

**AMENDED AND RESTATED BYLAWS OF
THE STRAND MASTER PROPERTY OWNERS ASSOCIATION, INC.**

1. GENERAL. These are Bylaws of The Strand Master Property Owners Association, Inc., a Florida corporation not for profit, which was originally incorporated under the name Pelican Strand Master Property Owners Association, Inc. on February 28, 1997, hereinafter the “Master Association.” The corporation is organized under the laws of Florida as a community association for the purpose of operating a residential community. All prior Bylaws, if any, are hereby revoked and superseded in their entirety.

1.1 Principal Office. The principal office of the Master Association shall be at as listed with the Florida Department of State Division of Corporations, unless otherwise changed by the Board.

2. MEMBERS. The Members of the Master Association are the record Owners of legal title to the Parcels. In the case of a Parcel subject to an agreement for deed, the purchaser in possession shall be deemed the Owner of the Parcel solely for purposes of determining use rights.

2.1 Change of Membership. A change of membership shall become effective after all the following events have occurred.

(A) Recording in the Public Records of a Deed or other instrument evidencing legal title to the Parcel in the Member.

(B) Delivery to the Master Association of a copy of the recorded deed or other instrument evidencing title.

(C) Designation, in writing, of a primary occupant, which is required when title to a Parcel is held in the name of two (2) or more persons who are not a married couple, or by a trustee or a corporation or other entity which is not a natural person.

2.2 Change of Membership. A change of membership in the Master Association shall be established by the new Member’s membership becoming effective as provided for in Section 2.1 above. At that time the membership of the prior Owner shall be terminated automatically.

2.3 Termination of Membership. The termination of membership in the Master Association does not relieve or release any former member from liability or obligation

incurred under or in any way connected with the Master Association during the period of his membership, nor does it impair any rights or remedies the Master 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.

2.4 Voting. Members of the Master Association shall not vote at Master Association meetings, for Directors of the Master Association Board Directors, or on any Master Association matter. All voting on Master Association matters shall be done only by Neighborhood Representatives, as more fully set forth below. The term “voting interest” as used herein shall mean the total number of votes attributed to all Neighborhood Representatives which shall be equal to the number of Parcels located in all Neighborhoods. Each Neighborhood may have a voting interest equal to the number of Parcels located in that Neighborhood.

3. NEIGHBORHOOD REPRESENTATIVE MEETINGS; VOTING.

3.1 Annual Meeting. There shall be an annual meeting of the Neighborhood Representatives held in the first calendar quarter of each year. The annual meeting shall be held in Collier County, Florida, at a time and place designated by The Master Association Board, for the purpose of electing Directors to the The Strand Master Board and transacting any other business duly authorized to be transacted by the Neighborhood Representatives.

3.2 Special Meetings. Special meetings of the Neighborhood Representatives must be held whenever called by The Master Association Board President, or in his or her absence, the Vice-President, or by a majority of The Master Association Board Directors, and may also be called by Neighborhood Representatives representing at least thirty percent (30%) 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 Meetings; Waiver of Notice. Notices of all Neighborhood Representative meetings must state the date, time and place of the meeting. Notice of special meetings must include a description of the purpose or purposes for which the meeting is called. The notice must be mailed to each Neighborhood Representative at the Neighborhood Representative’s address as it appears on the books of the Master Association or may be furnished by personal delivery or email to those Neighborhood Representatives consenting to receive email notice. The Neighborhood Representatives are responsible for providing the Master Association with any change of address. The notice must be mailed, electronically transmitted or hand delivered at least fourteen (14) days prior to the date of the meeting. Attendance at any meeting by a Neighborhood Representative constitutes waiver of notice by that Neighborhood Representative unless the Neighborhood Representative objects to the lack of notice at the beginning of the meeting. A Neighborhood Representative may also waive notice of any meeting at any time by written waiver.

3.4 Quorum. A quorum at a Neighborhood Representative meeting shall be attained by the presence, either in person or by proxy, of Neighborhood Representatives representing and entitled to cast at least thirty percent (30%) of the votes of the total voting interests.

3.5 Vote Required. The acts approved by a majority of the votes cast by Neighborhood Representatives at a meeting of the Neighborhood Representatives at which a quorum has been attained shall be binding upon all Parcel Owners for all purposes, except where a different number of votes is expressly required by law or by any provision of the Governing Documents.

