Lee County, Florida, as shall be determined from time to time by the President or a majority of the Directors. Notice of meetings shall be given to each Director, personally or by mail, telephone or telegram at least forty-eight (48) hours prior to the day named for such meeting.

4.7 Notice to Owners. A meeting of the Board of Directors occurs whenever a quorum of the Board gathers to conduct Association business. All meetings of the Board of Directors shall be open to members except for meetings between the Board and its attorney with respect to: proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege; or personnel matters. Notices of all Board meetings shall be posted conspicuously in the Neighborhood for at least forty-eight (48) continuous hours in advance of each Board meeting, except in an emergency. In the event of an emergency meeting, any action taken shall be noticed and ratified at the next regular meeting of the Board. In the alternative to the posting requirements discussed above, notice of each Board meeting must be mailed or delivered to each member at least 7 days before the meeting, except in an emergency. . Notice of a Board meeting or committee meeting requiring notice may be provided by electronic transmission to those members who have consented to receiving notice by electronic transmission. An assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessments. Members have the right to speak, for at least three (3) minutes, on any matter that is placed on the Board meeting agenda by petition of the membership pursuant to Section 720.303(2)(d) of the Act. The Association may adopt reasonable, written rules expanding the rights of members to speak and governing the frequency, duration, and other manner of member statements, (including a sign-up sheet requirement), which rules must be consistent with the minimum requirements of Section 720.303(2)(b) of the Act.

4.8 Waiver of Notice. 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. If all Directors are present at a meeting, no notice to Directors shall be required.

4.9 Quorum of Directors. A quorum at a Board meeting shall exist when at least a majority of all Directors are present at a duly called meeting. Directors may participate in any meeting of the Board, by a

conference telephone call or similar communicative arrangement whereby all persons present can hear all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting.

4.10 Vote Required. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum exists shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the governing documents or by applicable statutes. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers.

4.11 Adjourned Meetings. The majority of the Directors present at any meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a specific time and date.

4.12 The Presiding Officer. The President of the Association, or in his absence, the Vice-President, shall be the presiding officer at all meetings of the Board of Directors. If neither is present, the presiding officer shall be selected by majority vote of the Directors present.

4.13 Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.

4.14 Committees. The Board of Directors may appoint from time to time such standing or temporary committees as the Board deem necessary and convenient for the efficient and effective operation of the Association. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. If required by law, committee meetings shall be open to attendance by any member, and notice of committee meetings shall be posted in the same manner as required in Section 4.7 above for Board meetings, except for such committee meetings between the committee and its attorney with respect to: proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege; or personnel matters.

5. OFFICERS:

5.1 Officers and Elections. The executive officers of the Association shall be a President, and a Vice-President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors. Any officer may be removed with or without cause by vote of a majority of all Directors at any meeting. Any person may hold two or more offices. The Board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one Vice-President.

5.2 President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and Directors, shall be ex-officio a member of all standing committees, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect. He shall execute bonds, mortgages and other contracts requiring seal of the Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Association.

5.3 Vice-Presidents. The Vice-Presidents in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall assign.

5.4 Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and shall cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for the purpose, and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the governing documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

5.5 Treasurer. The Treasurer shall be responsible for Association funds and securities, the keeping of full and accurate amounts of receipts and disbursements in books belonging to the Association, and the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He shall oversee the disbursement of the funds of the Association, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at the meetings of the Board, or whenever they may require it, an accounting of all transactions and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated.

6. FISCAL MATTERS: The provisions for fiscal management of the Association set forth in the Declaration shall be supplemented by the following provisions:

6.1 Depository. The Association shall maintain its funds in such financial institutions authorized to do business in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board.

6.2 Budget. The Board of Directors shall adopt a budget of common expenses for each fiscal year. A copy of the proposed budget and a notice stating the time, date and place of the meeting of the Board at which the budget will be adopted shall be mailed to each member not less than fourteen (14) days prior to that meeting, except that no budget meeting shall be required if the Developer has elected to "guaranty" or "subsidize" the budget for that fiscal year. The proposed budget shall reflect the estimated revenues and expenses for that year by categories, as well as the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for recreational amenities, whether owned by the Association, the developer, or another person, if any.

