

AMENDED BY-LAWS  
OF  
LELY RESORT MASTER PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I  
GENERAL

Section 1. NAME: The name of the Corporation shall be LELY RESORT MASTER PROPERTY OWNERS ASSOCIATION, INC.

Section 2. PRINCIPAL OFFICE: The principal office shall be 8825 Tamiami Trail East, Naples, Florida 33962.

Section 3. The laws in effect on March 12, 2020 when Declaration of General Covenants, Conditions and Restrictions for Lely Resort were preserved under the Marketable Record Title Act are the Statutes applicable to the Governing Documents it being the intent that substantive changes to said Statutes do not override or cancel substantive provisions of the Governing Documents and amendments to said Statutes are only applicable where expressly incorporated by reference to a specific Statutory Section and followed by the use of the phrase "as amended from time to time".

ARTICLE II  
DIRECTORS

Section 1. NUMBER AND TERM: The number of Directors, which shall constitute the whole Board, shall be seven (7). Directors must be Members or the spouse of Members. If the property is held in the name of a corporation, partnership, trust, limited liability company, or other entity, any officer, director, partner, trustee or beneficiary of the trust, or managing member is eligible to serve as a Director. The system of staggered terms previously established shall be maintained. All Directors shall be elected to serve a term of four (4) years each or until their successors shall be elected and shall qualify. No Director may serve more than two (2) consecutive four (4) year terms and thereafter must take a hiatus of least two (2) years before being eligible to serve on the Board again. If a person is appointed to fill the seat of a Director that has vacated his or her seat before the end of the term, the time the appointed Director serves does not count towards the eight (8) year term limit restriction. However, if after the eight (8) years of service there are no other eligible persons desiring to serve, the Director may serve an additional term.

Section 2. VACANCY AND REPLACEMENT: If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, a majority of the remaining Directors not less than a quorum at a special meeting of Directors duly called for this purpose shall choose a successor or successors who shall hold office for the unexpired term in respect of which said vacancy occurred. The successor must be from the same class as the outgoing Director unless there is no eligible person willing to serve and then the Board may appoint any person that is eligible regardless of class.

In the event that only less than a quorum of Directors remains, the remaining Directors on a majority vote shall have the power to choose the successors to hold office for the unexpired term.

Section 3. REMOVAL: Any Director may be removed by a vote of a majority of the total votes of Membership as provided in Section 720.303(10), Florida Statutes as amended from time to time.

Section 4. Reserved for Future Use.

Section 5. POWERS: The property and business of the Corporation shall be managed by the Board of Directors, which may exercise all corporate powers not specifically prohibited by statute or the Articles of Incorporation . The powers of the Board of Directors shall specifically include, but not be limited to, the following:

- A. To promote the health, safety and social welfare of the Owners of property within Lely Resort, a community located near the City of Naples in Collier County, Florida and described on Exhibit A to the Amended Declaration of General Covenants, Conditions and Restrictions for Lely Resort and made a part hereof, and hereinafter referred to as "the Properties".
- B. To provide for maintenance service and such other services ("Community Services") the responsibility for which has been imposed upon and delegated to the Corporation and pursuant to the Amended Declaration of General Covenants, Conditions and Restrictions for Lely Resort.
- C. To carry out the duties and obligations and receive the benefits given the Corporation by the Amended Declaration of General Covenants, Conditions and Restrictions for Lely Resort.
- D. To establish By-Laws and rules and regulations for the operation of the Corporation and to provide for the formal administration of the Corporation and the Amended Declaration of General Covenants, Conditions and Restrictions for Lely Resort.
- E. To contract for the management of the Properties and for the furnishings of the Community Services and to delegate to the party with whom such contract has been entered into the powers and duties of the Corporation.
- F. To acquire, own, operate, lease, sell and trade property, whether real or personal, as may be necessary or convenient in the administration of the Properties.
- G. To levy and collect assessments against Members of the Lely Resort Master Property Owners Association, Inc. In order to pay all expenses of the Corporation as provided in the Amended Declaration of General Covenants, Conditions and Restrictions for Lely Resort.