3.6 Proxy Voting. Neighborhood Representatives may cast their votes at a meeting in person or by proxy. A proxy shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting. No proxy shall be 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 Neighborhood Representative, specify the date, time and place of the meeting for which it is given, and must be delivered to the Master Association by the appointed time of the meeting or adjournment thereof. No proxy shall be valid if it names more than one (1) 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. Holders of proxies must be Members.

3.7 Voting Rights & Neighborhood Representatives. Voting on Master Association matters will be conducted through the respective Neighborhood Representative. Members will have no power to vote on Master Association matters other than through their respective Neighborhood Representative. The Neighborhood Representative shall, on behalf of the Neighborhood Members, cast the votes of Neighborhood Members on Master Association matters. Neighborhood Representatives shall be entitled to one vote for each Parcel located within the Representative's Neighborhood. The total number of possible votes on Master Association issues is the total number of Parcels in The Strand, which is One Thousand Seventy-Three (1073.) The right of a Neighborhood Representative to vote may be suspended for non-payment of any monetary amounts due from that Neighborhood that are delinquent in excess of 90 days, in which case the voting interest attributable to that Neighborhood shall not be considered for any purpose, including establishment of a quorum.

The Neighborhood Representative shall be appointed by the President of its Neighborhood Association at a duly constituted meeting of the Neighborhood Association Board of Directors, or elected by the members of a Neighborhood at the individual Neighborhood Association's annual meeting, if so directed by its applicable Neighborhood Declaration. If the Neighborhood Association's governing documents require a vote of its members to elect a Neighborhood Representative, and the Neighborhood fails to conduct a vote, it shall be presumed that an individual appointed by a majority of the Neighborhood's Board of Directors has authority to serve until such time as the Neighborhood is able to conduct its required vote.

Unless otherwise specified in a Neighborhoods Association's documents, the Neighborhood Representative shall cast the Neighborhood's total voting interest in such manner as said Representative may, in the Representative's sole and reasonable discretion, deem appropriate, but only after the Representative makes a reasonable effort to ascertain the Neighborhood's voting preferences by holding a neighborhood meeting, email correspondence to and from Neighborhood members, or other means of communication or poll to the Neighborhood. It shall be conclusively presumed for all purposes of Master Association business that the Neighborhood Representative has acted within the authority and consent of its Members.

The Master Association Board of Directors is hereby authorized to adopt Rules and Regulations adopting the use of electronic or online voting consistent with Florida law to facilitate voting on matter to be voted on by Neighborhood Representatives.

3.8 Participation at Meeting by Remote Communication. Unless prohibited by the Chapter 720, F.S., if authorized by the Board as provided in Section 617.0721 F.S., and subject to such guidelines and procedures as the Master Association Board may adopt, Neighborhood Representatives and proxy holders who are not physically present at a meeting may, by means of remote communication:

(A) Participate in the meeting.

(B) Be deemed to be present in person and vote at the meeting if:

1. reasonable means are implemented to verify that each person deemed present and authorized to vote by means of remote communication is a Neighborhood Representative or proxy holder; and

2. reasonable measures are implemented to provide such Neighborhood Representatives or proxy holders with a reasonable opportunity to participate in the meeting and to vote on matters, including an opportunity to communicate and to read or hear the proceedings of the meeting substantially concurrent with the proceedings.

3.9 Adjourned Meetings. Any duly called meeting of the Neighborhood Representatives may be adjourned to be reconvened at a later time by vote of the majority of the voting interests as represented by the Neighborhood Representatives present, regardless of whether a quorum has been attained. When a meeting is so adjourned it shall not be necessary to give further notice of the time and place of its continuance if 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 when the meeting is reconvened, but only if a quorum is present.

3.10 Order of Business. The order of business at Neighborhood Representatives' meetings shall be substantially as follows:

(A) Call of the roll or determination of quorum

(B) Reading or disposal of minutes of last Neighborhood Representatives' meeting

(C) Reports of Officers

(D) Reports of Committees

(E) Election of Directors (annual meeting only)

(F) Unfinished Business

(G) New Business

(H) Adjournment

3.11 Minutes. Minutes of all meetings of the Neighborhood Representatives shall be kept in a businesslike manner, available for inspection by Members or their authorized representatives at all reasonable times.

