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COLLIER COUNTY, FLORIDA

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CLERK OF CIRCUIT COURT
COLLIER COUNTY, FLORIDA

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CERTIFICATION

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STATE OF FLORIDA
COUNTY OF COLLIER

BEFORE ME, the undersigned officer duly authorized to administer oaths, personally appeared A. T. CHANDONNET and M. M. PETTINGER President and Secretary, respectively, of KONA-KAI, INC., a Delaware corporation permitted to do business in the State of Florida, and after being duly sworn, depose and say:

1. They are the President and Secretary of KONA-KAI, INC., a Delaware corporation permitted to do business in the State of Florida.

2. That following this Certification is a true and correct copy of the By-Laws of the corporation.

FURTHER THE AFFIANTS SAYETH NOT.

A. T. Chandonnet
A. T. Chandonnet

M. M. Pettinger

SWORN TO AND SUBSCRIBED before me this 22 day of December, 1976.

(SEAL)

Dan M. Bunten
Notary Public

My Commission expires: 6-10-77

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LAW OFFICES
VEGA, BROWN & NICHOLS, P.A.
2660 AIRPORT ROAD
NAPLES, FLORIDA 33940

BY-LAWS

OF

KONA-KAI, INC.

Article I

OFFICES

Section 1. The principal office of the corporation is to be located in the City of Dover, County of Kent, State of Delaware. The name of the resident agent is UNITED STATES CORPORATION COMPANY, whose address is 129 South State Street, Dover, Delaware.

Section 2. The corporation shall maintain an office in the City of Naples, Collier County, Florida, at a location designated by the Board of Directors.

Article II

MEETING OF MEMBERS

Section 1. ANNUAL MEETING. The annual meeting of the members shall be held at the office of the corporation in the City of Naples, Collier County, Florida, on the first Monday in commencing in the year 1960, and annually thereafter, at 10 o'clock in the forenoon.

Section 2. QUORUM. A quorum shall be a majority of the members present, in person or by proxy, of the membership of the corporation.

Section 3. SPECIAL MEETINGS. Special meetings of the members may be called at any time by a majority of the Board of Directors upon 10 days' written notice to each member. The notice

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shall contain a statement of the business to be transacted at said meeting. The business transacted at special meetings shall be confined to the purpose of a special meeting as set forth in said statement.

Section 4. ADJOURNMENT. In the event a quorum is not present at any duly called annual or special meeting, the members present, in person or by proxy, shall have the power to adjourn the meeting to a day certain of not more than 10 nor less than 5 days thereafter without further notice to the members and all business may lawfully come before such meeting as hereinabove provided.

Section 5. VOTING. (a) At all meetings of the members, all questions, not otherwise regulated by statutes, shall be determined by a majority vote of the members present, in person or by proxy.

(b) All voting shall be viva voce, unless otherwise required by statute or these by-laws. Every member shall have a right to one vote; unless such member holds a proxy in writing subscribed to by such member granting a proxy and bearing a date of not more than 2 years prior to said meeting, signed before a notary public and two witnesses; in such case, the holder of said proxy shall be entitled to as many votes as he has proxies together with his own.

Section 6. ORDER OF BUSINESS. The order of business at all meetings of the members shall be as follows:

(a) Roll Call.

(b) Proof of notice of meeting or waiver of notice.

(c) Reading of minutds of preceding meeting.

(d) Reports of Officers.

(e) Reports of Committees.

(f) Election of Directors.

(g) Unfinished Business.

(h) New Business.

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Article III

DIRECTORS

Section 1. NUMBER. The corporate affairs shall be managed by a Board of Directors consisting of not less than 3 nor more than 5 members. All members of the Board shall be a prescriptive right member and not less than one-half of said number shall, in addition, be a permitted occupant member.

Section 2. ELECTION. The Directors shall be elected at the annual meeting for a term of one year or until a duly qualified successor is elected and qualified. The members shall, at each annual meeting, determine by proper vote the number of directors to serve for the succeeding year not inconsistent with Section 1 hereof.

Section 3. FIRST DIRECTORS. For the first year, a member of the Board of Directors need not be a member of the corporation.

Section 4. DUTIES. The Board of Directors shall control and have the general management of the affairs of the corporation which are not inconsistent with these by-laws and pertinent statutes. The Board of Directors may adopt such rules to regulate the conduct of their meeting and the management of the corporation as they may deem proper and meet.

