EXHIBIT "C"

BYLAWS
OF
ST. JOHNS FOREST MASTER
PROPERTY OWNERS ASSOCIATION, INC.

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BYLAWS
OF
ST. JOHNS FOREST MASTER
PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE 1
IDENTITY

1. **Name.** The name of the corporation is **St. Johns Forest Master Property Owners Association, Inc.** (the "**Association**").

2. **Principal Office**. The initial principal office of the Association is at 2220 CR210 West, Suite 108, Jacksonville, Florida 32259. Mailings to the Association should be sent to the principal office, together with a copy to the Association c/o Taylor Woodrow Communities, 8430 Enterprise Circle, Suite 100, Bradenton, Florida 34202.

3. **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 "corporation 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 Association where a seal may be required.

4. **Adoption**. These bylaws ("**Bylaws**") have been adopted as the Bylaws of the Association.

5. **Definitions**. Terms used in these Bylaws capitalized but not defined here are defined in the Declaration of Covenants, Conditions, Restrictions and Easements for St. Johns Forest (the "**Declaration**") and shall have the same meaning in these Bylaws as in the Declaration.

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ARTICLE 2
POWERS AND DUTIES OF THE ASSOCIATION AND THE EXERCISE THEREOF

The Association shall have all powers granted to it by Florida law, the Declaration, the Articles of Incorporation and these Bylaws, all of which shall be exercised by its Board of Directors unless the exercise thereof is otherwise restricted in the Declaration, the Articles, these Bylaws or by law. As provided by Florida law, the Association shall have the power to own and convey property, and to sue and be sued.

ARTICLE 3
MEMBERSHIP

1. **Membership and Voting**. The Association shall have the following two (2) classes of membership: Class "A" Members and the Class "B" Member, as described in the Declaration. The terms of membership described in the Declaration, including, without limitation, voting rights, are incorporated herein by reference.

2. **Turnover Date**. The "**Turnover Date**" shall be the date on which control of the Association's Board of Directors is turned over from the Declarant to the Members. The Turnover Date shall occur on the occurrence of the earlier of the following conditions:

(a) three (3) months after the sale of ninety percent (90%) of the Lots permitted for the Properties to Persons other than Declarant or Merchant Builders (as defined in the Declaration); or

(b) such earlier date, as determined by the Class "B" Member, in its sole and absolute discretion.

The Declarant shall continue to be able to appoint one (1) member to the Board of Directors as long as Declarant or Merchant Builders holds for sale in the ordinary course of business at least five percent (5%) of the Lots. After the Declarant relinquishes control of the Association, the Declarant may exercise the right to vote all of its voting interests in the same manner as any other Member, except for purposes of reacquiring control of the Association or selecting the majority of the members of the Board of Directors.

ARTICLE 4
MEMBERS' MEETINGS

1. **Date and Place of Meetings**. Meetings of the Members shall be held on the date and at the place designated by the Board of Directors in St. Johns County, Florida.

2. **Annual Meetings**. An annual meeting of the Members shall be held once every calendar year. Subject to ARTICLE 5, at each annual meeting, the Members shall elect the Board of Directors of the Association and may conduct such other business as may be properly be brought before the meeting.

3. **Special Meetings**. The President of the Association may call special meetings of the Members. In addition, it shall be the duty of the President to call a special meeting of the Members if so directed by resolution of a majority of the Board of Directors or, if after the Turnover Date, upon a petition signed by the Members representing at least ten percent (10%) of the total votes of the Members of the Association. The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

4. **Notice of Meetings**. Written or printed notice stating the place, day and hour of any meeting of the Members shall be delivered, either personally or by mail or any other manner complying with law, to each Member, not more than fifty (50) nor less than twenty (20) days before the date of such meeting, by or at the direction of the President or the Secretary. In addition, such notice shall be posted in a conspicuous place within the Property on the date of its mailing to the Members.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Members at his or her address as it appears on the records of the Association.

5. **Quorum**. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of Members representing thirty percent (30%) of the total votes in the Association shall constitute a quorum at all meetings of the Association.