- H. To manage, maintain, insure, equip, improve, repair, reconstruct, pay taxes and expenses, replace, and operate the Properties and provide the Community Services and to contract with others for such Properties.
- I. To grant easements, licenses, rights-of-way, etc., over and across the Properties.
- J. The Corporation shall have all of the common law and statutory powers of the Corporation not-for-profit which are not in conflict with the terms of these Articles, and the Amended Declaration of Restrictions and Protective Covenants for Lely Resort.
- K. To provide communication to the community on issues of community importance and to establish such ad-hoc subcommittees as necessary to address such issues.

Section 6. COMPENSATION: Neither Directors nor officers shall receive compensation for their services as such.

#### Section 7. MEETINGS:

- A. The annual meeting of each Board newly elected by the Members shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practical. The annual meeting of the Board of Directors shall be held at the same place as the general member's meeting.
- B. Special meetings shall be held whenever called at the direction of the President or a majority of the Board. The Secretary shall give notice of each meeting personally within 24 hours of the meeting or by mail or e-mail at least three (3) days before the calling of the meeting. An emergency meeting may be designated as such only by an affirmative vote of two-thirds (2/3's) of the Board.
- C. A majority of the Board shall be necessary and sufficient at all Board meetings to constitute a quorum for the transaction of business, and the act of a majority present at any meeting at which there is a quorum shall be the act of the Board.
- D. The assessments for which provision is herein made shall commence on the first (1st) day of the month or as fixed by the Board of Directors to be the day of commencement. The first (1st) annual assessment for any Member shall be adjusted according to the number of days remaining in the year of assessment. The due date of any assessment shall be determined by the Board and the manner of payment shall likewise be determined by the Board.

Section 8. ORDER OF BUSINESS: The order of business at all meetings of the Board shall be as follows:

- A. Roll Call;

- B. Reading of Minutes of the last Meeting;
- C. Consideration of Communications;
- D. Resignations and elections;
- E. Reports of officers and employees;
- F. Reports of committees;
- G. Unfinished business;
- H. Original resolutions and new business;
- I. Adjournment.

Section 9. ELECTION OF DIRECTORS: There are two (2) classes of Directors which shall be elected as follows:

- A. Two (2) Directors must be Owners or the spouses of Owners of residential property within the jurisdiction of the Lely Community Development District.
- B. Two (2) Directors must be Owners or spouses of Owners of residential property within the jurisdiction of the of Community Services Agreement.
- C. Three (3) Directors will be elected at large from any of the foregoing classes.

If at anytime there are insufficient candidates in any particular class, the Board may appoint any eligible person regardless of class.

No later than October 31st of each year the Master Association shall mail or hand deliver to each PCO Voting Representative (PCOVR) a first notice of annual meeting and election if applicable. The notice shall identify the number of seats on the Board of Directors that are open for election at the upcoming annual meeting. The notice shall also be posted on the Master Association website. The PCO shall within five (5) days of receipt of the notice mail, hand deliver or electronically transmit the notice to all Owners in the Neighborhood Association. The notice shall include an intent to be a candidate form that any eligible Owner or spouse of an Owner desiring to be a candidate for the Board must return to the Master Association no later December 1st . The candidate may also include with the intent to be a candidate form a candidate information sheet on an 8.5" x 11" sheet of paper with writing on only one side. The candidate information sheet must be included with the second notice of annual meeting and election. No later than January 7th Master Association shall mail or hand deliver to each PCOVR a second notice of annual meeting and election along with a ballot for electing Directors. The PCO shall within five (5) days of receipt of the second notice, mail, hand deliver or electronically transmit the notice to all Owners in the PCO. The PCOVR, employing the Block Voting system, shall cast the votes for the candidates and deliver the ballot to Master Association on or before the day the annual meeting and election. All PCOVRs may vote for all Directors regardless of class however cumulative voting (i.e. casting as many votes as there are candidates for a single candidate) is not allowed. No nominations from the floor of the annual meeting are permitted. All candidates must meet the additional qualifications for Directors as imposed by Chapter 720, Florida Statutes as amended from time to time.