Section 5. MEETINGS. The Board of Directors shall hold an annual meeting immediately following the annual meeting of the members, at such time and place within the City of Naples, Florida, or such other place as may be designated; and may keep the books of the corporation wherever they may designate.

Section 6. NOTICE. Notice of any special meeting shall be given by service upon each director in person or by mailing to him at his last known address, at least 5 days before the date therein designated for such meeting, including the day of mailing, a written notice specifying the time and place of such meeting and the business to be brought before the meeting. And no business other than that specified in such notice shall be transacted at such special meeting. The directors may, upon execution of a waiver of notice by all members of the Board of Directors, hold a special meeting without notice, and may transact any business thereat in the same manner as if the meeting had been duly called by written notice.

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Section 7. QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business. In the event a quorum is not present, the Board may adjourn to some future time not more than 3 days later without written notice or otherwise.

Section 8. VACANCIES. Whenever any vacancy occurs in the Board of Directors by death, resignation, removal or otherwise, the remaining members of the Board of Directors shall, within 60 days, choose a successor, who shall hold office for the remaining unexpired term. Such choice shall be made by a majority of the remaining members of the Board of Directors.

Section 9. REMOVAL. Any one or more of the Directors may be removed either with or without cause, at any time, by three-fourths vote of the members of the corporation.

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Article IV

OFFICERS

Section 1. NUMBER. The officers of this corporation shall be:

(a) President

(b) Vice-President

(c) Secretary

(d) Treasurer

Any member may hold one or more combinations of the above offices excepting the office of the President and Secretary.

Section 2. ELECTION. All officers shall be elected annually by the Board of Directors at their annual meeting and shall hold office fof the term of one year or until their successors are duly elected and qualified.

Section 3. COMMITTEES. The Board of Directors may appoint either additional officers or committees as they shall deem necessary and may delegate powers vested in the Board of Directors to such committees or officers as they, in their discretion, may deem advisable; provided, such committee or officer may be removed or terminated without notice by the Board of

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Directors immediately. The committee or officers so appointed shall hold regular meetings and record all proceedings transpiring at such meetings.

Section 4. DUTIES OF OFFICERS. The duties and powers of the officers of this corporation are as follows:

PRESIDENT

The President shall preside at all meetings of the Board of Directors and members and shall be an ex officio member of all committees and shall have general and active management of the business of the corporation. The President shall be the executive officer of the Board of Directors.

The President shall, if not otherwise inconsistent with these by-laws or the certificate of incorporation, be empowered to call meetings of the Board of Directors and members.

The President shall be the executive officer and, in such capacity, execute notes, mortgages, contracts, drafts and agreements in the name of the corporation; except where such duties are expressly reserved to the Board of Directors.

He shall enforce these by-laws and perform all the duties incident to the position and office, and which are required by law.

VICE-PRESIDENT

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

SECRETARY

The Secretary shall keep the minutes of the meetings of the members and Board of Directors.

He shall give and serve all notices required by these by-laws.

He shall be the custodian of the records and of the corporate seal and affix the corporate seal when required.

TREASURER

The Treasurer shall have the care, custody and be responsible for all the accounts, receipts and deposits of the corporation. He shall make

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disbursements according to the instructions of the Board of Directors and shall deposit all the funds in the name of the corporation in such bank or banks as the Board may, from time to time, designate.

He shall sign, make and endorse in the name of the corporation all checks, drafts, warrants andother orders for the payment of money and pay out and dispose of the same, under the direction of the President or the Board of Directors.

The Treasurer shall render a statement of the conditions of the finance of the corporation at its regular meeting of the Board of Directors, and at such other times as may be required; a full financial report at the annual meeting of the members shall be a necessity. If required by the Board of Directors, the Treasurer shall give the corporation a bond in such amount as the Board may designate as security for his faithful performance. He shall do and perform all duties appertaining tothe office of the Treasurer.

Section 5. VACANCIES. All vacancies however created shall be filled by the Board of Directors within a reasonable time at either a regular or special meeting.

Section 6. REMOVAL. The Board of Directors may remove any officer at any time with or without cause upon a majority vote of said Board.

Article V

CORPORATE SEAL

Section 1. SEAL. The corporation shall have a seal with the following inscription impressed thereon:

KONA-KAI, INC.

1959

State of Delaware

Article VI

MEMBERSHIP

Section 1. OWNERSHIP. The membership of the corporation shall consist of the holders of permitted occupant and prescriptive right

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contracts executed by the corporation.

