

By-Laws
Ranch Colony Four Party Maintenance Association, Inc.

Article I
Organization

Section 1. Identity. Ranch Colony Four Party Maintenance Association, Inc. is a Florida not for profit corporation organized under Chapter 617, Florida Statutes for the purpose of administering and managing certain property located within or serving the community known as Ranch Colony.

Section 2. Principal Office. The principal office of the corporation shall be located at the office of the corporation's Administrator, or at such other place as may be subsequently designated by the Board of Directors from time to time.

Section 3. Corporate Seal. The corporate seal shall have engraved thereon the following: the name of the corporation, "Ranch Colony Four Party Maintenance Association, Inc.," the words "Florida" "Corporation Not For Profit," and the year of incorporation. The corporate seal shall remain in the custody of the Secretary and shall be affixed to all instruments in writing requiring the corporate seal for complete execution. An impression thereof is directed to be affixed to these By-Laws.

Section 4. Fiscal Year. The corporation's fiscal year shall coincide with the calendar year, ending December 31st, but may be changed by the Board of Directors from time to time.

Article II
Definitions

Section 1. Definitions. These By-Laws shall have the same definitions and meanings as set forth herein unless herein provided to the contrary or unless the context otherwise requires.

- A. Corporation: Ranch Colony Four Party Maintenance Association, Inc.
- B. Administrator: An independent management company employed by the Corporation to act as its managing agent.
- C. Member Associations: The Links Property Owners' Association, Inc., Old Trail Homeowners' Association, Inc., Ranch Colony Property Owners' Association, Inc., and Tailwinds Homeowners' Association, Inc.
- D. Four Party Agreements:
 - 1. Mediated Settlement Agreement dated April 18, 2008.
 - 2. Gatehouse Maintenance and Security and Mack Dairy Road Maintenance Agreement dated June 16, 2009.

The parties to these two (2) Four Party Agreements are Ranch Colony Property Owners' Association, Inc., the Links Property Owners' Association, Inc., Old Trail Homeowners' Association, Inc., and Tailwinds Homeowners' Association, Inc.

E. Three Party Agreement:

1. Colony Way Road Maintenance Agreement – 1980

The parties to this Three Party Agreement are Ranch Colony Property Owners Association, Inc., the Links Property Owners Association, Inc. and Dye Preserve Golf Club.

F. Two Party Agreements:

1. Park Maintenance Agreement – 1979

The parties to the 1979 Party Maintenance Agreement are Ranch Colony Property Owners Association, Inc. and the Links Property Owners Association, Inc.

2. Indiantown Road to Old Indiantown Road portion of Mack Dairy Road Maintenance Agreement – 1981

The parties to the 1981 Indiantown Road to Old Indiantown Road portion of Mack Dairy Road Maintenance Agreement are Ranch Colony Property Owners Association, Inc. and the Links Property Owners Association, Inc.

G. Party Agreements: The Four Party Agreements, the Three Party Agreement, and the Two Party Agreements are collectively referred to as the Party Agreements and are included in the appendix hereto.

Article III Membership

Section 1. Membership. The members of the Ranch Colony Four Party Maintenance Association, Inc. shall be limited to the following four (4) corporations: The Links Property Owners' Association, Inc.; Old Trail Homeowners Association, Inc.; Ranch Colony Property Owners' Association, Inc.; and Tailwinds Homeowners' Association, Inc. Each of the four (4) corporations is hereinafter referenced as a "member association" of Ranch Colony Four Party Maintenance Association, Inc. No additional parties shall be permitted to become members of the Ranch Colony Four Party Maintenance Association, Inc. and none of the four member associations may terminate its membership in the Ranch Colony Four Party Maintenance Association, Inc. without the unanimous consent of all four member associations.

Section 2. Voting Rights. Each of the four (4) member associations shall be entitled to one vote on each issue that is brought before the membership of the Ranch Colony Four Party Maintenance Association, Inc. Such member association shall exercise its voting rights through such member association's voting representative, or in the absence or disability of such member association's voting representative, through its alternate voting representative.

Section 3. Designation of Voting Representative and Alternate Voting Representative. Each member association shall designate one of its officers, directors, or members as its voting representative and shall exercise its voting rights through such member association's voting representative. Each member association shall also designate one of its officers, directors, or members as an alternate voting representative. In the absence or disability of a member association's voting representative, the member association's voting rights shall be exercised through the member association's alternate voting representative.

Section 4. Certification of Voting Representative and Alternate Voting Representative. The Secretary or an officer of each member association shall, from time to time, certify in writing the identity of that member association's voting representative, alternate voting representative, and the addresses where notices to that member association, its voting representative, and its alternate voting representative should be sent. Such certification shall remain in full force and effect until changed. If at any time no such certification from a member association is on file with Ranch Colony Four Party Maintenance Association, Inc, the President of such member association shall be deemed the voting representative for such member association and the Vice President of the member association shall be deemed the alternate voting representative for such member association, and the mailing addresses for these individuals and the member association shall be the mailing addresses on file for the member association with the Florida Department of State Division of Corporations at the time of the mailing.