### ARTICLE III OFFICERS

Section 1. EXECUTIVE OFFICERS: The executive officers of the Corporation shall be a President, Vice-President, Treasurer and Secretary, all of whom shall be elected annually by said Board. Any two of said officers may be united in one person except that the President shall not also be the Secretary or an Assistant Secretary of the Corporation. If the Board so determines, there may be more than one Vice-President.

Section 2. SUBORDINATE OFFICERS: The Board of Directors may appoint such other officers and agents as they may deem necessary, who shall hold office during the duties as from time to time may be prescribed by said Board.

Section 3. TENURE OF OFFICERS: REMOVAL: All officers and agents shall be subject to removal, with or without cause at any time by action of the Board of Directors. The Board may delegate powers of removal of subordinate officers and agents to any officer.

#### Section 4. PRESIDENT:

- A. The President shall preside at all meetings of the Members and Directors; He or she shall have general and active management of the business of the corporation; he or she shall see that all orders and resolutions of the Board are carried into effect; he or she shall execute bonds, mortgages, and other contracts.
- B. He or she shall have general superintendence and direction of all the other officers of the Corporation and shall see that their duties are performed properly.
- C. He or she shall submit annual fiscal reports of the operations of the Corporation and such period reports as may be, from time to time, called for by the Directors. The annual fiscal report shall likewise be submitted to the Members at the annual meeting. He or she shall also from time to time report to the Board all matters within his knowledge which he or she feels should be brought to the attention of the Directors.
- D. He or she shall be ex-officio Member of all the committees and shall have the general powers and duties of supervision and management usually vested in the office of the president of a Corporation.

#### Section 5. SECRETARY:

- A. The Secretary shall keep the minutes of the meetings of the members of the Board of Directors;
- B. He or she shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law;

- C. He or she shall be custodian of the corporate records, except fiscal accountability records;
- D. He or she shall keep the register of the post office addresses of each Member, which shall be furnished by the Secretary to any Member at the Member's request as long as the Member is in good standing;
- E. In general, he shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

Section 7. VACANCIES: If the office of the President, Vice-President, Secretary, or Treasurer, one or more, becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining Directors by a majority Vote of the whole Board of Directors provided for in these By-Laws may choose a successor or successors who shall hold office for the unexpired term.

Section 8. RESIGNATION: Any Director or officer may resign his or her office at any time, such resignation must be made in writing, and takes effect from the time of its receipt by the Corporation, unless some other time is stated in the resignation, and then from that date. The acceptance of a resignation shall not be required to make it effective. A person who is a Director and an Officer retains their seat as a Director if they only resign as an Officer.

#### ARTICLE IV MEMBERSHIP

Section 1. The Members of the Corporation shall be all record title Owners of a Dwelling Unit or Plot. Membership shall be appurtenant to and may not be separated from Ownership of a Dwelling Unit and/or Plot as defined in the Declaration of General Covenants, Conditions and Restrictions for Lely Resort. Recorded March 16, 1990, in O.R. Book 1513, Page 835-867 of the Public Records of Collier County, Florida as amended from time to time.

#### ARTICLE V MEETING OF THE MEMBERSHIP

Section 1. PLACE: All meetings of the corporate membership shall be held at such place as may be stated in the notice. Meetings may be held virtually as provided in Florida Statute Section 617.0721 as amended from time to time hereafter but a physical location must also be provided for persons to attend.

##### Section 2. ANNUAL MEETING:

- A. The annual meeting shall be held in the month of March of each year at a date and time determined by the Board.