6. **Adjournment of Meetings**. If any meeting of the Members cannot be held because a quorum is not present, a majority of the Members who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the

time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed in Section 4 of this ARTICLE 4; however such notice shall be subject to the time constraints of this Section 6.

7. **Vote Required**. When a quorum is present at any meeting, a majority of the votes represented by Members represented (in person or by proxy) at such meeting shall decide any question brought before the meeting, unless the Declaration, the Articles of Incorporation, these Bylaws or any applicable law provides otherwise. In the case of a Member which is a corporation or partnership, the person designated in writing to the Secretary of the Association as the representative of such entity shall be entitled to cast the vote(s) on behalf of such Member. There shall be no cumulative voting for directors.

8. **Proxies**. Members may vote by limited proxy but not by general proxy.

9. **Conduct of Meetings**. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. The Board of Directors may establish policies and rules for conduct at meetings, including reasonable time limits, for member comments.

10. **Recording.** Any Owner may tape record or videotape meetings of the Board of Directors or Members' meetings. The Board of Directors may adopt reasonable rules governing the taping of meetings.

ARTICLE 5
ELECTION OF BOARD OF DIRECTORS

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1. **Number of Directors**. The governance and administration of the affairs of the Association shall be vested in a Board of Directors. The number of directors of the Association shall be not less than three (3) nor more than ten (10). The initial Board shall be those named in the Articles of Incorporation.

2. **Election or Appointment of Directors**. Prior to the Turnover Date, the Declarant shall have the right to appoint all the members of the Board of Directors. The Declarant shall initially appoint three (3) persons who shall serve as the initial Board of Directors. At the meeting of the Members on the Turnover Date, the Board shall be established at an odd number equal to the number of directors to be elected by the Members, which number shall be no more than nine (9), provided in addition to such elected directors, the directors appointed by Declaration as set forth in Article III, Section 2 shall serve. The Declarant shall call for an election to be held on the Turnover Date. On the Turnover Date, the following shall occur: (a) the existing directors shall resign; and (b) the directors elected by the Members shall take office. The Declarant may, in its sole and absolute discretion, permit the Members to elect a portion of the directors earlier than the Turnover Date.

Directors elected by the Members shall serve for annual terms (except the Board of Directors elected on the Turnover Date which shall serve until the next annual meeting) and shall be elected by Members at large. Elections by Members shall be by sealed ballot in accordance

with policies and procedures adopted by the Board of Directors. After the Turnover Date, ballots shall be tallied at the annual meeting.

In addition to any directors elected by the Members representing the Class "A" Members, the Declarant shall have the right to appoint, after the Turnover Date, one (1) director until such time as ninety-five percent (95%) of the Lots in St. Johns Forest are conveyed to Persons other than Merchant Builders.

3. **Qualifications for Election**. Except with respect to directors appointed by the Declarant, all directors shall be Members who are not in arrears in payments due the Association.

4. **Nomination of Directors**. Immediately prior to the Turnover Date and each year thereafter, the Board of Directors will appoint a Nominating Committee consisting of no less than three (3) Members who are not on the Board. The Nominating Committee will nominate qualified candidates for inclusion on the ballot to be mailed to Members. Members nominated by the Nominating Committee who do not desire to run may withdraw upon written notice to the Nominating Committee. Members may nominate themselves as a candidate for the Board at a meeting where the election is to be held.

Any names of any nominees approved by the Nominating Committee, after having been certified by the Secretary or any other officer that they are qualified for election and have been nominated in accordance with the provisions of these Bylaws and the policies adopted by the Nominating Committee shall be included in any ballot mailing to the Members. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members through inclusion of brief resume with the ballot package. The Nominating Committee may develop a standard resume for and dictate maximum resume length, which shall be uniform for all candidates.

Write-in candidates are also permitted.

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Family members of candidates seeking nomination may not sit on the Nominating Committee.

The Nominating Committee shall approve, at a minimum, if sufficient candidates are available, a minimum of two (2) candidates for each position on the Board.