Section 5. Rights of Membership Association's Alternate Voting Representative. A member association's alternate voting representative may attend and speak on behalf of the member association at any meeting of Ranch Colony Four Party Maintenance Association, Inc. but may not vote on corporate matters except in the absence or disability of the member association's voting representative. The member association's alternate voting representative shall exercise the member association's voting rights in the absence or disability of the member association's voting representative.

Section 6. Member Association's Rights and Powers Shall Be Exercised Only by Member Association's Voting Representative and/or Alternate Voting Representative. Each member association shall be represented by a voting representative and/or an alternate voting representative. All rights and powers of the member association shall be exercised only by the member association's voting representative and/or alternate voting representative. No other person, including a homeowner or resident of a community that is governed by a member association, shall have the authority to exercise any of the rights of a member association. Homeownership or residence in a community that is governed by a membership association alone does not entitle one to inspect the books and records of the Corporation, or receive notice of and attend and speak at any meeting of the Corporation. The right to inspect the books and records of the Corporation, to receive notice of and attend and speak at any meeting of the

Corporation, or to exercise any other right associated with membership in the Corporation are rights of the member association that may only be exercised by the member association through the membership association's voting representative and/or alternate voting representative.

Article IV Membership Meetings

Section 1. Annual Meetings. There shall be an annual meeting of the members of Ranch Colony Four Party Maintenance Association, Inc. at such date, time, and place as may be designated from time to time by the Board of Directors. Notice of the annual meeting, stating the date, time, place, and the purpose of the meeting shall be sent by mail at least ten (10) days prior to the meeting to the last known address of the member association, the member association's voting representative, and the member association's alternate voting representative on file with the Corporation.

Section 2. Special Meetings. Special meetings of the members of Ranch Colony Four Party Maintenance Association, Inc. shall be held whenever called by the Board of Directors and must be called upon the request of two or more member associations. Notice of each special meeting, stating the date, time, place, and the purpose of the special meeting, shall be sent by mail at least ten (10) days prior to the meeting to the last known address of the member association, the member association's voting representative, and the member association's alternate voting representative on file with the Corporation.

Section 3. Waiver of Notice. Notice of any meeting of the members may be waived by any member association before or after the date and time of the meeting. Such waiver must be in writing, must be signed by a representative of the member association, and must be delivered to the Corporation for inclusion in the minutes of the meeting for filing with the corporate records. The attendance of the member association's voting representative or alternate voting representative at a meeting of the members of Ranch Colony Four Party Maintenance Association, Inc. shall constitute a waiver of notice of such meeting except where a member association's voting representative or alternate voting representative attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully convened.

Section 4. Proxy. Every member association may cast one (1) vote, either in person or by proxy on any matter requiring the vote of the membership of Ranch Colony Four Party Maintenance Association, Inc. A proxy must be dated, must state the date, time, and place of the membership meeting for which it was given, and must be signed by the authorized voting representative of the member association. A proxy is effective only for the specific meeting for which it is given and any lawful adjournment of that meeting. In no event shall such proxy be valid for more than ninety (90) days from the date of the original meeting for which it was given. If the proxyholder is unable to attend the meeting for which the proxy was given or attend any lawful adjournment of that meeting, the proxyholder may appoint, in writing, a substitute to act in his or her place. A proxy given on behalf of a member association is revocable until voted at the pleasure of the issuing authorized representative.

Section 5. Quorum. At any meeting of the membership of Ranch Colony Four Party Maintenance Association, Inc. a quorum shall consist of three member associations present either in person or by proxy, and the affirmative vote of three member associations shall decide any question that may come before the meeting of the membership of Ranch Colony Four Party Maintenance Association, Inc.

Section 6. Order of Business. The order of business at an annual meeting and as far as practical at other members' meetings shall be:

1. Calling of roll and certifying of proxies
2. Proof of Notice of Meeting
3. Reading and Approval of Minutes
4. Announcement of the names of Board of Directors appointed by member associations
5. Reports of Officers
6. Reports of Committees
7. Unfinished Business
8. New Business
9. Adjournment

Article V Board of Directors

Section 1. Board of Directors. The affairs of the Corporation shall be managed by a Board of Directors consisting of four (4) Directors. Each one of the four (4) Directors shall represent one of the four member associations and shall be a member of the member association that the director represents. One director shall be a member of and represent The Links Property Owners' Association, Inc.; one director shall be a member of and represent Old Trail Homeowners Association, Inc.; one director shall be a member of and represent Ranch Colony Property Owners' Association, Inc.; and one director shall be a member of and represent Tailwinds Homeowners' Association, Inc.

Section 2. Selection of Members of Board of Directors. Each member association shall appoint one of its members to serve on the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. Such selection of a Board member by the member association shall be evidenced by a certificate signed by an officer of the member association certifying that the named individual has been chosen by the member association to represent the member association on the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. and that such individual is a member of the member association. Such director shall serve at the pleasure of the board of directors of the member association that appointed such director and until a qualified successor is selected and has taken office.

Section 3. Alternate Representative to the Board of Directors. Each member association shall also designate one of its officers, directors, or members as an alternate representative to the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. Such selection of an alternate representative to the Board of Directors by the member association shall be

evidenced by a certificate signed by an officer of the member association certifying that the named individual has been chosen by the member association to represent the member association as an alternate representative to the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. and that such individual is a member of the member association.