- B. At the annual meeting, except as heretofore set forth as otherwise provided in the Articles of Incorporation, a Board of Directors shall be elected, and such other business shall be transacted as may properly come before the meeting.
- C. Written first notice of the annual meeting shall be mailed, hand delivered or electronically transmitted by the Secretary to each PCO Voting Representative (PCOVR) at such address as appears on the books of the corporation no later than October 31st of each year. The PCOVR's shall within five (5) days of receipt of the notice mail, hand deliver or electronically transmit the notice to all Owners in the PCO. A second notice of the annual meeting and election ballot shall be mailed or hand delivered to the PCOVRs no later than January 7th. The PCO shall within five (5) days of receipt of the second notice mail, hand deliver or electronically transmit the notice to all Owners in the PCO.

Section 3. MEMBERSHIP LIST: At least 14 days before every election of Directors a complete list of members entitled to vote at said election, arranged numerically by dwelling unit, shall be prepared by the Secretary. Such list shall be produced and kept for said and shall be open to examination by any member in good standing throughout such time. The list shall be organized by Neighborhoods and identify the exact number of eligible votes that must be cast by the PCO Voting Representative.

Section 4. VOTING MEMBERS: It is estimate at this time that there will be 10,150 dwelling units constructed in Lely Resort Community, PUD. Until all the dwelling units and/or Plots as defined in the Declaration of General Covenants, Conditions and Restrictions for Lely Resort have been initially sold, there shall be 10,150 Members in the Master Property Owners Association and each Member, other than Lely Development Corporation and the Owner of the hotel shall have one (1) vote for each dwelling and/or Plot owned by it. The Owner of the hotel shall have one vote for each room in the hotel and Lely Development Corporation shall have the remaining votes to reach a total of 10,150. When all the dwelling units and or Plots have been initially sold, then the total Membership shall be placed on the actual number of the dwelling units and or Plots in Lely Resort Community, PUD, plus the number of hotel rooms in the hotel constructed on the property described on Exhibit B to the Declaration of General Covenants, Conditions and Restrictions for Lely Resort as recorded in O.R. Book 1513, Page 835 of the Public Records of Collier County, Florida.

#### Section 5. SPECIAL MEETINGS:

- A. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation , may be called by the President and shall be called by the President or Secretary at the request in writing of a majority of the Board of Directors or at the request in writing of 20 percent of the Members. Such requests shall state the purpose or purposes of the proposed meeting.
- B. Written notice of its special meeting of members stating the time, place and object

thereof shall be mailed, hand delivered or electronically transmitted to each PCOVR at such address as appears on the books of the corporation, at least 14 days before such meeting.

- C. Business transacted at all special meetings shall be confined to the object stated in the notice thereof.

Section 6. RIGHT TO VOTE AND PROXIES: At any meeting of the members, every member shall have their vote cast via the Block Voting mechanism. Proxies may be used by the PCO Voting Representatives but shall only be valid for such meeting or subsequent adjourned meeting thereof.

Section 7. QUORUM: A quorum shall be Thirty Percent (30%) of the voting interests of the membership as represented by the PCO Voting Representative present in person or by proxy. A quorum may transact any business of the Corporation, except as otherwise provided by Florida Statutes. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote thereat via their PCO Voting Representative, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time without notice, other than an announcement at the meeting until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be presented or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 8. VOTE REQUIRED TO TRANSACT BUSINESS: When a quorum is present at any meeting, the vote of a majority of the voting interests of the Members as represented by the PCO Voting Representatives who are present and voting, in person or represented by written proxy, shall decide any question brought before the meeting unless the question is one upon which by express provisions of the Statutes or the Certificate of Incorporation or of these By-Laws a different vote is required, in which case such expressed provisions shall govern and control the decision of such question.

Section 9. WAIVER AND CONSENT: Whenever the vote of the Members at a meeting is required or permitted by any provisions of the Statutes or the Certificate of Incorporation, the Declaration or these By-Laws, to be taken in connection with any action of the corporation, the meeting and vote of the members may be dispensed with if the minimum number of the voting interests of the Members as represented and cast by the PCO Voting Representatives who would have been entitled to vote if such meeting were held, shall consent in writing to such action being taken.