5. **Removal of Directors and Vacancies**. Any director appointed may be removed, with or without cause, only by the party entitled to appoint or elect the director. Any director elected by the Members may be removed, with or without cause, by a petition signed by a majority of the Members who were entitled to elect such director calling for removal. Upon removal of an elected director, a successor shall be appointed by the Board to fill the vacancy for the remainder of the term of such director.

Any elected director who has three (3) consecutive, unexcused absences, as determined by the Board, from Board meetings or any elected director who is delinquent in the payment of any Assessment or other charges due the Association for more than thirty (30) days may be removed by a majority of the directors present at such regular or special meeting at which a quorum is present, and a successor may be appointed by the remaining directors. In the event of the death, disability or resignation of a director elected by the Members, the members of the Board may elect a successor to fill the vacancy for the remainder of the term of such director. In the event the Board does not fill vacancies sufficient to constitute a quorum, any Member may

apply to the circuit court having jurisdiction over the community served by the Association for appointment of a receiver to manage the affairs of the Association. At least thirty (30) days before applying to the circuit court, the Member shall mail to the Association, by certified or registered mail, and post in a conspicuous place on the Property a notice describing the intended action, giving the Association thirty (30) days to fill the vacancies. If during such time the Association fails to fill a sufficient number of vacancies so that a quorum can be assembled, the Member may proceed with the petition. The Association shall be responsible for the salary of the receiver, court costs, attorneys' fees and all other expenses of the receivership. The receiver shall have all the powers and duties of a duly constituted Board of Directors and shall serve until the Association fills a sufficient number of vacancies on the Board to constitute a quorum or until vacancies have been filled by election. The Declarant shall replace its appointed directors upon death, disability, removal or resignation.

6. **Compensation**. No director shall receive a salary or any other compensation whatsoever from the Association for acting as such, but shall be entitled to be reimbursed for expenses reasonably incurred on behalf of the Association.

7. **Fiduciary Duty**. The directors shall act in good faith in a manner they reasonably believe to be in the best interests of the development of St. Johns Forest and the purpose of the Association.

ARTICLE 6
MEETINGS OF BOARD OF DIRECTORS

1. **Organizational Meeting**. The organizational meeting of the Board of Directors shall be held within ten (10) days after the annual meeting of the Members at such time and place as shall be fixed by the Board of Directors.

2. **Regular Meetings**. 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. The Board of Directors shall be required to meet one (1) time per year, provided, commencing with the Turnover Date, at least four (4) regular meetings shall be held during each fiscal year with at least one (1) per quarter. Provided, however, that the annual meeting shall constitute a regular meeting. Notice of the time and place of any meeting shall be posted in a conspicuous place within St. Johns Forest at least forty-eight (48) hours prior to the time of the meeting, unless the meeting is an emergency special meeting. At such time as the Association has one hundred (100) or more Members, notice of meetings of the Board of Directors may be published in community publications or through electronic media or, in the alternative, the Board may provide Members with a pre-arranged schedule of meetings of the Board.

3. **Special Meetings**. Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by any three (3) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The giving of notice of any special meeting shall comply with the notice provisions set forth in Section 2 of this ARTICLE 6.

4. **Meetings Concerning Assessments**. An Assessment may not be approved 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.

5. **Quorum of Board of Directors**. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If any meeting of the Board of Directors cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted.

6. **Conduct of Meetings**. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book containing written records of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings, as well as a notation as to any Director who abstained from voting or voted contrary to the prevailing opinion. No votes at any Board of Directors meeting shall be by proxy or secret ballot, except that secret ballots may be utilized in the election of officers.

7. **Open Meetings**. Except for meetings between the Board of Directors 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, all meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director and granted by the President. In such case, the President may limit the time any Member may speak. Any minutes of meetings between the Board of Directors and its attorney shall be kept confidential.

8. **Telephone Meetings**. Any regular or special meeting of the Board of Directors may be held by telephone or video conference, at which each participating director and Member in attendance can hear and be heard by all other participating directors and Members.