6.3 Reserves for Capital Expenditures and Deferred Maintenance. In addition to annual operating expenses, the proposed budget may include reserve accounts for capital expenditures and deferred maintenance. Any reserves collected may be utilized in the manner the Board determines in its discretion, unless the reserves are specifically classified as "restricted reserves" in which case those funds and any interest thereon shall be utilized only for their intended, restricted purpose, unless a majority of the members present, in person or by proxy, at a meeting called for such purpose, vote to utilize "restricted reserves" for other than the intended, restricted purpose.

6.4 Assessments. Regular annual assessments based on the adopted budget shall be paid either monthly, or quarterly, as determined by the Board. Failure to send or receive notice of assessments shall not excuse

the obligation to pay. If an annual budget has not been adopted at the time the first installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last installment and shall be continued at such rate until a budget is adopted and pro rata assessments are calculated, at which time any overage or shortage shall be added or subtracted from each unit's next due installment.

6.5 Special Assessments. Special assessments may be imposed by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted, or non-recurring expenses. Special assessments are due on the day specified in the resolution of the Board approving such assessments. Subsequent to transition from Developer control of the Board of Directors, no special assessment shall be levied unless it is first approved by two-thirds of the voting interests. Provided however, that no membership approval shall be required for a special assessment that relates to the necessary maintenance, repair, insurance or replacement of a Common Area or if the special assessment is required for the Board of Directors to comply with any law or ordinance, or an order of any municipal, state or federal agency. An assessment may not be levied at a Board meeting unless a written notice of the meeting is provided to each member at least fourteen (14) days before the meeting, which notice includes a statement that assessments will be considered at the meeting and the nature of the assessments. Written notice of any meeting at which special assessments will be considered must be mailed, delivered, or electronically transmitted (to the extent permitted by law) to the members and posted conspicuously on the property or broadcast on closed-circuit television not less than fourteen (14) days before the meeting.

6.6 Fidelity Bonds. The Treasurer, and all other officers who are authorized to sign checks, and all other persons having access to or control of Association funds, shall be bonded in such amounts as may be required by law or otherwise determined by the Board of Directors. The premiums on such bonds shall be a common expense.

6.7 Financial Reporting. Within 60 days following the end of the fiscal year, the Board of Directors shall mail or furnish by personal delivery to each member a financial report for the previous 12 months. The financial report shall be prepared in accordance with Section 720.303(7) of the Act.

6.8 Fiscal Year. The fiscal year shall be the calendar year, unless modified by the Board of Directors.

7. RULES AND REGULATIONS: USE RESTRICTIONS: The Board of Directors may, from time to time, adopt and amend rules and regulations subject to any limits contained in this Declaration. Written notice of any meeting at which rules that regulate the use of Parcels may be adopted, amended, or revoked must be mailed, delivered, or electronically transmitted (to the extent permitted by law) to the members and posted conspicuously on the property or broadcast on closed-circuit television not less than fourteen (14) days before the meeting. A written notice concerning changes to the rules that regulate the use of Parcels must include a statement that changes to the rules regarding the use of Parcels will be considered at the meeting. Copies of such rules and regulations shall be furnished to each Parcel owner. Any rule or regulation created and imposed by the Board must be reasonably related to the promotion of health, happiness and peace of mind of the Parcel owners and uniformly applied and enforced. Subsequent to Transition, and as long as Developer owns a Parcel, no new or amended rule shall be effective unless Developer grants its approval in writing, which approval may be denied in Developer's discretion.

8. COMPLIANCE AND DEFAULT: REMEDIES: In addition to the remedies provided elsewhere in the Declaration, the following provisions shall apply:

8.1 Obligations of members; Remedies At Law Or In Equity; Levy of Fines and Suspension of Use Rights.

(1) Each member and the member's tenants, guests and invitees, are governed by, and must comply with the Act, and the Governing Documents. Actions at law or in equity, or both, to redress alleged failure or refusal to comply with these provisions may be brought by the Association or by any members against:

- (A) The Association;
- (B) A member;
- (C) Any director or officer who willfully and knowingly fails to comply with the provisions of and the Governing Documents; and
- (D) Any tenants, guests, or invitees occupying a Parcel.