3.12 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall guide the conduct of the Master Association meetings when not in conflict with the law, with the Declaration, or with the Articles or 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.

3.13 Action without Meeting. Any action which may be taken at a meeting of the Neighborhood Representatives may be taken without a meeting if written consent setting forth the action so taken is signed by the minimum number of voting interests represented by the Neighborhood Representatives entitled to vote and necessary to take action subject to the written consent.

4. BOARD OF DIRECTORS.

The administration of the affairs of the Master Association shall be by a Board of Directors. All powers and duties granted to the Master Association by law, as modified and explained in the Declaration, Articles and Bylaws, shall be exercised by the Board, subject to approval or consent of the Neighborhood Representatives only when such is specifically required.

4.1 Number and Terms of Office. The number of Directors which shall constitute the whole Board shall be seven (7). Beginning at the 2022 Annual meeting, All Directors shall be elected for a term of two (2) years each, and each two-year term shall be staggered. Directors may serve for no more than three (3) consecutive terms and must take a hiatus of at least one (1) year before being eligible for election or appointment to the Board. To implement this policy, the Board shall determine who will complete one and two year terms by majority vote. If the Board is unable to determine the staggering by majority vote, staggering shall be determined by drawing lots. A Director's term will end at the annual election at which his or her successor is to be duly elected, unless he or she sooner resigns or is recalled, as provided for in Section 4.5 below. Directors shall be elected by the Neighborhood Representatives as described in Section 4.3 below, or in the case of a vacancy, as provided for in Section 4.4 below.

4.2 Qualifications. Each Director must be a Parcel Owner or primary occupant or the spouse of a Parcel Owner or primary occupant. In the case of a Parcel owned by a corporation, any officer is eligible for election to the Board. If a Parcel is owned by a limited liability company, any Manager is eligible to be a Director. If a Parcel is owned by a partnership, any partner is eligible to be a Director. If a Parcel is held in trust, the trustee, grantor or settlor of the trust, or any one of the beneficial owners residing on the Parcel is eligible to be elected to the Board.

4.3 Nominations and Elections. Each year, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which any eligible member of the Strand Master Association may file as a candidate for The Strand Master Board of Directors. The Board also may establish such other Rules and Regulations as it deems appropriate to conduct the nomination of Directors in a fair, efficient and cost-effective manner, including, but not limited to, the use of a nominations committee charged with soliciting and recommending a sufficient number of candidates for each position on the Board. Nominations shall not be permitted from the floor of the election meeting.

Votes cast in the election of Directors shall be cast by the Neighborhood Representatives as provided herein and shall be by secret and sealed ballot in accordance with policies and procedures adopted by the Board, except that the ballot must state the number of votes attributable to the specific Neighborhood. Absentee balloting is permitted in the election of Directors. Such secret and sealed ballots must be placed in an inner envelope with no identifying markings and mailed and/or delivered to the Master Association or its authorized agent designated by the Board in an outer envelope bearing identifying information reflecting the name of the Neighborhood Representative and the applicable Neighborhood for which the vote is being cast, and the signature of the Neighborhood Representative casting the ballot. Tie votes shall be resolved by coin toss. No cumulative voting shall be allowed. The Board is hereby authorized to adopt Rules and Regulations adopting the use of electronic or online voting consistent with Florida law in lieu of the above election procedures.

4.4 Resignation; Vacancies on the Board. Any Director may resign at any time by giving written notice to the Master Association, and unless otherwise specified therein, the resignation shall become effective upon receipt. If the office of any Director becomes vacant for any reason, a successor shall be nominated by the President and elected by the Board at a special meeting of the Board. The successor so appointed shall fill the term of the Director being replaced. If for any reason there shall arise circumstances in which no Directors are serving and the entire Board is vacant, the Neighborhood Representatives shall elect successors at a special meeting.

Any Director who has three (3) consecutive unexcused absences, as determined by the Board, from Board meetings or who is delinquent in the payment of any Assessment or other charges due the Master Association for more than ninety (90) days is deemed to have vacated their position to be filled pursuant to Section 4.4 above. In the event of the death, disability, removal or resignation of a Director, the President may nominate and the remaining members of the Board may elect a qualified successor to fill the vacancy for the remainder of the term of such Director.