Section 4. Rights of Alternate Representative to the Board of Directors. In the absence or disability of a member association's representative to the Board of Directors, the member association's voting rights on the Board of Directors shall be exercised through the member association's alternate representative to the Board of Directors. An alternate representative to the Board of Directors may attend and speak on behalf of the member association at any meeting of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. but may not vote on corporate matters except in the absence or disability of the board member appointed by the member association.

Section 5. Removal. A member of the Board of Directors or alternate representative to the Board of Directors may be removed, with or without cause, by the member association that appointed such director or such alternate representative to the Board of Directors.

Section 6. Vacancies. Any vacancy occurring on the Board of Directors for any reason shall be filled by the member association that is not represented on the Board of Directors by reason of the vacancy. Such member association shall fill the vacancy by providing the Ranch Colony Four Party Maintenance Association, Inc. with the name and address of the individual so chosen upon a certificate signed by an officer of the member association. Such certificate shall certify that the named individual has been chosen by the member association to fill the vacancy on the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. and that such individual is a member of the member association.

Section 6.1. Member Association's Failure To Fill Vacancy. Should the member association fail to fill the vacancy by providing Ranch Colony Four Party Maintenance Association, Inc. with a certificate as provided herein within seven (7) days of the member association receiving notice of the vacancy, the remaining directors of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. shall appoint the President of the member association to fill the vacancy. A director appointed to fill a vacancy shall be appointed to serve the unexpired term of his/her predecessor in office or until removed as provided herein.

Section 7. Powers of Board of Directors. The Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. shall have the powers and duties necessary for the management and administration of the affairs of the Corporation and may take all acts in exercising such powers that are not inconsistent with the Party Agreements, the 2009 Agreement between the parties or contrary to the Mediated Settlement Agreement. Such powers and duties shall include without limitation the following:

1. To provide for and manage the 24 hour manned gatehouse operation at 20100 Mack Dairy Road for the purpose of providing uniformed personnel to control ingress and egress to the property and monitoring traffic.

2. To provide maintenance, repair and/or refurbishment of the Gatehouse Building at 20100 Mack Dairy Road, the gate system, the bar code system, the camera system, the generator and all related equipment.
3. To provide landscape maintenance for the related road easements and rights of way to ensure the Parties, their successors and assigns, and their licensees, employees and guests enjoy the beauty of the drive within the community known as Ranch Colony.
4. To provide for the short term and long term maintenance, repair and/or replacement of the road sub-grade and surfaces to ensure roads are in good condition for the joint and mutual use of the Parties, their successors and assigns, and their licensees, employees and guests.
5. To provide for the maintenance and management of the Park to ensure it is in good condition for the recreational use of property owners.
6. To monitor external threats such as hurricanes, floods, invasive vegetation, and/or wildlife and to take actions (when necessary) to counter such threats.

Section 8. Administrator. The Board of Directors may employ a professional managing agent or agents to perform such duties and services as the Board of Directors shall authorize.

Section 9. Compensation. No officer or director shall receive compensation for serving as an officer or director of the Corporation.

Article VI Officers

Section 1. Officers of Ranch Colony Four Party Maintenance Association, Inc. The Corporation shall have a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time elect.

Section 2. Duties of Officers.

President. The President shall have general supervision over, and shall be responsible to, the Board of Directors for the successful conduct of the Corporation's business. The President shall sign all contracts of such character as may commit the Corporation outside the scope of normal day-to-day operations; attest to the authenticity of official documents of the Corporation; make reports to the Board of Directors and members, and shall perform all other duties as generally pertain to the office of the President of a not for profit corporation and as may be required by the Board of Directors.

Vice President. The Vice President shall in the absence or disability of the President exercise the powers and perform the duties of the President. The Vice President shall also

generally assist the President and exercise such other powers and perform such other duties as may be prescribed by the Board of Directors.

Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members of Ranch Colony Four Party Maintenance Association, Inc.; keep the corporate seal of the Corporation and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and meetings of the members of Ranch Colony Four Party Maintenance Association, Inc.; keep appropriate current records showing the members of the Corporation together with their addresses, and shall perform such other duties as required by the Board of Directors. Custody of the Secretary's records and seal of the Corporation with the Corporation's Administrator shall not be deemed inconsistent with the Secretary's duties and obligations. All minutes of the meetings of the Board of Directors and members of Ranch Colony Four Party Maintenance Association, Inc. shall be available for inspection by members at reasonable times.

Treasurer. The Treasurer shall have custody of all property of the Corporation, including funds, securities, and evidences of indebtedness. The Treasurer shall keep the financial books and records of the Corporation in conformance with good accounting practices and he shall perform all other duties incident to the office of Treasurer of a not for profit corporation. Custody of the Treasurer's books and records by the Corporation's Administrator shall not be inconsistent with the Treasurer's duties and obligations.

