



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of SANDALWOOD HOMEOWNERS ASSOCIATION, INC., a corporation organized under the laws of the State of Florida, filed on December 23, 1975, as shown by the records of this office.

The document number of this corporation is 734678.

Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the 30th day of September, 1991.



CR2EO22 (2-91)

*Jim Smith*

Jim Smith  
Secretary of State

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ARTICLES OF INCORPORATION

OF

SANDALWOOD HOMEOWNERS ASSOCIATION, INC.

(a corporation not for profit under the  
laws of the State of Florida)

The undersigned by these Articles associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes as amended, and certify as follows:

ARTICLE I

NAME

The name of the corporation shall be SANDALWOOD HOMEOWNERS ASSOCIATION, INC. For convenience, the corporation shall be referred to in this instrument as the Association.

ARTICLE II

PURPOSE

A. The purpose for which the Association is organized is to provide an entity to own and operate certain lands located in Palm Beach County, Florida, which lands are to be used in common by all of the members of the Association, which membership shall consist of all of the property owners at Sandalwood. The Association shall be responsible for the management of Sandalwood in keeping with the terms and conditions as set forth in the "Protective Covenants of Sandalwood", and the enforcement of such covenants.

B. The Association shall make no distributions of income to its members, directors or officers.

ARTICLE III

POWERS

The powers of the Association shall include and be governed by the following provisions:

A. The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of these Articles.

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B. The Association shall have all of the powers and duties set forth in the Protective Covenants for Sandalwood, except as limited by these Articles, and all of the powers and duties reasonably necessary to operate the Sandalwood property pursuant to the Protective Covenants and as it may be amended from time to time, including but not limited to the following:

1. To make and collect assessments against home owners to defray the costs and expenses of the Sandalwood property.
2. To use the proceeds of assessments in the exercise of its powers and duties.
3. To maintain, repair, replace and operate the property of the Association.
4. To make and collect assessments against home owners to purchase insurance upon the property of the Association and insurance for the protection of the Association and its members, as well as purchasing casualty insurance covering each of the homes in Sandalwood in an amount equal to the maximum insurance replacement value, excluding foundation and excavation costs. These insurance costs are shown in the operating budget for the Association and such assessments shall be due and payable when billed which shall be sixty (60) days prior to the expiration date of the policy covering each building at Sandalwood.
5. Interest, application of payments. Assessments and installments on such assessments paid on or before thirty (30) days after the date when due shall not bear interest, but all sums not paid on or before thirty (30) days after the date when due shall bear interest at the rate of ten (10%) percent per annum from the date when due until paid. All payments upon account shall be first applied to interest and then to the assessment payment first due. The Association shall have the right to file a lien against the property of such home owner who shall fail to make his required assessment payments. The lien for unpaid assessments shall also secure reasonable attorneys' fees incurred by the Association incident to the collection of such assessment or enforcement of such lien.
6. To reconstruct the improvements after casualty and to further improve the property.
7. To make and amend reasonable regulations regarding the use of the property of the Association, provided, however, that all such regulations and their amendments shall be approved by not less than seventy-five percent (75%) of the votes of the entire membership of the Association before such shall become effective.
8. To contract for the management of the Association property and to delegate to such contractors all powers and duties of the Association except such as are specifically required by the Protective Covenants of Sandalwood to have the approval of the Board of Directors or the membership of the Association.

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9. To employ personnel to perform the services required for proper operation of the Association property.

C. The Association shall not have the power to purchase a home at Sandalwood except at sales in foreclosure of liens for assessments for common expense, at which sales the Association shall bid no more than the amount secured by its lien.

D. All funds and the titles of all properties acquired by the Association and their proceeds shall be held in trust for the members in accordance with the provisions of the Protective Covenants of Sandalwood, these Articles of Incorporation and the By-Laws.

E. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Protective Covenants of Sandalwood.

#### ARTICLE IV

##### MEMBERS

A. The members of the Association shall consist of all of the record owners of homes at Sandalwood. Such membership shall be evidenced by delivery of a membership certificate at the time of closing on the home.

B. Change of membership in the Association shall be established by recording in the Public Records of Palm Beach County, Florida, a deed or other instrument establishing a record title to a home in Sandalwood and the delivery to the Association of a certified copy of such instrument. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated, at which time the Association shall issue a new membership certificate.

C. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his home.

D. The owner of each home shall be entitled to at least one vote as a member of the Association. The exact number of votes to be cast by owners of a home and the manner of exercising voting rights shall be determined by the By-Laws of the Association.

#### ARTICLE V

##### DIRECTORS

A. The affairs of the Association will be managed by a board consisting of the number of directors as determined by the By-Laws, but not less than three (3) directors, and in the absence of such determination shall consist of five (5) directors. Directors need not be members of the Association.



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director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE VIII

BY-LAWS

The first By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by the By-Laws

ARTICLE IX

AMENDMENTS

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner:

A. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

B. A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the secretary at or prior to the meeting. Except as elsewhere provided,

1. such approvals must be by not less than 75% of the entire membership of the Board of Directors and by not less than 75% of the votes of the entire membership of the Association;

2. by not less than 80% of the votes of the entire membership of the Association.

C. Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members.

ARTICLE X

TERM

The term of the Association shall be perpetual.

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ARTICLE XI

SUBSCRIBERS

The names and addresses of the subscribers of these Articles of Incorporation are as follows

OTTO B. DIVOSTA 251 River Drive, Tequesta, Florida 33458

PATRICK M. GORDON 228 Golf Club Drive, Tequesta, Florida 33458

BETTY J. DIVOSTA 251 River Drive, Tequesta, Florida 33458

IN WITNESS WHEREOF, the subscribers have affixed their signatures this 17th day of December, 19 75.

Witnesses

[Signature] (SEAL)  
OTTO B. DIVOSTA

[Signature] (SEAL)  
PATRICK M. GORDON

[Signature] (SEAL)  
BETTY J. DIVOSTA

STATE OF FLORIDA  
COUNTY OF PALM BEACH

BEFORE ME, the undersigned authority, personally appeared OTTO B. DIVOSTA, PATRICK M. GORDON and BETTY J. DIVOSTA, who, after being duly sworn, acknowledged before me that they executed the foregoing Articles of Incorporation freely and voluntarily for the uses and purposes therein expressed.

WITNESS my hand and official seal this 17th day of December, 19 75.

\_\_\_\_\_  
Notary Public, State of Florida at Large

My commission expires: \_\_\_\_\_

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BY-LAWS

SANDALWOOD HOMEOWNERS ASSOCIATION, INC.  
(A corporation not for profit under the  
laws of the State of Florida)

ARTICLE I

IDENTITY

These are the By-Laws of SANDALWOOD HOMEOWNERS ASSOCIATION, INC., hereafter called Association in these By-Laws, a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on the 23rd day of December, 1975. The Association has been organized for the purpose of owning and operating certain lands located in Palm Beach County, Florida, which lands are to be used in common by all of the members of the Sandalwood Homeowners Association, Inc., which members shall all be property owners at Sandalwood. Such operation by the Association shall include the management of Sandalwood in keeping with the terms and conditions as set forth in the "Protective Covenants of Sandalwood", and the enforcement of such covenants.

A. The office of the Association shall be at 3299 Garden Drive East, Palm Beach Gardens, Palm Beach County, Florida 33403.

B. The fiscal year of the Association shall be the calendar year.

C. The seal of the corporation shall bear the name of the corporation, the word "Florida", the words "Corporation Not for Profit", and the year of the incorporation, an impression of which is as follows:

ARTICLE II

MEMBERS' MEETING

A. The annual members' meeting shall be held at such location as shall be designated in the Notice of Meeting at 8:00 P.M., Eastern Standard Time, on the first Thursday in September of each year, for the purpose of electing directors and transacting any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next day that is not a legal holiday.

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B. Special members' meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast one-third (1/3) of the votes of the entire membership.

C. Notice of all members' meetings, stating the time and place and the objects for which the meeting is called, shall be given by the President, Vice President or Secretary, unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

D. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The acts approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Articles of Incorporation or these By-Laws.

E. Voting.

1. In any meeting of members the owners of each home shall be entitled to cast one vote as the owner of a home unless the decision to be made is elsewhere required to be determined in another manner.