4.5 Removal of Directors. Any Director may be removed, with or without cause, by the Neighborhood Representatives representing a majority vote of the total voting interests at a meeting called for that purpose. An Officer of The Strand Master Board may also be removed from office at any time by a majority vote of the Board. Any Director who is removed from office is not eligible to stand again for election to the Board until the next annual election, and must turn over to the Master Association within seventy-two (72) hours any and all records and other property of the corporation in his or her possession. If a Director who is removed does not relinquish his or her office or turn over records as required, the circuit court in the county where the Master Association has its principal office may summarily order the Director to relinquish the office and turn over corporate records upon application of any Member. In any such action, the prevailing party shall be entitled to recover its attorneys' fees and costs.

4.6 Organizational Meeting. The organizational meeting of a new Board shall be held within ten (10) days after the election of new Directors, at such place and time as may be fixed and announced by the Directors at the annual meeting at which they were elected. The organizational meeting may be held immediately after the adjournment of the annual meeting. At the organizational meeting all outgoing members of The Strand Board of Directors shall turnover all official records, written and electronic correspondence, and relevant documents in their possession to the newly elected Board of Directors.

4.7 Other Meetings. Meetings of the Board may be held at such time and place as shall be determined from time to time by the President, or in his or her absence, a Vice-President, or by a majority of the Directors at any time. It shall be the duty of the Directors, the President, or a Vice-President, to call such a meeting whenever so requested by the Neighborhood Representatives constituting at least twenty percent (20%) or more of the total voting interests. Notice of meetings shall be given to each Director by the Secretary at least two (2) days prior to the time fixed for the meeting.

4.8 Notice to Owners. Meetings of the Board shall be open to Members except for meetings in regards to personnel discussions and meetings between the Board and its attorney with respect to proposed or pending litigation where the discussion would otherwise be governed by the attorney-client privilege, and notices of all Board meetings shall be posted conspicuously in the community at least forty-eight (48) continuous hours in advance of each Board meeting, except in an emergency. Notice of any Board meeting at which rules affecting the use of a Parcel or Special Assessments are to be considered shall specifically contain a statement that rules or Special Assessments will be considered and the nature of the rule or Assessments and shall be mailed, delivered or electronically transmitted and posted at least fourteen (14) days in advance.

4.9 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver is deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.

4.10 Quorum of Directors. A quorum at a Board meeting shall be attained by the presence in person of a majority of all Directors. Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting.

4.11 Vote Required. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum has been attained shall constitute the acts of the Board, except when approval by a greater number of Directors is required by the Governing Documents or by applicable statutes. A Director who is present at a meeting of the Board is deemed to have voted in favor of every action taken, unless he or she voted against such action or abstained from voting because of an asserted conflict of interest. The vote or abstention of each Director present on each issue voted upon shall be recorded in the minutes of each meeting. Directors may not vote by proxy or secret ballot at Board meetings, except that secret ballots may be used in the election or removal of officers.

4.12 Adjourned Meetings. A 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 specified later time. When the meeting is reconvened, provided a quorum is present, any business that might have been transacted at the meeting originally called may be transacted.

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

4.14 Directors' Fees and Reimbursement of Expenses. 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 related to the proper discharge of their duties.

4.15 Committees. The Board or the President may create and appoint members to standing or temporary committees as may deem necessary and convenient for the efficient and effective operation of the Master Association. Any such committee shall have the powers and duties assigned to it in creating the committee. Only committees assigned with the power to make final decisions regarding the expenditure of Master Association funds are required to hold meetings that are open to Members and notice and hold their meetings with the same formalities as required for Board meetings.

4.16 Emergency Powers. The Board may exercise the emergency powers authorized by Sections 617.0207, 617.0303, and 720.316 Florida Statutes, as amended from time to time hereafter. Any action of the Board during such an emergency shall be presumed to be reasonable and in the best interest of the Master Association.

4.17 Fiduciary Duty. Each member of the Board and each officer of the Master Association have a fiduciary relationship with the Members of the Master Association. This fiduciary relationship imposes obligations of trust and confidence in favor of the Master Association and its Members. It requires each member of the Board to act in good faith and in a manner he or she believes to be in the best interests of the Members of the Master Association. It means the Board members must exercise the care and diligence of an ordinarily prudent person when acting for the community, and it requires each of them to act within the scope of their authority.