Section 2. PERMITTED OCCUPANT MEMBER. A permitted occupant member shall be any natural person holding a valid permitted occupant and prescriptive right contract entlting the holder thereof to the use and benefit of an apartment unit and certain other corporate assets. A corporation which owns these documents may designate any natural person as being entitled to the use and enjoyment of the corporate assets; provided, the Board of Directors of this corporation approve such designation.

Section 3. PRESCRIPTIVE RIGHT MEMBERS. A prescriptive right member is any legal entity holding a valid permitted occupant and prescriptive right contract without the right of use and enjoyment as approved by the Board of Directors. A prescriptive right member shall be allowed to vote at either the Board of Directors or members meetings on the following items:

(a) The sale of 25 per cent of the corporate assets or more;

(b) The execution of any option agreement to purchase real property;

(c) The dissolution of the corporation, and

(d) The encumbrance of any real property owned by the corporation.

Section 4. ASSIGNMENT OR SALE. Membersip in the corporation may be transferred only upon the transfer of a permitted occupancy contract which shall require the approval of the Board of Directors. A prescriptive right contract may be transferred by any member without approval of the Board of Directors, or otherwise.

Section 5. FORM. The Board of Directors shall adopt a standard form prescriptive right and permitted occupancy contract to be executed between the corporation and the members. After such adoption, the form may not be changed or altered in form unless inconsistent with the laws of any political subdivision or upon a clear showing of changed conditions, and in the latter event, such changed conditions shall only affect the permitted occupancy contract.

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Article VII

REGULATION

Section 1. The Board of Directors may, upon the vote of the majority of the Board of Directors, transfer any permitted occupancy contract to a prescriptive right contract in the event the permitted occupant member breaches any term or condition of the permitted occupant contract. The Board of Directors may, upon approval of the majority, grant a permitted occupancy contract to any holder of a prescriptive right contract.

Article VIII

CAPITAL ACCOUNT

Section 1. ACQUISITION COSTS. The Board of Directors shall assign a cost to each individual apartment in the cooperative apartment. This acquisition cost shall continue during the life of the corporation for the purposes of prorating corporate expenditures. The cost thus assigned shall appear in each permitted occupancy contract. It shall control prorations of ground rentals, mortgages and other designated expenditures. It shall be construed as the acquisition cost of said individual apartment.

Article IX

ASSESSMENTS

Section 1. OPERATING EXPENDITURES. It shall be the duty of the Board of Directors to set and determine the sum of moneys ordinary and necessary to maintain the cooperative apartment including but not limited to improvements, insuance, rentals, and other necessary operating expenses. The sums so designated shall be assessed in a prorata share to each permitted occupant member as the acquisition cost bears to the total capital expenditure.

Section 2. SPECIAL ASSESSMENTS. The Board of Directors shall have the power to make special assessments when such is required for the betterment of the corporation, additions and unforeseen expenditures.

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Section 3. SCHEDULE. It shall be the duty of the Board of Directors to adopt a schedule of assessments for each year and make it available to any member requesting said schedule.

Article X

SALE

Section 1. The Transfer or assignment of the permitted occupancy and prescriptive right contract is permitted; however, before the Grantee or Assignee may occupy the cooperative premises, he shall first obtain approval of the Board of Directors. Such approval is hereby designated as a condition precedent to the assignment or transfer of the permitted occupancy contract.

Section 2. In the event the permitted occupancy and prescriptive right contract shall descend by will or the laws of descent and distribution of any political subdivision, and the lineal descendants of the owner and holder shall not be required to obtain approval by the Board of Directors and shall have the immediate right of occupancy of said premises.

Article XI

LEASING

Section 1. APPROVAL. The Board of Directors shall supply any holder of a permitted occupancy and prescriptive right contract with an approved form of lease. The form shall, inter alia, contain an approval by the Board of Directors of the lease.

Section 2. Any member may lease his interest for a period of three months without obtaining the approval of the Board of Directors.

Section 3. The acts or omissions of the lessee shall be construed as the acts or omissions of the leasing member.

Article XII

BREACHES

Section 1. ASSESSMENTS. In the event any member fails to pay any of the charges, assessments, or special assessments properly levied

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by these By-laws or the Board of Directors, the Board of Directors may, in their discretion, terminate the permitted occupancy contract upon 60 days written notice to the delinquent member; provided, all sums deemed due are not paid within said period.

