

STRATHMORE GATE WEST BY-LAWS

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ARTICLE I - NAME AND LOCATION

The name of the corporation is **STRATHMORE GATE WEST HOMEOWNERS ASSOCIATION, INC.**, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 100 Indianhead Circle, Royal Palm Beach, Florida 33411, but meetings of members and Directors may be held at such places within the State of Florida, County of Palm Beach, as may be designated by the Board of Directors.

ARTICLE II - DEFINITIONS

The definitions of words as defined in the Declaration of Restrictions to which these By-Laws are attached as Exhibit "C" and recorded in the Public Records of Palm Beach County, Florida, are incorporated herein by reference and made a part hereof.

ARTICLE III - MEETING OF MEMBERS

Section 1. Annual Meeting: The annual meeting of the members shall be held each calendar year in December on a date and at a time determined by the Board of Directors.

Section 2. Special Meetings: The Board of Directors or 20% of owners may call special meetings. The business conducted at special meetings must be limited to the purposes described in the notice.

Section 3. Notice of Meeting: Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary, or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting (provided, however, in the case of an emergency, four (4) days' notice will be deemed sufficient) to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum: The presence at the meeting of members entitled to cast, or of proxies entitled to cast, thirty percent (30%) of the votes of the Association shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If however, such a quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

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

ARTICLE IV - BOARD OF DIRECTORS SELECTION: TERM OF OFFICE

Section 1. Number: The affairs of this Association shall be managed by a Board of Directors consisting of not less than three (3) nor more than nine (9) persons who must be members of the Association or their spouses, children or parents who actually occupy the Lot with the owner.

Section 2. Term of Office: At each annual meeting, a number of Directors equal to that of those whose terms have expired, shall be elected for the term of three (3) years. Any Directors may be reelected.

Section 3. Removal: Any Director may be removed from the Board by a majority vote of the members of the Association at a special meeting. In the event of death, resignation or removal of a Director, a successor may be selected by the remaining members of the Board and shall serve only until the next election, when he or she may choose to run for election. The Board has the option of not filling the vacant post. At the following election the term of office is determined by number of votes received, where only the top three vote getters serve three (3) year terms. All others will serve to fill unexpired terms according to votes received.

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

Section 5. Basic Requirements for Election to Board of Directors: Candidates must be members of the Association, or their spouses, children or parents, who occupy the Lot. Vacation time shall not exceed seventy-five (75) consecutive days. Directors must inform Office of summer vacation plans indicating dates of departure and return. All other times away exceeding three (3) days must also be reported to the office. If during extended vacation, a Director returns to S.G.W. for any reason except for emergencies he/she must maintain Thirty (30) days residence before leaving on another extended vacation.

ARTICLE V - NOMINATIONS AND ELECTIONS OF DIRECTORS

At such times as members of the Association are permitted to elect Directors, the nomination and election of Directors shall be conducted as follows:

Section 1. Nomination: Nomination for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall be appointed by the Board of Directors at least sixty (60) days prior to each Annual Meeting of the members to serve until the close of that Annual Meeting. No Board Member or spouse of a member of the Board of Directors shall be permitted to serve on a Nominating Committee to insure independence of each Nominating Committee member. Prospective Directors must meet basic requirements when presented to the Nominating Committee. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion determine, but not less than the number of vacancies that are to be filled, nor more than double available open positions.

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

ARTICLE VI - MEETINGS OF DIRECTORS

Section 1. Regular Meeting: Regular meetings of the Board of Directors shall be held monthly at such place and hour as may be fixed by resolution of the Board. Should said meetings fall upon a legal holiday, then the meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meeting: Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors after not less than three (3) days' notice to each Director.