Section 10. MASTER ASSOCIATION VOTING: All votes of Members and Owners as defined in the Declaration of General Protective Covenants, Conditions and Restrictions for Lely Resort shall be cast by their respective PCO Voting Representative via "block voting" which shall be implemented and administered as follows:

- A. "Block Voting" means a voting mechanism wherein all possible votes cast by the Master Association Members and Owners in a Neighborhood (based on the total



number of Units or Lots or Apartment Units within the Neighborhood or commercial parcel with voting rights), are cast either uniformly (i.e. entirely "for" or entirely "against") or in the proportions of actual votes relative to the total possible votes within the Neighborhood (i.e. if 65% of the votes cast were "for" and 35% were "against" then 65% of the total possible votes in the Neighborhood will be cast "for" and 35% will be cast "against") for a given Master Association proposal at a Master Association membership meeting by the Neighborhood's designated PCO Voting Representative, based on the procedure mandated in the Neighborhood's governing documents and if the Neighborhood's governing documents contain no procedure then the votes shall be cast as provided for herein below.

- B. "Property Controlling Organization Voting Representative (PCOVR)" An individual "PCO Voting Representative" herein referred to as the PCOVR will be appointed by the PCO Board of Directors or the Owner of any commercial parcel with voting rights to be responsible for performing the duties prescribed within the Neighborhood and Master Association governing documents or if none as prescribed herein below concerning votes cast by Master Association Members on applicable Master Association business. Unless otherwise approved or substituted by the PCO Board or the Owner of a commercial parcel with voting rights, the PCOVR shall be the President of the PCO or the Owner of the commercial parcel. The PCOVR's duties include attending meetings of the Master Association wherein votes on applicable Master Association business will be conducted. In addition, the PCOVR has the authority, to the extent permitted and/or limited by Florida law, the Master Association governing documents and the Neighborhood governing documents, to take action in the best interests of the Neighborhood and its members at Master Association membership meetings.
- C. "Notice" When notice is provided to Master Association Members by the Master Association regarding an applicable Master Association Member vote, on matters to which Master Association Members are entitled to vote on, the PCO shall notice and hold a PCO membership meeting, pursuant to the requirements contained within Florida law and the Bylaws of the PCO, prior to the respective Master Association membership meeting where the Member vote will occur.
- D. "Vote" At the above-referenced PCO membership meeting the PCO will tabulate the results of the votes cast, in person by meeting ballot or by proxy by the PCO members, on the subject of the Master Association proposal. The Master Association proposal which receives the highest number of votes from the PCO members (hereinafter the "Master Association Member Proposal Result") will be announced at the PCO membership meeting and, thereafter, the PCOVR will be required to cast, via block voting, all one hundred percent (100%) of the applicable Master Association Member votes for or against (as determined by the Master Association Member Proposal Result) the Master Association Member Proposal at the designated Master Association membership meeting or shall cast all one-

hundred percent (100%) of the votes in the proportions of the "for" and "against" results. In the event of a tie vote on the subject Master Association proposal, the PCO Board of Directors will vote to break the tie at a duly noticed Board meeting and, thereafter, instruct the PCOVR how to cast all one hundred percent (100%) of the applicable Master Association Member votes for the Neighborhood in a uniform manner. Notwithstanding the foregoing, if a quorum at the above-referenced PCO membership meeting is not attained or in lieu of this procedure altogether, the PCO Board of Directors may vote to decide the subject Master Association proposal at a duly noticed Board meeting and, thereafter, instruct the PCO Voting Representative how to cast all one hundred percent (100%) of the applicable Master Association Member votes in a block uniform manner. This procedure does not apply to the Owner of a commercial parcel with voting rights and said Owner may simply cast their votes in a block at the Master Association Meeting.

- E. "Conflict" In the event of a conflict between the Master Documents and the PCO governing documents, the terms and conditions of the Master Documents shall prevail.

## ARTICLE VI NOTICES

Section 1. SERVICE OF NOTICE OF WAIVER: Whenever any notice is required to be given under the provisions of Florida Statute, the Certificate of Incorporation or these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

## ARTICLE VII FINANCES

Section 1. FISCAL YEAR: The fiscal year shall begin on the first day of January and end on December 31 of the same year.