Directors and officers of the Master Association must devote enough time and effort to the performance of their duties to ensure that they are reasonably and faithfully carried out on behalf of the Master Association. The fact that the Master Association is a corporation not for profit, or that the members of the Board are volunteers and unpaid, does not relieve them from the standards of trust and responsibility that the fiduciary relationship requires.

5. OFFICERS.

5.1 Officers and Elections. The executive officers of the Master Association shall be a President, a Vice-President, a Treasurer and a Secretary, who must be directors, all of whom shall be elected at an organizational meeting of the Board and by a majority vote of the Board and shall serve until the subsequent annual meeting at which his or her successor is to be elected. Any officer may be removed with or without cause at any meeting by vote of a majority of the Directors. Any officer so removed shall return all books, records and property of the Master Association to the Master Association within seventy-two (72) hours of their removal. Any person except the President may hold two

(2) 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 Master Association. If the Board so determines, there may be more than one (1) Vice-President, assistant secretaries or assistant treasurers and such other Officers and agents as may be deemed necessary.

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

5.4 Secretary. The Secretary shall attend meetings of the Board and all meetings of the Members and Neighborhood Representatives and shall cause all votes and the minutes of all proceedings to be recorded and retained, and shall perform like duties for standing committees when required. The Secretary shall be responsible for proper notice of all meetings of the Neighborhood Representatives, and of the Board, and shall perform such other duties as may be prescribed by the Board or the President. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

5.5 Treasurer. The Treasurer shall have the custody of Master Association funds and securities, and be responsible for the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Master Association. The Treasurer is responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Master Association in such depositories as are selected by the Board. The Treasurer, with the assistance of the Property Manager shall oversee the disbursement of Master Association funds, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at meetings of the Board, or whenever they may require it, a full accounting of all transactions and of the financial condition of the Master Association. The Treasurer shall prepare an annual budget of estimated revenues and expenses to present to the Board for approval. Any of the foregoing duties may be performed by an Assistant Treasurer.

5.6 Compensation of Officers. No compensation shall be paid to any office for services as an officer of the Master Association. This provision does not preclude the Board from employing officers as employees of the Master Association but only in compliance with all conflict of interest laws.

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

6.1 Depository. The Master Association shall maintain its funds in such federally insured accounts at financial institutions 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. The foregoing notwithstanding, the Board may invest Master Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities and other similar investment vehicles.

6.2 Accounts of the Master Association. The Master Association shall maintain its accounting books and records according to generally accepted accounting principles. There shall be an account for each Neighborhood. Such accounts shall designate the name and mailing address of each Parcel, the amount and due date of each Assessment or Charge against the Neighborhood Association, amounts paid, date of payment and the balance due.

6.3 Budget. The Treasurer shall prepare, and Master Association Board shall adopt a budget of Master Association estimated revenues and expenses for each coming fiscal year. Once adopted, the Master Association shall provide the annual budget to the community via a posting on the The Master Association website, an email, or a written notice at least thirty (30) days prior to the beginning of each fiscal year. The proposed budget shall be detailed and shall show the amounts budgeted by accounts and revenue and expense classifications. The estimated surplus or deficit as of the end of the current year shall be shown.

If The Master Board adopts in any fiscal year an annual budget which requires Assessments against Owners to exceed one-hundred and fifteen percent (115%) of Assessments for the preceding fiscal year, the Board shall conduct a special meeting of the Owners to consider a substitute budget if The Master Board receives, within twenty-one (21) days after adoption of the annual budget, a written request for a special meeting from at least ten percent (10%) of all voting interests as represented by the Neighborhood Representatives. The special meeting shall be conducted within sixty (60) days after adoption of the annual budget. Owners may consider a substitute budget at the special meeting. A substitute budget shall be adopted if approved by fifty-one percent (51%) of all voting interests represented by the Neighborhood Representatives. If a quorum is not present at the special meeting or a substitute budget is not adopted, the annual budget previously adopted by The Master Association Board shall take effect as scheduled. Any determination of whether assessments exceed 115 percent of Assessments for the prior fiscal year shall exclude any authorized provision for reasonable reserves for repair or replacement of the Common Area and Master Association property, anticipated expenses of the Master Association which the Board does not expect to be incurred on a regular or annual basis, or Assessments for betterments to the Common Area or Master Association Property.