Section 3. Election and Appointment of Officers. The officers of Ranch Colony Four Party Maintenance Association, Inc. shall be elected by the Board of Directors at the organizational meeting of the Board of Directors held directly after the annual meeting of the members and the officers elected shall serve for a term of one (1) year and thereafter until qualified successors are duly elected and have taken office or until the Officer is removed from office as provided herein.

Section 4. Removal of Officer From Office. Officers of Ranch Colony Four Party Maintenance Association, Inc. serve at the pleasure of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. and an officer of the Board of Directors may be peremptorily removed from office, with or without cause, by a vote of a majority of the members of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. at a meeting of the Board of Directors. A member of the Board of Directors who has been removed as an officer of the Corporation continues as a member of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. unless such member is also removed as a director and/or replaced by the membership association that he/she represents.

Section 5. Vacancies. Any vacancy occurring in any Office (i.e. President, Vice President, Secretary, and Treasurer) of the Ranch Colony Four Party Maintenance Association, Inc. Board of Directors for any reason shall be filled by the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc.

Article VII
Meetings of the Board of Directors

Section 1. Meetings. Regular meetings of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. shall be held at such date, time, and place as determined by a majority of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. Special meetings of the Board of Directors may be called by or at the request of the President, and must be called by the President or Secretary upon the request of two members of the Board of Directors.

Section 2. Notice. Notice of any meeting of the Board of Directors shall be given to each director, alternate representative to the Board of Directors, and member association by the Secretary of Ranch Colony Four Party Maintenance Association, Inc. or by the person or persons authorized to call the Board of Directors' meetings at least two days prior to the date set for such meeting. Such notice shall be given in one of the following manners: personally, by mail, by telephone, by facsimile, by email, by other form of electronic communication, or by such other manner as then permitted by the Florida Business Corporation Act.

Section 2.1. Waiver of Notice. Notice of any Board of Directors' meeting may be waived by any director before or after the date and time of the meeting. Such waiver must be in writing, must be signed by the director, and must be delivered to the Corporation for inclusion in the minutes or filing with the corporate records. The attendance of a director at a meeting of the Board of Directors shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully convened.

Section 3. Quorum. A quorum of the Board of Directors shall consist of three directors. If a quorum is present when a vote is taken, the affirmative vote of three directors present is the act of the Board of Directors.

Section 4. Telephone Meetings. Any director may participate in a meeting of the Board of Directors by means of communication by which all persons participating in the meeting can hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Article VIII
Committees

Section 1. Appointment and Authority of Committees. The Board of Directors may appoint such committees as it deems appropriate in carrying out its purposes. Committees and committee members are only authorized to act on behalf of Ranch Colony Four Party Maintenance Association, Inc. to the extent authorized by its Board of Directors. Members of a committee are not required to be members of the Ranch Colony Four Party Maintenance Association, Inc. Each committee shall have two or more persons who serve at the pleasure of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. The designation of such a committee and the delegation to it of authority shall not operate to relieve the Board of Directors

of Ranch Colony Four Party Maintenance Association, Inc., or any member of it, of any responsibility imposed by law.

Section 2. Tenure. Each member of a committee shall serve at the pleasure of the Board of Directors.

Section 3. Meetings and Notice. Regular meetings of a committee may be held at such times and places as the committee may fix from time to time by resolution. Notice of meetings shall be given in the same manner as is notice of Board of Directors' meetings.

Section 4. Quorum. A majority of the members of a committee shall constitute a quorum for the transaction of business at any meeting of that committee, and any action of the committee must be authorized by the affirmative vote of a majority of the members of the committee present at a meeting at which a quorum of the committee is present.

Section 5. Resignation and Removal. Any member of a committee may be removed at any time, with or without cause, by resolution adopted by a majority of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. Any member of a committee may resign from the committee at any time by giving written notice to the President or Secretary of Ranch Colony Four Party Maintenance Association, Inc. and unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. Any vacancy in a committee may be filled by a resolution adopted by the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc.

Section 7. Procedure. A committee shall elect a presiding officer from its members and may fix its own rules of procedure which shall not be inconsistent with these By-Laws. A committee shall keep regular minutes of its proceedings and shall submit copies of its minutes and a report of the activities of the committee to the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. at the next meeting of the Board of Directors held after the committee meeting.

Section 8. Standing Committees. The following are standing committees of Ranch Colony Four Party Maintenance Association, Inc.

Reserve Study Committee. Formed to assist the Board of Directors in preparing the annual budget. Duties shall include analyzing data for determining Road and Building Reserves, Reserve Fund Schedule, and Cost Fund Replacement Reserve Study.

Three Party Committee. Formed to assist the Board of Directors in maintaining Colony Way in good condition and repair; to assist the Board of Directors in preparing the annual budget regarding the costs associated with the maintenance of Colony Way; and to assist in determining the reserve schedule for maintaining Colony Way.

Two Party Committee. Formed to assist the Board of Directors in maintaining Mack Dairy Road (from Indiantown Rd. to Old Indian Town Rd.) in good condition and repair and providing for the maintenance and management of the Park to ensure that the Park is in good condition for the recreational use of property owners. This committee is formed to assist the Board of Directors in preparing the annual budget regarding the costs associated with the maintenance of Mack Dairy Road (from Indiantown Rd. to Old Indian Town Rd.) and the Park; and to assist in determining the reserve schedule for maintaining Mack Dairy Road (from Indiantown Rd. to Old Indian Town Rd.) and the Park.

