

MODEL FORM OF BY-LAWS
(For Use by the Nonprofit Recreational Association
Serving a Series of Condominium Regimes
in One Development Area under Section 234.)

ARTICLE I

NAME AND LOCATION. The name of the Corporation is Nonprofit Recreational Corporation, hereinafter referred to as the Corporation. The principal office of the corporation shall be located at _____, but meetings of members and directors may be held at such places within the State of _____, County of _____, as may be designated by the Board of Directors.

ARTICLE II
MEETING OF MEMBERS

Section 1. Annual Meeting. The first annual meeting of the members shall be held within 45 days after the establishment of _____ Condominium, Section Number _____,* and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of _____ o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Corporation, or supplied by such member to the Corporation for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his condominium unit.

ARTICLE III
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. Except as provided in Article V of the Articles, the affairs of this Corporation shall be

* Insert name and section number of the first condominium regime to be built and established.

managed by a Board of nine (9) directors, who must be members of the Corporation.

Section 2. Term of Office. At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the corporation. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Corporation. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE IV

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Corporation, and two or more members of the Corporation. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made only from among members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE V

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Corporation or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the facilities of the Corporation, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the facilities of a member during any period in which such member shall in default in the payment of any assessment levied by the Corporation. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation and not reserved to the membership by other provisions of these By-Laws, or the Articles.
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Corporation, and to see that their duties are properly performed;
- (c) establish the annual assessment period and fix the amount of the annual assessment against each member for each condominium unit owned and against the Grantor, if any, at least thirty (30) days in advance of each annual assessment;
- (d) send written notice of each assessment to every condominium unit owner and, where appropriate, to the Grantor, at least thirty (30) days in advance of each annual assessment period, and levy all such assessments as liens.
- (e) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- (f) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (g) procure and maintain liability, fire and other hazard insurance on property owned by the Corporation.
- (h) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (i) cause all of the facilities to be maintained.

shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Corporation; keep proper books of account; cause an annual audit of the Corporation books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE VIII

COMMITTEES

The Board of Directors shall appoint such committees as deemed appropriate in carrying out its purpose.

ARTICLE IX

BOOKS AND RECORDS

The books, records and papers of the Corporation shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles and the By-Laws of the Corporation shall be available for inspection by any member at the principal office of the Corporation, where copies may be purchased at reasonable cost.

ARTICLE X

ASSESSMENTS

As more fully provided in the Enabling Declaration of each condominium regime located in its respective Section of the Development Area and in the covenants of the Part of the Development Area owned by the Grantor, each member and the Grantor are obligated to pay to the Corporation such assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments, annual or special, which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of _____ percent per annum, and the Corporation may bring an action at law against the member or Grantor obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Neither a member nor the Grantor may waive or otherwise escape liability for the assessments provided for herein by nonuse of the property of the Corporation or abandonment of any property.

ARTICLE XI

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that such amendment shall not be effective without the prior written approval of the Secretary of Housing and Urban Development.

Section 2. In the case of any conflict between the Articles and these By-Laws, the Articles shall control.

ARTICLE XII

MISCELLANEOUS

The fiscal year of the Corporation shall begin on the first day of January and end on the 31st day of Decem-

ber of every year, except that the first fiscal year shall begin on the date of recordation of the Articles.

ARTICLE XIII

DEFINITIONS

As used in these By-laws:

- (a) "Unit" or "condominium unit" shall mean a condominium unit in a condominium regime approved by the Secretary of Housing and Urban Development which is located in the Development Area;
- (b) "Grantor" shall mean any owner or owners of a Part of the Development Area;
- (c) "Part of the Development Area" shall mean any part of the Development Area on which a condominium regime approved by the Secretary of Housing and Urban Development has not been established.
- (d) "Secretary of Housing and Urban Development" shall mean the Secretary or his duly appointed representative.

(Execution and acknowledgement in accordance with requirement of jurisdiction)