The prevailing party in any such litigation is entitled to recover reasonable attorney's fees and costs. This section does not deprive any person of any other available right or remedy. Certain disputes must be submitted to dispute resolution procedures conducted by the Division of Florida Land Sales, Condominiums and Mobile Homes ("Division") as more particularly set forth in Section 720.311 of the Act

(2) The Association may levy reasonable fines against Parcel owners, in those cases in which owners commit violations of the Act, the provisions of the Governing Documents, or condone such violations by their family members, tenants, guests, invitees. The fines shall be in an amount deemed necessary by the Board to deter future violations, but in no event shall any fine exceed the maximum amounts allowed by law. The procedure for imposing such fines shall be as follows:

- (A) A fine may not be imposed without notice of at least fourteen (14) days to the person sought to be fined and opportunity for hearing before a committee of at least three members appointed by the Board who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother, sister of an officer, director or employee, and the notice shall include:
 - (1) A statement of the date, time and place of the hearing;
 - (2) A statement of the provisions of Florida law and the Governing Documents which have allegedly been violated; and,
 - (3) A short and plain statement of the matters asserted by the Association; and,
- (B) The party against whom the fine may be levied shall have a reasonable opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved, and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. The Parcel owner shall be the party ultimately responsible for payment of a fine, regardless of whether the fine relates to conduct by a tenant, family member, invitee or guest. Fines shall not be secured by a lien against the Parcel, unless permitted by the Act.
- (C) If the Committee, by majority vote, does not approve the fine, it may not be imposed.

(D) The Association may not suspend the voting rights of a member.

8.2 Availability of Remedies. Each member, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of violations regardless of the harshness of the remedy utilized by the Association and regardless of the availability of other legal remedies. It is the intent of all members to give the Association methods and procedures which will enable it to operate on a businesslike basis, to collect those monies due it and to preserve the majority's right to enjoy the community free from unreasonable restraint and annoyance.

9. AMENDMENT OF BYLAWS: Amendments to these Bylaws shall be proposed and adopted in the following manner:

9.1 Proposal. Amendments to these Bylaws may be proposed by the Board of Directors or by written petition to the Board signed by the owners of at least one-fourth (1/4) of the Parcels.

9.2 Procedure. Upon any amendment or amendments to these Bylaws being proposed by said Board or Parcel owners, such proposed amendment or amendments shall be submitted to a vote of the owners not later than the next annual meeting for which proper notice can still be given.

9.3 Vote Required. Prior to transition of control of the Board of Directors from the Developer of the Neighborhood, amendments shall be adopted by the Board of Directors. Subsequent to transition of control of the Board of Directors, a proposed amendment to these Bylaws shall be adopted if it is approved by at least two-thirds (2/3rds) of the voting interests at any annual or special meeting called for the purpose, provided that notice of the proposed amendment has been given to the members in accordance with law. As long as Developer owns a Parcel in the Neighborhood, an amendment to the Bylaws shall not be effective without the prior written consent of Developer, which consent may be denied in Developer's discretion, provided, further, that regardless of whether Developer owns a Parcel, no amendment shall be effective if it affects Developer's rights or alters a provision herein made for Developer's benefit. Amendment of these Bylaws requires prior written approval of HUD/VA as long as there is a Class B membership.

9.4 Certificate; Recording. A copy of each adopted amendment shall be attached to a certificate that the amendment was duly adopted as an amendment to the Bylaws, which certificate shall be in the form required by law and shall be executed by the President or Vice-President with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Collier County, Florida.

10. MILANO RECREATION ASSOCIATION, INC. ("RECREATION ASSOCIATION") Members of the Recreation Association shall have votes cast on their behalf at meetings of the Recreation Association by a Representative, as more particularly described in the Milano Documents.

11. MISCELLANEOUS:

11.1 Gender. Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, as the context requires.

11.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

The foregoing were adopted as the first Bylaws of MILANO SECTION II RESIDENTS' ASSOCIATION, INC. on this 25th day of July, 2005.


EDWIN D. STACKHOUSE, PRESIDENT

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