Article IX Fiscal Management

Section 1. Preparation of a Budget. Each year, prior to October 1, the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. shall prepare and adopt an annual budget for the following year that sets out the annual operating expenses of the Corporation and the charges attributed to each of the four member associations. The budget shall reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The proposed annual budget shall be detailed and show the amounts budgeted by accounts and expense classifications.

Section 1.1. Separation of Revenues and Expenses Related to Each of the Party Agreements. The Corporation's annual budget shall be presented in such a manner so that revenues and expenses related to each of the Party Agreements (the Four Party Agreements, the Three Party Agreement and the Two Party Agreements) are listed separately from one another. Revenues and expenses of the Corporation related to the Four Party Agreements shall be listed separately from revenues and expenses of the Corporation related to the Three Party Agreement, and separately from revenues and expenses of the Corporation related to the Two Party Agreements. Revenues and expenses of the Corporation related to the Three Party Agreement shall be listed separately from revenues and expenses of the Corporation related to the Four Party Agreements, and separately from revenues and expenses of the Corporation related to the Two Party Agreements. Revenues and expenses of the Corporation related to the Two Party Agreements shall be listed separately from revenues and expenses of the Corporation related to the Three Party Agreement, and separately from revenues and expenses of the Corporation related to the Four Party Agreements.

Section 2. Adoption of a Budget and Calculation of Member Association's Share of Expenses. The annual budget for Ranch Colony Four Party Maintenance Association, Inc. shall be adopted by the affirmative vote of at least three of the four members of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. subject to the following additional requirements: 1) Increases to or additional budget items related to the Three Party Agreement must be approved by the affirmative vote of at least two of the three members of the Board of Directors who represent the member associations that are parties to the Three Party Agreement. If agreement among the members of the Board of Directors who represent the member associations that are parties to the Three Party Agreement cannot be reached, the budget item

will remain as listed on the previous year's budget. 2) Increases or additions to budget items related to the Two Party Agreements must be approved by both of the members of the Board of Directors who represent member associations that are parties to the Two Party Agreements. If agreement among these two directors cannot be reached, the budget item will remain as listed on the previous year's budget.

Section 3. Amendment of Budget. If in any calendar year, the annual assessment proves to be insufficient, the Board of Directors may amend the annual budget and increase the member associations' quarterly installments of the annual budgeted expenses of the Corporation upon notice to the member associations. The increased amount shall be due to the Corporation within fourteen (14) days of the member association's receipt of notice of the increase.

Section 4. Suggested Funding Of Reserve Accounts For Member Associations/Reserve Schedules. Ranch Colony Four Party Maintenance Association, Inc.'s budget shall not include reserve accounts for capital expenditures and deferred maintenance. Each year, prior to October 1, the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. shall prepare a separate reserve schedule of estimated future costs for long term maintenance of each of the following items: estimated future costs for maintenance of Mack Dairy Road; estimated future costs for maintenance of the gate; estimated future costs for maintenance of Colony Way; estimated future costs for maintenance of the park; and estimated future costs for maintenance of the Palm Beach County portion of Mack Dairy road. The Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. shall recommend that each member association establish and fund a reserve account in the membership association's annual budget for that member association's expected share of the costs for capital expenditures and deferred maintenance so that funds will be available to the member association to pay its share of the cost when the funds are needed by Ranch Colony Four Party Maintenance Association, Inc. to perform the maintenance of these items. Each member association, by becoming a member of the Ranch Colony Four Party Maintenance Association, Inc., agrees to establish and fund reserve accounts in the member association's annual budget in such amounts as are necessary to pay its share of the costs for capital expenditures and deferred maintenance in a timely fashion.

Section 4.1. Formula for Computing Reserve Schedules. In computing the suggested reserve schedule for a member association, the amount to be reserved shall be computed by means of a formula that is based upon the estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Corporation may adjust suggested replacement reserve assessments annually to take into account any changes in estimates of the cost or useful life of a reserve item.

The funding formula for each suggested reserve item shall be based on a separate analysis of each reserved item and the amount of the contribution to each reserve account shall be the sum of the following two calculations: 1) The total amount necessary, if any, to bring a negative component balance to zero and 2) The total estimated deferred maintenance expense or estimated replacement cost of the reserve component less the estimated balance of the reserve component as of the beginning of the period for which the budget will be in effect. The remainder, if greater than zero, shall be divided by the estimated remaining useful life of the component. This formula may be adjusted each

year for changes in estimates and deferred maintenance performed during the year and may include factors such as inflation and earnings on invested funds.

Section 5. Contracts. The Board of Directors may authorize any officer or officers to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 5.1. Contracts pertaining to the Four Party Agreements. Contracts pertaining to the Four Party Agreement must be approved by the affirmative vote of at least three members of the Board of Directors and must be signed by two Officers of the Corporation.