2. If a home is owned by one person, his right to vote shall be established by the record title to his home. If a home is owned by more than one person, or is under lease, the person entitled to cast the vote for the home shall be designated by a certificate signed by all of the record owners of the home and filed with the Secretary of the Association. If a home is owned by a corporation, the person entitled to cast the vote for the home shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the home concerned. A certificate designating the person entitled to cast the vote of a home may be revoked by any owner of a home. If such a certificate is not on file, the vote of such owner shall not be considered in determining the requirement for a quorum nor for any other purpose.

F. Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting.

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G. Adjourned meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

H. The order of business at annual members' meetings and, as far as practical at other members' meetings, shall be:

1. Election of chairman of the meeting.
2. Calling of the roll and certifying of proxies.
3. Proof of notice of meeting or waiver of notice.
4. Reading and disposal of any unapproved minutes.
5. Reports of officers.
6. Reports of committees.
7. Election of inspectors of elections.
8. Election of directors.
9. Unfinished business.
10. New business.
11. Adjournment.

I. Proviso. Provided, however, that until the Developer of Sandalwood has completed all of the contemplated improvements and closed the sales of all of the homes located at Sandalwood, or until the Developer elects to terminate its control of the Association, whichever shall first occur, the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors.

### ARTICLE III

#### DIRECTORS

A. Membership. The affairs of the Association shall be managed by a board of not less than three (3) nor more than five (5) directors, the exact number to be determined at the time of election.

B. Election of directors shall be conducted in the following manner:

1. Election of directors shall be held at the annual members' meeting.
2. A nominating committee of five (5) members shall be appointed by the Board of Directors not less than thirty (30) days prior to the annual members' meeting. The committee shall nominate one person for each director then serving. Nominations for additional directorships created at the meeting shall be made from the floor, and other nominations may be made from the floor.

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3. The election shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

4. Except as to vacancies provided by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining directors.

5. Any director may be removed by concurrence of two-thirds of the votes of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting.

6. Provided, however, that until the Developer of Sandalwood has completed all of the contemplated improvements and closed the sales of all of the homes at Sandalwood, or until Developer elects to terminate its control of the Association, whichever shall first occur, the first directors of the Association shall serve, and in the event of vacancies the remaining directors shall fill the vacancies, and if there are no remaining directors, the vacancies shall be filled by the Developer.

C. The term of each director's service shall be the calendar year following his election and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

D. The organization meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and at such time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

E. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting.

F. Special meetings of the Board of Directors may be called by the President, and must be called by the Secretary at the written request of one-third of the directors. Not less than three (3) days' notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

G. Waiver of Notice. Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

H. A quorum at directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors is required by the Articles of Incorporation or these By-Laws.

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I. Adjourned meetings. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

J. Joinder in meeting by approval of minutes. The joinder of a director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such director for the purpose of determining a quorum.

K. The presiding officer at directors' meetings shall be the chairman of the Board if such an officer has been elected, and if none, the President shall preside. In the absence of the presiding officers, the directors present shall designate one of their number to preside.

L. The order of business at directors' meetings shall be as follows:

1. Calling of the roll.
2. Proof of due notice of meeting.
3. Reading and disposal of any unapproved minutes.
4. Reports of officers and committees.
5. Election of officers.
6. Unfinished business.
7. New business.
8. Adjournment.

M. Directors' fees, if any, shall be determined by the members.

#### ARTICLE IV

##### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association existing under the Articles of Incorporation and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by home owners when such is specifically required.

#### ARTICLE V

##### OFFICERS

A. The executive officers of the Association shall be a President, who shall be a director, a Vice President, who shall be a director, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting. Any person may hold two or more offices except that the President shall not be also the Secretary or Assistant Secretary. The Board of Directors, from time to time, shall elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

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B. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of the president of an association, including but not limited to the power to appoint committees from among the members from time to time as he in his discretion may determine appropriate, to assist in the conduct of the affairs of the Association.

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

D. The Secretary shall keep the minutes of all proceedings of the directors and members. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

E. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

F. The compensation of all employees of the Association shall be fixed by the directors. The provision that directors' fees shall be determined by members shall not preclude the Board of Directors from employing a director as an employee of the Association.

#### ARTICLE VI

#### FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Articles of Incorporation shall be supplemented by the following provisions:

A. Accounts. The receipts and expenditures of the Association shall be created and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

1. Current expense, which shall include all receipts and expenditures within the year for which the budget is made including a reasonable allowance for contingencies and

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working funds, except expenditures chargeable to reserves, to additional improvements or to operations. The balance of this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year.

2. Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.

3. Reserve for replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

4. Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the recreation facility.

B. Budget. The Board of Directors shall adopt a budget for each calendar year that shall include the estimated funds required to defray the assessments and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices as follows:

1. Current expense.

2. Reserve for deferred maintenance.

3. Reserve for replacement.

4. Betterments, which shall include the funds to be used for capital expenditures for additional improvements to the common property, provided, however, that in the expenditure of this fund no sum in excess of One Thousand Dollars (\$1,000.00) shall be expended for a single item or for a single purpose without approval of the members of the Association.

5. Operation, the amount of which may be to provide a working fund or to meet losses.

6. Provided, however, that the amount of each budgeted item may be increased over the foregoing limitations when approved by home owners entitled to cast not less than 75% of the votes of the entire membership of the Association; and further provided that until the Developer has completed all of the contemplated improvements and closed the sales of all

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homes at Sandalwood, or until the Developer elects to terminate its control of the Association, whichever shall first occur, the Board of Directors may omit from the budget all allowances for contingencies and reserves.

7. Copies of the budget and proposed assessments shall be transmitted to each member on or before December 31, preceding the year for which the budget is made. If the budget is amended subsequently, a copy of the amended budget shall be furnished to each member.

C. Assessments. Assessments against the home owners for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 31 preceding the year for which the assessments are made. Such assessments shall be due in two equal installments on the first days of January and July of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and semi-annual installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors if the accounts of the amended budget do not exceed the limitations for that year. Any account that does exceed such limitation shall be subject to the prior approval of the membership of the Association as previously required in these By-Laws. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due upon the date of the assessment if made on or after July 1; and if made prior to July 1, one-half of the increase shall be due upon the date of the assessment and the balance of the assessment upon the next July 1. The first assessment shall be determined by the Board of Directors of the Association.

D. Acceleration of assessment installments upon default. If a home owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the home owner and the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery of the notice to the home owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

E. Assessments for emergencies. Assessments for common expenses of emergencies that cannot be paid from the annual assessments for common expenses shall be made only after notice of the need for such expenditures is given to the home owners concerned. After such notice and upon approval in writing by persons entitled to cast more than one-half of the votes of the home owners concerned, the assessment shall become effective and shall be due after thirty (30) days' notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

F. The depository of the Association shall be such bank or banks and/or such savings and loan association or savings and loan associations as shall be designated from time to time

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by the Directors and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

G. Audit. At the Annual Meeting of the Association, the members present shall determine by a majority vote whether an audit of the accounts of the Association for the year shall be made by a Certified Public Accountant, a Public Accountant, or by an auditing committee consisting of not less than three members of the Association none of which shall be Board members. The cost of the audit shall be paid by the Association.

H. Fidelity Bonds shall be required by the Board of Directors from all officers and employees of the Association and from any contractor handling or responsible for the Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount of the total of two monthly assessments against members for common expenses. The premiums on such bonds shall be paid by the Association.

#### ARTICLE VII

##### PARLIAMENTARY RULES

These By-Laws may be amended in the following manner:

A. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

B. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be by:

1. Not less than 75 percent (75%) of the entire membership of the board of Directors and not less than 75 percent (75%) of the votes of the entire membership of the Association; or

2. Not less than 80 percent (80%) of the votes of the entire membership of the Association; or

3. Until the first election of directors, by all of the directors.

C. Proviso. Provided, however, that no amendment shall discriminate against any home owner nor against any home or class or group of homes unless the home owners so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation.

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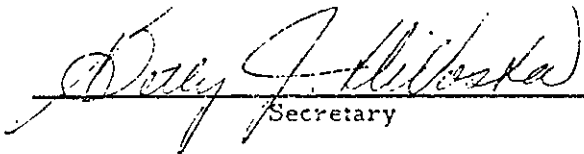
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D. Execution and recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment to the By-Laws, which certificate shall be executed by the officers of the Association with the formalities of the execution of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the Public Records of Palm Beach County, Florida.

The foregoing were adopted as the By-Laws of SANDALWOOD HOMEOWNERS ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on the 17th day of December, 19 75.

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary

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RECORD VERIFIED  
PALM BEACH COUNTY, FLA.  
JOHN B. DUNKLE  
CLERK CIRCUIT COURT