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ARTICLE 7
OFFICERS

1. **Officers**. The officers of the Association shall be a President, Vice President, Secretary and Treasurer to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one (1) or more Vice Presidents, one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary or President and Treasurer.

2. **Election, Term of Office and Vacancies**. The officers of the Association shall be elected at the organizational meeting of the Board of Directors and thereafter, annually by the Board of Directors. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

3. **Removal**. Any officer may be removed by a majority vote of the Board of Directors in the sole discretion of the Board and the removal of a director who also is an officer shall automatically act as a removal from such director's position as an officer.

4. **Resignation**. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at a later time specified in the notice and unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

ARTICLE 8
DUTIES OF OFFICERS

The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as are from time to time specifically conferred or imposed by the Board of Directors.

1. **President**. The President shall be the chief executive officer of the Association and shall:
   (a) Act as presiding officer at all meetings of the Members and the Board of Directors.
   (b) Call special meetings of the Members and the Board of Directors.
   (c) Sign, with the Secretary or Treasurer if the Board of Directors so requires, all checks, contracts, promissory notes, leases, subleases and other instruments on behalf of the Association, except those which the Board of Directors specifies may be signed by other persons.
   (d) Perform all acts and duties usually required of a chief executive to ensure that all orders and resolutions of the Board of Directors are carried out.
   (e) Act as an ex-officio member of all committees and render an annual report at the annual meeting of Members.

2. **Vice President**. The Vice President, in the absence or disability of the President, shall exercise the powers and perform the duties of the President. The Vice President also shall assist the President generally, and exercise other powers and perform other duties as shall be prescribed by the directors.

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3. **Secretary**. The Secretary shall have the following duties and responsibilities:
   (a) Attend all regular and special meetings of the Members and the Board of Directors and keep all records and minutes of proceedings thereof or cause the same to be done.
   (b) Have custody of the corporate seal, if any, and affix the same when necessary or required.
   (c) Attend to all correspondence on behalf of the Board of Directors, prepare and serve notice of meetings and keep membership books.
   (d) Have custody of the minute book of the meetings of the Board of Directors and Members and act as agent for the transfer of the corporate books.

4. **Treasurer**. The Treasurer shall:
   (a) Receive monies as shall be paid into his hands for the account of the Association and disburse funds as may be ordered by the Board of Directors, taking proper vouchers for disbursements and be custodian of all contracts, leases and other important documents of the Association which he or she shall keep or cause to be kept safely deposited.
   (b) Supervise the keeping of accounts of all financial transactions of the Association in books belonging to the Association and deliver the books to his

or her successor. The Treasurer shall prepare and distribute to all of the members of the Board of Directors prior to each annual meeting, and whenever else required, a summary of the financial transactions and condition of the Association from the preceding year. The Treasurer shall make a full and accurate report on matters and business pertaining to his or her office to the Members at the annual meeting and make all reports required by law.

The Treasurer may have the assistance of an accountant or auditor, who shall be employed by the Association. In the event the Association enters into a management agreement, it shall be proper to delegate any or all of the Treasurer's functions to the management agent as is deemed appropriate by the Board of Directors.

ARTICLE 9
MANAGEMENT AND COMMITTEES

1. **Management**. The Association may retain a management company or manager to perform any or all of its functions. The Board of Directors and/or officers may delegate such authority to the management company or manager as is deemed appropriate by the Board of Directors and/or officers from time to time.

2. **Committees**. The Board of Directors, may, from time to time, appoint committees. Any committee appointed by the Board shall perform such tasks, serve for such periods, and operate in accordance with the terms of a resolution adopted by the Board.

3. **Neighborhood Committee.** A committee for each Neighborhood which is not subject to Neighborhood Documents may be established. If a Neighborhood Committee is to be established, at such time as ninety percent (90%) of the Lots within the Neighborhood are conveyed to Persons other than Merchant Builders, the Neighborhood Committee shall be elected or appointed as determined by Supplemental Declaration. A Neighborhood Committee shall solely be advisory to the Board of Directors on governing issues affecting the Neighborhood and maintenance of Exclusive Common Areas. A Neighborhood Committee shall not be required for any Neighborhood subject to Neighborhood Documents, in such event the Board of Directors of the Neighborhood Association acting as the Neighborhood Committee. Prior to election of a Neighborhood Committee, the Declarant may appoint the Neighborhood Committee, members of which shall not be required to be Owners within the Neighborhood or Class "A" members.