Section 5.2 Contracts pertaining to the Three Party Agreement. Contracts pertaining to the Three Party Agreement must be approved by the affirmative vote of members of the Board of Directors representing at least two of the three member associations which are parties to the Three Party Agreement. Such contract must be signed by two Officers of the Corporation who are also members of the Board of Directors representing two of the three member associations which are parties to the Three Party Agreement.

Section 5.3 Contracts pertaining to the Two Party Agreements. Contracts pertaining to the Two Party Agreements must be approved by the affirmative vote of members of the Board of Directors representing at least two of the member associations which are parties to the Two Party Agreements. Such contract must be signed by two Officers of the Corporation who are also members of the Board of Directors representing both of the member associations which are parties to the Two Party Agreements.

Section 6. Loans. No loan shall be made, or accepted on behalf of the Corporation, and no evidence of indebtedness shall be issued in the Corporation's name, unless authorized by at least four members of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc.

Section 7. Checks. All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officer or officers of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 8. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select. All funds held on behalf of the Corporation shall be held in accounts insured by the Federal Deposit Insurance Corporation (FDIC).

Section 9. Financial Reporting. Within ninety (90) days of the end of the fiscal year, the Corporation shall prepare a financial report for the preceding fiscal year. Within twenty one (21) days after the financial report is completed the Ranch Colony Four Party Maintenance Association, Inc. shall, provide each member association with a copy of the annual financial report.

Section 10. 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 association and copies of said records may be purchased at a reasonable cost.

Article X
Sharing of Expenses

Section 1. Calculation of Member Association’s Share of Expenses. Each of the four (4) member associations shall be responsible for its share of Ranch Colony Four Party Maintenance Association, Inc.’s annual budget and by becoming a member of the Corporation agrees to assess its home owner members for the member association’s share of Ranch Colony Four Party Maintenance Association, Inc.’s annual budget. A member association’s share of expenses shall be calculated by the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. as follows:

Section 1.1. Calculation of Expenses Related to Party Agreements.

A. **Expenses Under Four Party Agreements.**

Each of the parties to the two (2) Four Party Agreements, (Ranch Colony Property Owners Association, Inc., the Links Property Owners Association, Inc., Old Trail Homeowners Association, Inc., and Tailwinds Homeowners Association, Inc.) shall pay its share of expenses pursuant to the Four Party Agreements as follows:

i. **Shared Cost of Administrator.**

Eighty five (85%) of the total annual administration and contract fee for the Administrator shall be a Four Party expense. Each of the four parties (Ranch Colony Property Owners Association, Inc., the Links Property Owners Association, Inc., Old Trail Homeowners Association, Inc., and Tailwinds Homeowners Association, Inc.) shall be billed and shall pay its share of this expense on a quarterly basis. Each party’s share of this cost is represented by a percentage of the total cost as outlined below:

Ranch Colony Property Owners Association, Inc.	45.7%
Old Trail Homeowners Association, Inc.	35.7%
Tailwinds Homeowners Association, Inc.	14.4%
Links Property Owners Association, Inc.	<u>4.2%</u>
	100.0%

The basis for sharing administration related costs is contained within the Mediated Settlement Agreement wherein all Four (4) Parties (Ranch Colony Property Owners Association, Inc., the Links Property Owners Association, Inc., Old Trail Homeowners Association, Inc., and Tailwinds Homeowners Association, Inc.)

agreed that an Administrator would be selected and hired by the Four Parties to administer and manage the Work for the 1990 Gatehouse Agreement and the 1999 Road Maintenance Agreement. Both amended Agreements in 2008 and 2009 provide that each Party shall pay its share of the costs of the Administrator for those two (2) Agreements.

ii. Shared Cost of Work Performed Pursuant to the Four Party Agreements.

Each of the parties to the two (2) Four Party Agreements, (Ranch Colony Property Owners Association, Inc., the Links Property Owners Association, Inc., Old Trail Homeowners Association, Inc., and Tailwinds Homeowners Association, Inc.) shall pay its share of the costs of the work performed pursuant to the Four Party Agreements in the following percentages:

Ranch Colony Property Owners Association, Inc.	69.0%
Old Trail Homeowners Association, Inc.	12.4%
Tailwinds Homeowners Association, Inc.	14.4%
Links Property Owners Association, Inc.	<u>4.2%</u>
	100.0%

The basis for sharing work related costs is contained within The 1990 Gatehouse Agreement and the 1999 Road Maintenance Agreement which agreements were both amended per the Mediated Settlement Agreement. The Mack Dairy Road Maintenance and Gatehouse Maintenance and Security Agreement – 2009 replaced and superseded the 1990 and 1999 Agreements. The amended agreements provide that each Party shall pay its share of the costs of the work for those agreements.

B. Expenses Under Three Party Agreement and Two Party Agreements.

i. Shared Cost of Administrator.