6.4 Reserves. The Master Association Board may establish in the budget one (1) or more reserve accounts for capital expenditures, deferred maintenance, or contingency reserves for unanticipated operating expenses. Board adopted reserve funds are not controlled by Chapter 720 Florida Statutes and therefore may be spent, waived or used as approved by the Board. In the event the Master Association adopts restricted reserve accounts pursuant to Section 720.303 (6) (d), the same shall be governed by Section 720.303(6) and may only be used, waived or reduced in accordance with said statute as amended from time to time to time. The purpose of reserves is to provide financial stability and to avoid the need for Special Assessments. The annual amounts proposed to be so reserved shall be shown in the annual budget.

6.5 Assessments; Installments. Assessment based on an adopted budget shall be paid in quarterly installments, in advance, due on the first day of the quarter of each year and collected by each Neighborhood. Written notice of the annual Assessment shall be posted or sent via email to Neighborhood Representative prior to the first quarterly installment being due, but failure to send (or receive) such notice does not excuse the obligation to pay. If an annual budget for a new fiscal year has not been adopted, or if notice of any increase has not been made at the time the payment for the first quarterly installment is due, it shall be presumed that the amount of such installment is the same as the last quarterly installment, and payments shall be continued at such rate until a budget is adopted and new annual Assessments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each unit's next due quarterly installment. Any Assessments that are not paid when due, shall be delinquent and if the collected Assessments are not paid within ten (10) days after the due date, the Neighborhood shall accrue interest from the due date at the highest rate allowed by law (currently 18% per annum) and shall incur a late fee in the highest amount allowed by law (currently the greater of \$25 or 5% of the assessment installment) unless the Master Association Board determines that there is a compelling reason to wave said interest and late fees.

6.6 Fidelity Bonds. The President, Treasurer, and all other persons who are authorized to sign checks, shall be bonded in such amounts as may be acquired by law or otherwise determined by the Board. The premiums on such bonds are a Common Expense.

6.7 Financial Reports. Not later than ninety (90) days after the close of each fiscal year, The Strand Master Board shall cause to be prepared a financial report as prescribed in 720.303, Florida Statutes. The Master Association shall provide each Neighborhood Representative with a copy of the financial report or a written notice that a copy of the financial report is available upon request at no charge to the Member.

6.8 Audits. A formal, certified audit of the accounts of the Master Association, if required by law, by vote of a majority of the voting interests of the Neighborhood

Representatives, or by a majority of the Directors, shall be made by a certified public accountant, and a copy of the audit report shall be available to all Members.

6.9 Application of Payments and Co-Mingling of Funds. All monies collected by the Master Association may be co-mingled in a single fund or divided into two (2) or more funds, as determined by The Master Association Board. Regardless of any restrictive endorsement all payments on account by a Parcel Owner or a Neighborhood shall first be applied to interest, late fees, costs, attorney fees, other charges, fines, and then to regular or Special Assessments.

6.10 Fiscal Year. The fiscal year for the Master Association shall begin on the first day of January of each calendar year and end on December 31 that same calendar year.

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

7.1 Proposal. Amendments to these Bylaws may be proposed by a majority of The Strand Master Board or upon petition of twenty-five percent (25%) of the voting interests as represented by the Neighborhood Representatives, and shall be submitted to a vote of the Neighborhood Representatives not later than the next annual meeting.

7.2 Vote Required. Except as otherwise required by Florida law or as provided elsewhere in these Bylaws, these Bylaws may be amended if the proposed amendment is approved by the affirmative vote of the Neighborhood Representatives representing at least two-thirds (2/3rds) of the voting interests present and voting, in person or by proxy, at a duly called meeting of the Neighborhood Representatives of the Master Association.

7.3 Effective Date. An amendment shall become effective upon the recording of a copy in the Public Records of Collier County, Florida with the same formalities as are required in the Declaration for recording amendments to the Declaration.

8. MISCELLANEOUS.

8.1 Gender; Number. 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.

8.2 Severability. If any portion of these Bylaws is void or become unenforceable, the remaining provisions shall remain in full force and effect.

8.3 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration of Covenants, Conditions, Restrictions and Easements, or the Master Association's Articles of Incorporation, the

provisions of the Declaration or Articles of Incorporation shall prevail over the provisions of these Bylaws.