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

ARTICLE VII - POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers: The Board of Directors shall have the powers reasonably necessary to operate and maintain the Association, including, but not limited to, the following:

- (a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties and/or fines for the infraction thereof;

- (b)** Suspend the voting rights and right to use of the Common Area of a Member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c)** Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration;
- (d)** Declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (e)** Employ a manager, an independent contractor, or such other employees as they deem necessary, prescribe their duties and delegate any or all of the duties and functions of the Association and/or its Officers; and
- (f)** Adopt and publish rules regarding leasing of dwellings on the Lots. Until otherwise stated, the following shall be adopted:

 - (1) The Lease must be written, for the entire dwelling and not just a portion thereof;
 - (2) The Lease must require the Lessee to abide by the terms of the Declaration and these By-Laws.
- (g) Fines:** Section 617.305 Florida Statutes sets forth the enforcement options available to a Homeowners Association. The provisions of said Statute, as same may be amended from time to time, are hereby incorporated by reference into these By-Laws. The Association is specifically granted the authority to impose suspensions and levy fines. No fine may exceed the maximum amount permitted by the applicable Statute, as same may be amended from time to time. No fine or suspension shall be levied except in accordance with the procedural requirements set forth in the applicable Statute, as same may be amended from time to time. The Board of Directors is hereby authorized to adopt and amend, as necessary, Rules and Regulations implementing these provisions consistent with the applicable Statute. All remedies of the Association shall be cumulative.
- (h)** Adopt and publish rules regarding security measures, including security lights on the exterior of the units. Until otherwise stated, the following shall be adopted:

- (1) The unit owners must, at their own expense, install security lights on the exterior of their units pursuant to a lighting plan approved by the Board;
- (2) The Association will replace light bulb for the security light as a common expense. The unit owners shall keep the lights maintained (including replacement as necessary and in proper operated condition at all times and shall keep the lights on from dusk to dawn daily.

Section 2. Duties: It shall be the duty of the Board of Directors to cause the Association to perform the purposes for which it was formed, including, but not limited to, the following:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the Members;
- (b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to fix the amount of the annual assessment against each Lot and send notice thereof to every Owner at least thirty (30) days in advance of each annual assessment period;
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability, hazard, property and/or casualty insurance on property owned by the Association and as required by the Declaration.
- (f) Cause all Officers or Employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VIII - OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers: The Officers of the Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other Officers as the Board may from time to time by resolution create.

Section 2. Election of Officers: The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term: The Officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments: The Board may elect such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any Officer may be removed from office by the Board. Any Officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies: A vacancy in any office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7. Multiple Offices: The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties: The duties of the officers are as follows:

(a) PRESIDENT

The President shall preside at all meetings of the Members and Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes. The President shall appoint all Committee Chairmen with the exception of the Nominating Committee and Covenants Enforcement Committee, and the Architectural Committee. The President shall oversee and direct activities of the Association office and staff. The President shall always be a member of the Budget and Planning Committee. The President shall determine the number of and specific Directors who will have authority to co-sign checks.

(b) VICE- PRESIDENT

The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) SECRETARY

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(c) TREASURER

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of accounts; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget to be presented to the Membership at its regular annual meeting; and shall prepare a statement of income and expenditures within one hundred twenty (120) days of the end of the fiscal year and deliver a copy to each of the Members.

ARTICLE IX - COMMITTEES

The Board shall appoint an Architectural Committee, as provided in the Declaration, a Nominating Committee, and a Covenants Enforcement Committee as provided in these By-Laws. The Board of Directors shall appoint a Committee Chairperson for the above Committees and delegate that Committee Chairperson the authority to select the balance of and number of the Committee. Eligibility for service on a Committee is limited to Members of the Association or their spouses, children or parents who occupy the Lot.

ARTICLE X - BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-

Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI - ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. Assessments and installments thereof not paid within fifteen (15) days from the date when they are due shall bear interest at the highest lawful rate from the date due until paid. The Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees incurred by the Association in connection with collection and/or appeal shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII - CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: **STRATHMORE GATE WEST HOMEOWNERS ASSOCIATION, INC.**, a Corporation Not for Profit, 1981.