4. **Powers of Committees**. The several committees shall provide advice and recommendations, however such committees and the individual members thereof shall have no duty, power or authority to act on behalf of the Board of Directors or the Association. All committees shall be advisory only and shall report to and be under the supervision of the Board of Directors. Committee members may be removed, with or without cause, upon majority vote of the Board of Directors.

5. **Committee Meetings**. All committee meetings shall be open to all Members. Notice of the time and place of any committee meeting shall be posted in a conspicuous place upon the Property at least forty-eight (48) hours prior to the time of the meeting. At such time as the Association has one hundred (100) or more Members, notice of committee meetings may be published in community publications or through electronic media or, in the alternative, each committee may provide Members with a pre-arranged schedule of meetings.

6. **Design Review Committee**. The Design Review Committee shall be organized and governed by the Declaration. The Association does not have the right to appoint the Design Review Committee prior to the Declarant's initial sale of Lots to be developed in St. Johns Forest to Persons other than Merchant Builders.

ARTICLE 10
ENFORCEMENT

1. **Enforcement**. The Board of Directors shall have the power to (a) impose reasonable fines, not to exceed any maximum amount provided by law per violation, which shall constitute an automatic and continuing lien upon the Lot of the violating Owner, (b) preclude contractors, subcontractors, agents and other invitees of an Owner or occupant from St. Johns Forest for violation of any duty imposed under the Declaration, these Bylaws or the Rules and Regulations, (c) suspend an Owner's and his or her family or guests' right to use the Common Areas, provided, however, nothing herein shall authorize the Association or the Board of Directors to limit an Owner's or occupant's ingress and egress to or from their Lot, (d) suspend of use of automatic or electronic gate openers; and (e) suspend the vote allocated to a Class "A" Member for nonpayment of Common Assessments delinquent in excess of ninety (90) days. In the event that any occupant of an Owner's Lot violates the Declaration, these Bylaws or the Rules and Regulations and a fine is imposed, the fine shall first be assessed against the occupant residing therein; provided, however, if the fine is not paid by the occupant within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Association. Fines may be levied on a periodic basis for continuing violations, each such day or period being deemed a separate violation. Fines are considered Benefit Assessments. The failure of the Board of Directors to enforce any provision of the Declaration or Bylaws shall not be deemed a waiver of the right of the Board of Directors to do so thereafter.

2. **Notice**. Prior to imposition of any sanction hereunder which involves a fine or exclusion from access to use any portion of the Property for a period in excess of fourteen (14) days, the Board of Directors or its delegate shall serve the accused with written notice describing

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(a) the general nature of the alleged violation, the proposed sanction to be imposed,
(b) a period of not less than fourteen (14) days within which the alleged violator may present a written request to the Board of Directors for a hearing; and
(c) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge has been requested within fourteen (14) days of the notice.

A hearing shall not be required for suspension for failure to pay amounts owed to the Association in a timely manner.

3. **Hearing**. If a hearing is requested within the allotted fourteen (14) day period, the sanction shall, unless the Board determines otherwise for health, safety or welfare, be stayed pending the hearing, which shall be held before a committee comprised of at least three (3) Members appointed by the Board who are not officers, directors or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director or employee. The committee shall set the date and time of the hearing, which shall be within ten (10) days of the receipt of the notice requesting a hearing. Hearings shall be informal and provide the accused an opportunity to explain or resolve his or her acts or omissions. The Association shall not be required to provide any evidence or testimony at a hearing. If the committee, by majority

vote, does not approve a proposed fine or suspension, it may not be imposed. Proof of proper notice shall be placed in the records of the Association. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the accused appears at the meeting. The minutes of any hearing shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

4. **Additional Enforcement Rights**. Notwithstanding anything to the contrary herein contained, the Association may elect to enforce any provisions of the Declaration or these Bylaws or the Rules and Regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the violator shall pay all costs, including reasonable attorneys' fees actually incurred by the Association.