Section 2. CHECKS: All checks or demands for money and notes of the corporation shall be signed by the President or Treasurer or by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

## ARTICLE VIII

Reserved for Future Use

## ARTICLE IX

## DEFAULT

If the assessments are not paid on the date when due, then such assessments shall become delinquent and shall bear simple interest thereon at eighteen (18%) percent until the assessment is paid and shall also include late fees as allowed by F.S. 720.3085 as amended from time to time and all costs of collection, including a reasonable attorneys' fee, and should legal proceedings be required to enforce collection of payment of an assessment the same may be foreclosed as a lien against the Dwelling Units against which the assessment was made in the manner provided for enforcement which the assessment was made in the same manner provided for enforcement of claims of lien under F.S. 720.3085, as amended from time to time.

In addition the Board of Directors shall have the right to suspend a Member's right to vote and a Member's right to use Foundation Common Area for any period during which any assessment or any monetary amounts remain unpaid, and for a reasonable period during or after any infraction of the Corporation's rules and regulations governing the Corporation's common area. The annual and special assessments, together with interest thereon and cost of collection shall be a charge on each Member and shall be a continuing lean upon the Members lot and/or dwelling unit against with interest thereon, and costs of collection shall be the personal obligation of the person who is the Owner of each individual dwelling unit and/or lot or undivided interest therein at the time of assessment. If the Master Association is named as party in any mortgage foreclosure action against an Owner, the Owner is responsible to pay for the Master Association's reasonable attorneys fees and costs incurred in defending such action.

In the event of violation of the provisions of the Declaration and General Protective Covenants for Lely Resort dated March 13, 1990. Recorded March 16, 1990, in O.R. Book 1513, Page 835, as may be amended from time to time, or in the event of violation of the Articles of Incorporation or By-Laws which may be amended from time to time, the Board may bring appropriate action to enjoin such action or may enforce the provisions of such documents or may sue for damages or take such other course of action as they deem appropriate. In case of such legal action the prevailing party shall be entitled to reasonable attorney's fees, including attorney's fees on appeal and court cost.

## ARTICLE X AMENDMENTS

Amendments to these By-Laws may be adopted by a majority vote of the Board at any meeting called for that purpose.

## ARTICLE XI AMENDMENT OF ARTICLES

Amendments to the Articles of Incorporation shall be proposed by the Board of Directors or by the Members as provided in the Articles and adopted by a majority vote of the entire Board at any meeting called for that purpose; provided, that full text of any proposed amendment shall be included in the notice of such a meeting.

## ARTICLE XII CONSTRUCTION

Whenever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, whenever the context so requires.

## ARTICLE XIII ASSESSMENTS

### “Creation of the Lien and Personal Obligation”

- A. Each Owner, by acceptance of a deed for a Plot, whether or not it shall be so expressed in such deed, shall be covenanting and agreeing to pay to the Master Property Owners Association: (i) annual assessments; (ii) special assessments ; and (iii) resale capital assessments.
- B. The Master Property Owners Association shall have the power to make and collect assessments against Members to defray the cost, expenses and maintenance of the Property owned, leased or maintained by the Master Property Owners Association, and to enforce the provisions of these Protective Covenants. The Board of Directors of the Master Property Owners Association shall have the authority to consider current maintenance costs and needs of the Master Property Owners Association in order to fix the annual assessments for such costs to be paid by the Members of the Master Property Owners Association.
- C. The annual, resale capital, special assessments, and charges together with interest, late fees as allowed by F.S. 720.3085 as amended from time to time and cost of collection, including reasonable attorney’s fees, which include those resulting from many appellate proceedings, shall be a continuing lien upon the Plot against which such assessment is made.
- D. Each such assessment, together with interest, late fees as allowed by F.S. 720.3085 as amended from time to time and costs of collection, including reasonable attorney’s fees, which includes those resulting from appellate proceedings, shall also be the personal obligation of the person who was the Owner of the Plot at the time such assessment fell due and unpaid assessments and all other amounts shall also be the personal obligation of each person who became an Owner of the Plot. Each Owner, by acceptance of any deed for a Plot, as personally covenanting and agreeing to pay any such obligation falling due prior to or during the time of his ownership and such personal obligation shall survive any conveyance.
- E. In the event that a Plot has been submitted to a plan of condominium ownership or to any association, or to another such entity, then the PCO thereof shall have the