Fifteen percent (15%) of the total annual administration and contract fee for the Administrator shall be shared by and be billed to Ranch Colony Property Owners Association, Inc., the Links Property Owners Association, Inc. and Dye Preserve Golf Club on a quarterly basis at the proportion set forth below:

Ranch Colony Property Owners Association, Inc.	40.0%
Links Property Owners Association, Inc	40.0%
Dye Preserve Golf Club	<u>20.0%</u>
	100.0%

The fifteen percent (15%) is based on the Administrator averaging this level of activity per year over an extended period of time administering these agreements. The apportionment of fifteen percent (15%) of the total annual administration and contract fee for the Administrator to the parties in the percentages listed above is calculated to distribute the cost of administering the Three Party Agreement (between: Ranch Colony Property Owners Association, Inc., the Links Property Owners Association, Inc., and Dye Preserve Golf Club); the cost of administering the Two Party Park Maintenance Agreement 1979 (between Ranch Colony Property Owners Association, Inc. and the Links Property Owners Association, Inc.); and the cost of administering the Two Party Indiantown Road to Old Indiantown Road portion of Mack Dairy Road Maintenance Agreement - 1981 (between Ranch Colony Property Owners Association, Inc. and the Links Property Owners Association, Inc.)

In 2008, post-Mediated Settlement Agreement, all four (4) Parties met and unanimously approved a motion that the Administrator selected and hired by the four (4) Parties to administer and manage the Work for the 1990 Gatehouse Agreement and the 1999 Road Maintenance Agreement would also administer and manage the Work for the 1980 Colony Way Road Maintenance Agreement, the 1979 Park Maintenance Agreement, and the 1981 Palm Beach County portion of Mack Dairy Road Maintenance Agreement. Subsequently, it was determined that the Administrator's Annual Contract Fee for administration of the five (5) Agreements shall be apportioned as outlined above.

ii. Shared Cost of Work Performed Pursuant to the Three Party Agreement.

Each of the parties to the Three Party Agreement (Ranch Colony Property Owners Association, Inc., the Links Property Owners Association, Inc., and Dye Preserve Golf Club) shall share One third (1/3) of the cost of work performed under the Three Party Agreement.

iii. Shared Cost of Work Performed Pursuant to the Two Party Agreements.

Each of the parties to the Two Party Agreements (Ranch Colony Property Owners Association, Inc. and the Links Property Owners Association, Inc.) shall share one half (1/2) of the cost of work performed under the Two Party Agreements.

Section 2. Member Association's Obligation to Pay Share of Expenses. Each member association shall pay its share of Ranch Colony Four Party Maintenance Association, Inc.'s budgeted expenses for the calendar year annually in advance in quarterly installments due on the first day of the quarter (January 1, April 1, July 1, and October 1). Any payment that is not received by the Corporation before the thirtieth (30th) day of the quarter shall be delinquent and shall bear interest from the due date until paid at the rate of eighteen percent (18%) per annum. Should the Corporation be forced to take legal action against any member association to collect such member association's share of expenses or any amounts due to the Corporation under these By-laws or pursuant to any of the party agreements, or should there be a dispute between Ranch Colony Four Party Maintenance Association, Inc and any member association, the prevailing party shall be entitled to recover its attorneys fees and costs from the nonprevailing party up to and including all appellate levels.

Section 3. Collection Policy and Procedure for Four Party Accounts. The collection of any amount due the Corporation by a member association shall be in accordance with the following Collection Policy and Procedure for Four Party Accounts.

Section 3.1. Policy Overview. The purpose of this collection policy is to ensure the timely collection of all delinquent accounts through effective communication between Ranch Colony Four Party Maintenance Association, Inc., the administrator, the member associations, and Ranch Colony Four Party Maintenance Association, Inc.'s legal counsel, if necessary.

The following collection procedures apply to the collection of two types of delinquent accounts: 1) Delinquent payments due from each member association's own operating funds which are routinely billed by the administrator to the member association on a quarterly basis. The quarterly billing to be generated for each member association is determined by the Operating Budget approved annually by Ranch Colony Four Party Maintenance Association, Inc. in accordance with these By-Laws, 2) Delinquent payments due from each member association's own reserve funds related to Ranch Colony Four Party Maintenance Association, Inc. approved projects. Each member association shall maintain reserve funds as set forth in Chapter 720, Florida Statutes for the purpose of major capital improvements and/or major maintenance expenditures. These reserve funds are not part of the routine quarterly billing generated by the administrator.

Section 3.2. Reserve Funds/Reserve Bank Accounts. Each member association shall maintain reserve funds in accordance with the requirements of Article IX of these By-laws. Each member association shall reserve funds in such amounts as are specified in the Reserve Schedule and in Ranch Colony Four Party Maintenance Association, Inc.'s Budget, both of which are approved annually by Ranch Colony Four Party Maintenance Association, Inc.

Ranch Colony Four Party Maintenance Association, Inc. may approve expenditures for major improvements or major maintenance projects.

Depending on the scope of the project, Ranch Colony Four Party Maintenance Association, Inc. may establish separate reserve bank accounts to collect and disburse funds associated with the project(s). The administrator shall be responsible to collect and deposit to the separate reserve bank account the agreed upon amounts from each member association and disburse the funds necessary for project completion as directed by Ranch Colony Four Party Maintenance Association, Inc.