ARTICLE 11
FISCAL MANAGEMENT

1. **Fiscal Year**. The fiscal year of the Association shall commence upon the first day of January and conclude on the thirty-first day of December.

2. **Depositories**. The funds of the Association shall be deposited in such accounts as may be selected by the Board of Directors, including checking and savings accounts in one (1) or more banks and/or savings and loan associations, Certificates of Deposit, U.S. Treasury Bills and money market accounts with an investment firm or firms, all in accordance with resolutions approved by the Board of Directors. The funds shall be used only for lawful purposes of the Association.

3. **Expenses**. The receipts and expenditures of the Association may be credited and charged to accounts as the Board of Directors may determine, in accordance with good accounting practices as set forth in Section 7 of this Article.

4. **Reserve Accounts**. The Association may (but shall not be obligated to) establish and maintain a reserve account for the periodic capital repair, replacement and additions to the Common Areas.

5. **Budget**. The Board of Directors shall adopt a budget for each fiscal year as provided in the Declaration. The Association shall provide each Member with a copy of the budgets or a written notice that a copy of the budgets is available upon request at no charge to the Member. The copy must be provided to the Member within ten (10) business days after receipt of a written request from a Member.

6. **Fidelity Bonds**. The Association shall, if available at a reasonable cost, purchase blanket fidelity bonds for all directors, officers and employees of the Association and for any management agent who controls or disburses funds of the Association and any contractor handling or responsible for Association funds. The following provisions shall govern the Association's purchase of the bonds.

(a) Each fidelity bond purchased by the Association shall name the Association as an obligee of the bond.

(b) The premiums for bonds shall be paid by the Association.

(c) The fidelity bonds shall cover the maximum funds that will be in the custody of directors, officers or employees of the Association, or a management agent, at any time while the bonds are in force.
(d) Each bond shall include a provision requiring ten (10) days' written notice to the Association before the bond can be canceled or substantially modified for any reason.

7. **Accounts and Reports**. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting (exclusive of depreciation and amortization), as defined by generally accepted accounting principles, shall be employed in connection with financial statements prepared by the Association;
(b) accounting controls should conform to generally accepted accounting principles;
(c) cash accounts of the Association shall not be commingled with any other accounts;
(d) no remuneration shall be accepted by a manager from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise;
(e) any financial or other interest which a manager may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;
(f) commencing at the end of the month in which the first Lot is sold, financial reports shall be prepared for the Board at least annually containing:
    (i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis (excluding depreciation and amortization);
    (ii) variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
    (iii) a balance sheet as of the last day of the preceding period;
    (iv) a delinquency report listing all Owners who are delinquent in paying any Assessments at the time of the report and describing the status of any action to collect such Assessments which remain delinquent (an Assessment shall be considered delinquent fifteen [15] days after the due date, unless otherwise determined by the Board of Directors);
(g) an annual report consisting of at least the following shall be prepared within sixty (60) days after the close of the fiscal year: (1) financial statements shall be presented in conformity with generally accepted accounting principles; or (2) a financial report of actual receipts and expenditures on a cash basis, which report must show: (a) the amounts of receipts and expenditures by classification and (b) the beginning and ending cash balances of the Association. The annual report referred to above shall not be required to be audited by a Certified Public Accountant, provided the Board may authorize an audit as a Common Expense. The Association shall provide each Member with a copy of the annual report or a written notice that a copy of the annual report is available upon request at no charge to a Member, and a copy shall be provided to a Member within ten (10) business days after receipt of a written request;
(h) accounting records of the Association shall be maintained for at least seven (7) years after the date of the records.

8. **Agreements, Contracts, Deeds, Leases, Checks, Etc**. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by the President and Secretary or by such other members of the Board or officers of the Association as may be designated by resolution of the Board of Directors.

9. **Books and Records**.