Section 2. OTHER BREACHES. In the event any member, his assigns, heirs, or other persons holding under said member, shall breach any provisions of the Articles of Incorporation, By-laws or rules and regulations promulgated by the Board of Directors, the Board of Directors may, upon 5 days written notice to such member, terminate the occupancy rights of said member, his heirs, assigns or persons holding under him, unless such breach is cured within said 5-day period. Three or more breaches of this nature shall constitute a substantial breach of the permitted occupancy and prescriptive right contract and the members therein may be disposed of by the Board of Directors as hereinafter provided.

Section 3. SALE BY THE BOARD OF DIRECTORS. In the event any member shall not comply with Sections 1 and 2 above, the Board of Directors may declare the permitted occupancy and prescriptive right contract terminated, and offer for sale the same apartment unit to some third party at a price determined to be fair market value of said unit. The Board of Directors shall be allowed to place the apartment unit in marketable condition, pay all necessary sales and closing expenses, deduct any amounts owing to the said corporation for charges, assessments or special assessments in purchase price, and then rebate directly to said member breaching said contract, the balance of the purchase price obtained from the resale of said apartment unit.

Section 4. NOTICE OF BREACH. Any member who wishes to complain against another member shall do so in writing to the Board of Directors and shall demand a hearing before the said board of the alleged breaches. The Board of Directors shall cause a hearing to be had upon said complaint within a period of 30 days after receipt of said complaint in writing. The Board of Directors may, upon its own initiative, cause such a hearing to be had.

Section 5. APPEAL. In the event the Board of Directors shall rule adversely to any member upon the complaint of another member or on the Board's own motion, the aggrieved member may appeal

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the ruling of the Board of Directors to the entire membership of the corporation. A notice of such appeal must be filed within 30 days after said ruling by the Board of Directors; said appeal shall be in writing and served by mail upon at least two members of the Board of Directors. The Board of Directors shall thereupon within 60 days call a special meeting of the members of the corporation who shall hear the cause. The majority of the members, providing that a quorum is present, shall decide the issue presented and determine whether there has or has not been a breach by the accused member.

Section 6. RIGHT TO RE-ENTER. In the event any member's contract is terminated by the Board of Directors or the general membership and an appeal is not taken pursuant to these By-laws, possession of the apartment shall be immediately surrendered to the corporation by the member, his heirs, assigns or anyone holding under him. The delivery shall be prompt and the apartment unit shall be delivered over in good condition excepting only ordinary wear and tear. Such member shall be deemed to have waived any and all notice and demand as may be required by the laws of any political subdivision.

Article XIII

DISSOLUTION

Section 1. In the event the corporation is dissolved by action of the membership or otherwise, the members shall participate in the net proceeds in the same proportion as the acquisition cost as provided in Article VIII. In the event any member shall owe the corporation for any charges, assessments or special assessments at the time of said dissolution, such member shall be accountable to the corporation for said debts of his prorata share of the funds received in dissolution.

Section 2. The Board of Directors at the time of such dissolution shall act as trustees in dissolution.

Article XIV

ESTATES

Section 1. The permitted occupancy and prescriptive right contract may

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be owned as tenants in common, joint tenancy and as an estate by the entirety. Where there is a co or joint ownership, the Board of Directors shall be required to approve such ownership prior to the creation of such an estate.

Section 2. The General properties of the corporation outside of the actual apartment unit shall be held by the corporation for the use and enjoyment of all members upon such rules and regulations as the Board of Directors may from time to time make.

Section 3. Any single membership owned by one or more of the above estates shall be limited to one vote per apartment unit.

Section 4. In the event any member shall own more than one contract, he shall be limited to one vote on any matter other than dissolution, amendment to the Certificate of Incorporation or the mortgaging of corporate property; in the latter events, he shall be allowed one vote for each contract held or, in other words, one vote per apartment.

Article XV

AMENDMENTS

Section 1. The Board of Directors shall have the power and authority to amend, alter or add to these By-laws for the first year.

Section 2. After the first year (from the date of charter), these By-laws may be amended only at a duly called meeting of the members; provided, notice is sent pursuant to these By-laws to all members and said notice shall contain a full copy of said proposed amendment. A majority of the members, provided a quorum is present, may amend, alter or add to the By-laws.

Article XVI

CONSTRUCTION

Section 1. The female or neuter pronouns shall be substituted for those of masculine gender where required to properly comply or construe these By-laws. These By-laws are for the mutual benefit

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of all apartment owners and the construction thereof shall have as its major rationale the general welfare of the entire membership and shall be construed accordingly.

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Clerk of Circuit Court