ARTICLE XIII - AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

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

ARTICLE XIV - INSURANCE

The following insurance shall be purchased, maintained, and governed by the following provisions:

Section 1. Purchase of Insurance. All insurance purchased pursuant to the **ARTICLE XIV** shall be purchased by the Association for the benefit of the Association, the Owners and their respective mortgagees, as their interest may appear, and shall provide for the issuance of certificates of insurance and mortgagee endorsements to Owners and any or all of the holders of institutional first mortgages. The policies shall provide that the insurer waives its rights of subrogation as to any claims against

Owners and the Association, their respective servants, agents and guests. Each Owner and the Association hereby agree to waive any claim against each other and against other Owners for any loss or damage for which insurance hereunder is carried where the insurer has waived its rights of subrogation as aforesaid.

Section 2. Cost and Payment of Premiums: The Association shall pay the cost of obtaining all insurance hereunder, excluding only the insurance as may be purchased by individual Owners and any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof.

Section 3. Owner's Responsibility: Each Owner may obtain insurance, at his own expense, affording coverage upon the property for which he has the responsibility to maintain and for his own liability and living expenses as he deems advisable. All such insurance shall contain the same waiver of subrogation that is referred to herein and shall waive any right to contribution.

Section 4. Coverage: The following coverage shall be obtained by the Association:

- (a) The Association shall obtain and maintain fire, wind, general casualty, and extended coverage insurance with a responsible insurance company upon all of the insurable improvements of the entire Community, including the Common Areas, the Lots, and the personal property of the Association, for the full replacement or insurable value thereof, including coverage for changes in building codes, and less a commercially reasonable deductible as determined by the Board, provided the Board exclude foundation and excavation costs in its discretion. The original policy of insurance shall be held by the Association, and mortgages shall be furnished, upon request, mortgage endorsements covering their respective interests. The words "Insurable Improvement" in every hazard policy issued to protect a Lot does not include interior floor, wall or ceiling coverings; electrical fixtures; appliances; air conditioner or heating equipment; water heaters; water filters; built-in cabinets or countertops; window treatments, including curtain, drapes, blinds, hardware and similar window treatment components; replacements of any of the foregoing, which are located within the boundaries of a Lot and serve only one Lot; all air conditioning compressors that service only an individual Lot, whether or not located within the Lot boundaries.
- (b) Comprehensive general public liability and property damage insurance in such an amount and in such form as shall be required by the Association in limits of not less than \$500,000 for bodily injury or death to any person; not less than \$1,000,000 for bodily injury or death resulting from any one accident or occurrence, and not less than \$50,000 for property damage. Said coverage shall include, but not be limited to, water damage, legal liability,

hired automobile, non-owned automobile, and off-premises employee coverage. All liability insurance shall contain cross liability endorsements to cover liabilities of the Owners as a group to an individual Owner, and one Owner to another.

(c) Workmen's compensation policies shall be obtained to meet the requirements of law.

(d) Such other insurance as the Board or Association may determine to be necessary from time to time.

Section 5. Insurance Trustee: All Insurance policies purchased in accordance with Section 4 (a) hereof shall provide that if the proceeds payable to the Association as a result of any insured loss exceed \$50,000 then the proceeds shall be paid to an Insurance Trustee to be named by the Association in the event of a loss; if, however, the proceeds do not exceed \$50,000 then they shall be paid directly to the Association. In the event of an insured loss where payment will be made to the Insurance Trustee, a state, national or federal bank doing business in Palm Beach County and having trust powers shall be designated as Trustee by the Association (said Trustee, acting as such, is herein referred to as the "Insurance Trustee"). The Insurance Trustee shall not be liable for payment of premiums, the removal of the policies, the sufficiency or content of the policies, or for failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive said proceeds, as paid, and to hold the same in trust for the benefit of the Association and the Owners as follows:

(a) Proceeds on account of damage to the dwellings and Lots shall be held for the benefit of the Owners of the damaged dwellings in proportion to the cost of restoring the same suffered by each damaged dwelling. Upon the request of the Insurance Trustee, the Association shall certify to the Insurance Trustee the appropriate proportions, each Owner shall be bound thereby and the Insurance Trustee may rely upon said certification.