(a) **Inspection by Owners and Mortgagees**. The Declaration, Articles of Incorporation, Bylaws, Amendments and Supplements to the Declaration, Articles of Incorporation and Bylaws; membership register, financial and accounting records; minutes of meetings of the Members, the Board and committees; current insurance policies; Association contracts, and copies of plans, permits, warranties and other items shall be made available for inspection and copying by Owner, any Owner's mortgagee, or their duly appointed representatives at any reasonable time and for a purpose reasonably related to their interest at the office of the Association. Such records shall include accurate records of all receipts and expenditures, a current account for each Owner, which account shall designate the names and addresses of the Owner who is obligated to pay the Assessment, the due date and amount of each Assessment, the date and amount of each payment upon the account and the balance due. Accounts of Owners shall only be available for inspection by the Board, the officers and the Owner or such Owner's mortgagee, unless otherwise required by law. Except as may be required by law, minutes of grievance hearings will not be released to any Person other than the Person subject to the disciplinary action. Books and records of the Association may be kept at the Association office at the Properties or off-site at the office designated by the Declarant. Books and records of the Association shall be maintained for a period of at least seven (7) years after the date of the books and records.

(b) **Rules for Inspection**. The Association shall make the foregoing records available for inspection and/or copying within ten (10) business days after written request for inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;
(ii) hours and days of the week when an inspection may be made; and
(iii) payment of the cost of reproducing copies of documents requested.

10. **Inspection by Directors**. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

11. **Insurance**. The Association shall procure, maintain and keep in full force and effect insurance as may be required by the Declaration to protect the interests of the Association and the Owners. Policies must be retained by the Association for at least seven (7) years.

ARTICLE 12
MISCELLANEOUS

1. **Parliamentary Rules**. Robert's Rules of Order (then current edition) shall govern the conduct of Association proceedings when not in conflict with Florida law, the Articles of Incorporation, the Declaration or these Bylaws.

2. **Construction**. If there are conflicts between the provisions of Florida law, the Articles of Incorporation, the Declaration and/or these Bylaws, the provisions of Florida law, the Declaration, the Articles of Incorporation and the Bylaws (in that order) shall prevail.

3. **Validity**. If any Bylaw or Rule or Regulation is adjudicated to be invalid, such fact shall not affect the validity of any other Bylaw or Rule or Regulation.

4. **Gender, etc**. The use of any gender shall include all other genders. The singular shall include the plural, and the plural shall include the singular.

5. **Notices**. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to an Owner or a Member or the Association, at the address which the Owner or Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of the Owner or Member; or

(b) if to the Association, the Board of Directors, or the manager, at the principal office of the Association or the manager, if any, or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

6. **Dissolution**. The Association shall exist in perpetuity; however if the Association is dissolved, the Articles of Incorporation must provide that the property consisting of the surface water management system and the right of access to the property containing the surface water management system shall be conveyed to an appropriate agency of local government. If it is not accepted, then the surface water management system must be dedicated to a similar non-profit corporation.

7. **Amendment**.

(a) **Prior to the Turnover Date**. Prior to the Turnover Date, the Declarant may amend these Bylaws in its sole and absolute discretion and Members shall have no right to amend these Bylaws.

(b) **After the Turnover Date**. After the Turnover Date, Amendments to these Bylaws shall require the affirmative vote of a majority of the Board of Directors and a majority of the Members; provided, however, the percentage of votes necessary to amend a specific clause shall be not less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Amendments to the Bylaws shall be effective upon adoption and recordation in the Public Records of St. Johns County, Florida.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

8. **Rules and Regulations**. The Association, through the Board of Directors, shall adopt Rules and Regulations consistent with the rights and duties established by the Declaration. The Rules and Regulations, as amended, duly adopted by the Board, shall by reference be incorporated herein.

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CERTIFICATION

I, the undersigned, do hereby certify:

That I am duly elected and acting Secretary of St. Johns Forest Master Property Owners Association, Inc., a Florida not-for-profit corporation;

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the 5th day of May, 2004.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the corporate seal this 7th day of May, 2004.

C. Alexander Dr.

Secretary

(Seal)

SEAL

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