duty and responsibility for collecting and timely remitting to the Master Property Owners Association any and all Master Property Owners Association assessments and other charges; provide, however, that the Master Property Owners Association may, in its sole discretion, elect to collect due and unpaid Master Property Association assessments and other charges which are due and payable.

- F. The purpose, amount, rate, exemption from and non-payment of annual, resale capital, and special assessments, and the establishment of annual budget shall be as set forth in the Lely Resort Master Property Owners Association, Inc., By-Laws. The annual assessments are due quarterly on the first day of the quarter. The annual and special assessment rate is a fraction, the numerator of which is 1, and the denominator of which is the total number of Plots subject to the assessment. Currently the assessment rate is 1/5,284. The assessment rate shall automatically be adjusted accordingly if Plots are added or removed. If Plots are combined into a single homesite, the assessment rate will not be adjusted and the Plot owner is obligated to pay an assessment for each Plot or portion of a Plot.
- G. A Plot shall not be subject to assessment so long as it is Master Property Owners Association Common Area, or it is Neighborhood Common Area, or it is owned by a governmental agency and use solely for a public purpose.
- H. "Assessments" Each Member shall pay such assessments as the Board shall determine when it adopts the annual budget.
- I. "Resale Capital Assessment" The Association shall levy a Resale Capital Assessment upon the transferee of a conveyance of any Plot owned by an Owner to be used by the Association for any lawful purpose. The amount of the Resale Capital Assessment is five hundred dollars (\$500.00). The due date shall be the date of the closing of the conveyance. The Resale Capital Assessment shall, unless the transferor and transferee otherwise expressly agree, be the obligation of the transferee. If unpaid at closing, the Association may collect the Resale Capital Assessment in the same manner as an annual assessment in this Article XIII.

For the purposes of this section, the term "conveyance" shall mean the nonexempt transfer of record legal title to a Plot by deed or other authorized means of conveyance for or without valuable consideration and shall also refer to the transfer of possession and beneficial ownership by means of an agreement for deed. The following conveyances shall be exempt from payment of the Resale Capital Assessment:

- i. a conveyance by any record title holder to any person or entity who was also a record title holder of the Plot being conveyed in the Association immediately prior to such conveyance.
- ii. a conveyance to the Owner's estate, surviving spouse, or other heirs resulting from the death of an Owner.

- iii. a conveyance by an Owner to a trust, partnership, corporation, or other entity so long as such entity is and remains wholly-owned by the Owner or by such Owner and the Owner's spouse and/or children for estate planning or tax purposes.
- iv. a conveyance to the Association pursuant to a final judgment of foreclosure or deed in lieu of foreclosure.

Assessments and other charges shall be a continuing lien upon the Plot of any Owner and the assessments and other charges shall be the personal obligation of the person who was the Owner of the Plot at the time the person became an Owner and any due and unpaid assessments or other charges shall also be the personal obligation of each person who becomes an Owner of the Plot. Each Owner, by acceptance of a Deed for a Plot, is personally covenanting and agreeing to pay annual assessments and other charges which fell due prior to or during the term of his or her ownership and such personal obligation shall survive any conveyance of any Plot.

#### ARTICLE XIV TRANSACTIONS IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

All Directors and Officers must disclose any conflicts of interest and refrain from voting thereon as provided in Chapters 617 and 720 Florida Statutes as amended from time to time. In order to avoid conflicts, it is strongly encouraged that a person not serve on the Lely Community Development District Board and the Lely Resort Master Association Board at the same time.