(b) Proceeds on account of damage to Common Area shall be held for the Association.

Section 6. Association as Agent: The Association is irrevocably appointed agent for each Owner, for each Owner of a Mortgage upon a Lot and for each Owner of any other interest in a Lot or the Common Area to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

Section 7. Responsibility: If the damage is only to those parts of a dwelling for which the responsibility of maintenance and repair is that of the Owner (s) then said Owner (s) shall be responsible for reconstruction after casualty. In all other instances, the responsibility of reconstruction after casualty shall be that of the Association, except as provided in Articles XIV and XV of the Declaration of Restrictions of Strathmore Gate West.

Section 8. Nature of Reconstruction: Any reconstruction included hereunder shall be substantially in accordance with the plans and specifications of the original building, or as the building was last constructed, subject to modification to conform with the then current governmental restrictions and codes. Unless appropriate governmental approval is received, the dimensions of the replacement dwelling shall not exceed the dimensions of the previous dwelling.

Section 9. Estimates: In all instances hereunder, immediately after a casualty causing damage to the property for which the Association has the responsibility of maintenance and repair, the Association shall obtain a reliable, detailed estimate of the cost to place the damage property in a condition as good as that before the casualty. Such cost may include professional fees and premiums for such bonds as the Board may desire, or those required by any institutional Mortgagee involved.

Section 10. Assessments: If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction, or if, at any time during reconstruction or upon completion of reconstruction, the funds for the payment of the costs of reconstruction are insufficient, assessments shall be made against the Owners in sufficient amounts to provide funds for the payment of such costs. Such assessments against Owners for damage to dwellings shall be in proportion to the cost of reconstruction of their respective dwellings. Such assessments on account of damage to all other improvements shall be uniform against all Owners.

Section 11. Disposition of Proceeds:

- (a) The proceeds of insurance and any special assessments, if any, collected on account of a casualty shall constitute a construction fund which shall be disbursed from time to time, as the work progresses. The holder of the construction fund shall make payments upon the written request for a disbursement accompanied by an appropriate certificate signed by the party responsible for the repair and by the architect, engineer or contractor in charge of the work, setting forth:
 - (1) That the sum then requested either has been paid or is justly due and certifying that the sum requested does not exceed the value of the services and materials described in the certificate.
 - (2) That except for the amounts stated in said certificate to be due as aforesaid, there is no outstanding indebtedness known which may become the basis of vendor's, mechanics or material men's liens.

(3) That the cost, as estimated, or work remaining to be done subsequent to the date of said certificate, does not exceed the amount of funds remaining in the construction fund after the payment of the sum so requested.

(b) It shall be presumed that the first monies disbursed in payment of such costs of reconstruction shall be from insurance proceeds and shall first be applied to reconstruction of all improvements other than dwelling, and then to the dwellings. If there is a balance in a construction fund after the payment of all costs of reconstruction, said balance shall be distributed to or kept by the Association. In the event special assessments had been made against some, but not all, Owners, under section 10 hereof, then the Association may return said balance pro-rata, to the Owners who paid said special assessment.

Section 12. Effect of Mortgagee Endorsements Concerning Insurance Proceeds: In the event a mortgagee endorsement has been issued on any Lot, the share of the Owner shall be held in trust for the mortgagee as its interest may appear; **PROVIDED, HOWEVER,** that no mortgagee shall have the right to apply or have applied to, the reduction of its mortgage debt any insurance proceeds. All mortgagees agree to waive the rights to said proceeds if the same are used pursuant to the provisions of this Declaration to pay for the restoration of such damage. All covenants contained herein for the benefit of any mortgagee maybe enforced by such mortgagee. Nothing contained herein, however, shall be construed as relieving the owner from his duty to reconstruct damage to his dwelling as heretofore provided.

Section 13. Authority of Association: In all instances herein, except when a vote of the membership of the Association is specifically required, all decisions, duties and obligations of the Association hereunder may be made by the Board. The Association and its Members shall jointly and severally be bound thereby.

ARTICLE XV - MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.