Section 3.3. Procedures For Collection:

- A. Due Dates and Interest Charges. Each member association shall be billed quarterly in advance at least fifteen (15) days before the first day of each quarter for its share of Ranch Colony Four Party Maintenance Association, Inc.'s operating budget. Each member association's quarterly payment is due on the first day of the quarter. Any payment that is not received by the Corporation before the thirtieth (30th) day of the quarter shall be delinquent and shall bear interest from the due date until paid at the rate of eighteen percent (18%) per annum. The invoice format will indicate the quarterly amount due on the established due date and shall include the amounts due at thirty (30) day intervals with interest charges added at the rate of eighteen percent (18%) per annum.
- B. Member Association Account Billing For Approved Projects From Member Association's Reserve Funds. Ranch Colony Four Party Maintenance Association, Inc. shall establish a payment schedule for the collection of each member association's share of the cost of Ranch Colony Four Party Maintenance Association, Inc. approved projects. Account payments shall be due from each member association's own reserve funds at such time as Ranch Colony Four Party Maintenance Association, Inc deems necessary to fund the specific project. Any payment that is not received by Ranch Colony Four Party Maintenance Association, Inc within twenty-nine (29) days of the due date established by the Corporation shall be delinquent and shall bear interest from the date due until paid at the rate of eighteen percent (18%) per annum. The invoice format shall indicate the amount due on the established due date and shall include the amounts due at thirty (30) day intervals with interest charges added at the rate of eighteen percent (18%) per annum.
- C. Accounts 15 Days Delinquent. The administrator will send a reminder invoice to the member association advising the member association that its payment is fifteen (15) days past due. The administrator will call and inform the member

- D. Accounts Thirty (30) Days Delinquent. The administrator will send a second reminder invoice to the member association advising the member association that its payment is thirty (30) days past due. Late interest fees for the entire month shall be reflected on the invoice. The administrator shall send a copy of this second reminder notice to each member of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc.
- E. Accounts 45 Days Delinquent. The administrator will send a demand letter advising the member association that if its payment is not received within ten (10) days, the account will be turned over to an attorney for collection. A copy of this letter shall also be sent to each member of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc.
- F. Accounts 60 Days Delinquent/Authorization for Legal Action. If full payment is not received from the member association within the ten (10) day period set forth in the demand letter, the administrator will immediately notify the members of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. in writing of this occurrence and a meeting of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. shall be held to determine the appropriate action to be taken. Only those members of the Board of Directors representing member associations in good standing may vote at this meeting on this issue.
- G. Accounts at the Attorney. When directed by the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. the Attorney will take action to collect monies owed by the sixty (60) day delinquent member association. The delinquent member association shall be responsible to bear the cost of any legal fees and costs incurred which are related to collection of the monies owed. If the balance has not been paid within thirty (30) days of the date the account was turned over to the attorney, the attorney will promptly notify the member of the Board of Directors of Ranch Colony Four Party Maintenance Association, Inc. in order to determine the next

Article XI Insurance

Section 1. Insurance. The Corporation shall purchase insurance on behalf of the Corporation in such forms and amounts as the Board of Directors, from time to time, determines is necessary and prudent to protect the Corporation. At a minimum, such insurance shall include casualty insurance for any structures, roads, and property maintained by the Ranch Colony Four Party Maintenance Association, Inc., general liability insurance, Directors and Officers liability insurance, and Worker's Compensation Insurance (if required by law). The Corporation shall also purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of his/her status as such. The costs of this insurance shall be allocated pursuant to Article X Section 1.1 (A) (ii.) of these By-Laws as Shared Costs of Work Performed Pursuant To The Two (2) Four Party Agreements.

Section 2. Fidelity bonds. The Corporation shall maintain insurance or fidelity bonding of all persons who control or disburse funds of the Corporation. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Corporation or its managing agent at any one time. The Corporation shall bear the cost of such bonding.

Article XII Miscellaneous

Section 1. Amendments. Amendments to these By-Laws shall be proposed and approved by the Board of Directors and thereafter submitted to a meeting of the membership of the Ranch Colony Four Party Maintenance Association, Inc. for adoption by not less than three (3) of the four (4) member associations at a duly convened meeting of the members of Ranch Colony Four Party Maintenance Association, Inc. No amendment to Article III, section 1 of these By-Laws may be made without the unanimous approval of all member associations. In addition, no amendment to these By-Laws shall be made which operates to increase the portion or percentage a member association shares in expenses of the Corporation without the unanimous approval of all member associations.

Section 2. Conflict. In the event of a conflict between these By-Laws and the Articles of Incorporation, the Articles of Incorporation shall control. In the event of a conflict between these By-Laws and any of the Party Agreements, the Party Agreements shall control. In any event, the Four Party Mediated Settlement Agreement shall control any conflict between it and any other document.

I, _____ [NAME], as secretary of Ranch Colony Four Party Maintenance Association, Inc. hereby certify that the foregoing constitute the By-Laws of this Corporation as adopted and in full force and effect on this _____ day of _____, 20____.

Appendix

1. Four Party – Mediated Settlement Agreement – April 18, 2008
2. Four Party – Agreement – June 16, 2009
3. Three Party – Colony Way Road Maintenance Agreement – 1980
4. Two Party – Park Maintenance Agreement – 1979
5. Two Party – Old Indiantown to Indiantown Mack Dairy Road Maintenance Agreement – 1981