

SECOND AMENDED AND RESTATED BY-LAWS OF
VIZCAYA VILLAS HOMEOWNER'S ASSOCIATION, INC.

Vizcaya Villas Homeowner's Association, Inc., is the Florida non-profit corporation, organized to enforce the Declaration of Restrictions, Easement and Covenants of Vizcaya Villas (the "Declaration"), consisting of residential villas in Lee County, Florida. Unless the context otherwise requires, all terms used in these By-laws shall have the same meaning as are attributed to them in the Articles and the Declaration.

ARTICLE I - OFFICES

The principal office of the Association shall be in the State of Florida. The Association shall designate a registered office in accordance with Florida law and shall maintain it continuously. The Association may have offices at such other places within or without the State of Florida as the Board of Directors may from time to time determine.

SECTION II - MEMBERS

Section 1. All of the record owners of Villas shall be members of the Association.

Section 2. **Membership Classes.** There shall be one class of membership.

(a) **Voting Members.** The Association shall have Voting Members who shall have all the rights and privileges of Members of the Association. The Voting Member may not be removed.

Section 3. **Transfer of Membership.** The rights of each Owner shall be appurtenant to his or her ownership of a Villa, may not be separated from said ownership, and shall automatically pass to the heirs, successors, and assigns (including mortgagees) of an owner upon the recordation of the change in ownership of the Villa in the public records of Lee County, Florida, and in the records of the Association. It shall be the responsibility of any such transferor and transferee of a Villa to notify the Association of any change in the ownership of any villa, and the corresponding change in any membership, by delivering notice to the Association. Unless and until the Association receives said notice, the Association shall not be obligated to recognize any change in membership or ownership of a Villa for purposes of notice, voting, assessments, or for any other purpose.

3.1 The secretary of the Association shall maintain a register in the office of the Association showing the names and addresses of the members of the Association. It shall be the obligation of each member of the Association to advise the secretary of any change of address of the member, or of the change of ownership of the member's Villa, as set forth above. Any member who mortgages his Villa shall notify the Association of the name and address of his

mortgagee. Any member who satisfies the mortgage encumbering his Villa shall also notify the Association thereof, and shall file a copy of the satisfaction of mortgage with the Association. The names and addresses of any such mortgagee shall also be maintained in the member register.

4. Annual Meetings. The purpose of the annual meeting of members is to elect Directors and to transact such other matters as may properly come before the members. The annual meeting of members of the Association shall be held at the times and places designated by the Board of Directors or the president of the Association. The annual meeting of members for any year shall be held no later than thirteen (13) months after the last annual meeting of members. However, failure to hold an annual meeting timely shall in no way affect the terms of Officers or Directors of the Association or the validity of actions of the Association.

5. Special Meetings. Special meetings of members may be called by the President or by a majority of the Board of Directors then in office or by members owning one-fourth (1/4) or more of the outstanding votes of the Association. The purpose of each special meeting shall be stated in the notice and may only include purposes which are lawful and proper for members to consider. Notice of any special meeting shall be given by the secretary, or other officer of the Association, to all of the members within thirty (30) days after same is duly called, and the meeting shall be held within forty-five (45) days after same is duly called.

6. Place of Meeting. The Board of Directors may designate any place within Lee County, State of Florida, as the place of meeting for any meeting of members. If no designation is made, then the place of meeting shall be the principal office of the Association in the State of Florida.

7. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered personally or by mail not less than ten (10) days nor more than sixty (60) days before the date of the meeting. Notice shall be given by or at the direction of the President or the Secretary or the persons calling the meeting to each member of record entitled to vote at the meeting. If mailed, such notice shall be deemed to have been delivered when deposited in the United States Mail addressed to the member at his address as it appears on the records of the Association with postage thereon prepaid. For the purpose of determining members entitled to notice of, or to vote at, any meeting of the member of the Association, or in order to make a determination of the members for any other purpose, the Board shall be entitled to rely upon the member register as same exists ten days prior to the giving of the notice of any meeting, and the Board shall not be required to take into account any changes in membership occurring after that date but may, in their sole and absolute discretion, do so. Notwithstanding the foregoing, if a Villa is owned by more than one person, or by an entity, only one notice shall be required to be given with respect to the Villa, which may be given to any co-owner as defined in Paragraph 3 of these Bylaws. Notice to any member or co-owner shall be sent to the Villa of such member or co-owner, unless the Villa Owner(s) otherwise request.

8. **Waiver of Notice.** A written waiver of notice signed by a member, whether before or after a meeting, shall be equivalent to the giving of such notice. Attendance of a member at a meeting shall constitute a waiver of notice of such meeting, except when the member attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

9. **Adjournments.** Any meeting may be adjourned or continued by a majority vote of the members present in person or by proxy and entitled to vote, or if no member entitled to vote is present, then any officer of the Association may adjourn the meeting from time to time. If any meeting is adjourned or continued to another time or place, it shall not be necessary to give any notice of the adjourned meeting, if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken and any business may be transacted at the adjourned meeting that might have been transacted at the original meeting. If the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, notice of the adjourned meeting may be given to members not present at the original meeting without giving notice to the members which were present at such meeting.

10. **Organization.** At each meeting of the members, the president, the vice president, or any person chosen by a majority of the members present in that order, shall act as chairman of the meeting. The secretary, if in his absence or inability to act, any person appointed by the chairman of the meeting shall act as secretary of the meeting.

11. **Order of Business.** The order of business at the annual meetings of the members shall be:

- 11.1 Determination of chairman of the meeting;
- 11.2 Calling of the roll and certifying of proxies;
- 11.3 Proof of notice of meeting or waiver of notice;
- 11.4 Reading and disposal of any unproved minutes;
- 11.5 Reports of directors, officers or committees;
- 11.6 Nomination and election of inspectors of election
- 11.7 Determination of number of directors;
- 11.8 Election of directors;
- 11.9 Unfinished business;
- 11.10 New business; and
- 11.11 Adjournment.

12. **Minutes.** The minutes of all meetings of the members shall be kept in a book available for inspection by the members of their authorized representatives, and the directors, upon reasonable notice, during reasonable times, for a proper purpose. The Association shall retain these minutes for a period of not less than seven years.

13. **Action without Meeting.** Any action of the members may be taken without a meeting, without prior notice and without a vote, if a consent in writing setting forth the action so taken is signed by the members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent, notice must be given to those members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. If a Villa is owned by more than one person or by a corporation, the consent for such Villa need only be signed by one person who would be entitled to cast the vote of the Villa as a co-owner pursuant to these Bylaws.

14. **Voting Record.** If the Association has six (6) or more voting members of record, the officers having charge of the membership records of the Association shall make, at least three (3) days before each meeting of members, a complete list of the members entitled to vote at such meeting or any adjournment thereof. The list shall be kept on file at the registered office of the Association or at the principal place of business of the Association, and any member shall be entitled to inspect the list at any time during usual business hours. The list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any members at any time during the meeting. If the requirements of this section have not been substantially complied with, then upon demand of any member in person or by proxy, the meeting shall be adjourned until the requirements are complied with. If no such demand is made, failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

15. **Member Quorum and Voting.** Unless otherwise required in the Articles of Incorporation, a majority of the members appearing in person or by proxy shall constitute a quorum at a meeting of members. When a specified item of business is required to be voted on by a class of members unless otherwise required in the Articles of Incorporation, a majority of the members of such class shall constitute a quorum for the transaction of such items of business by that class. If a quorum is present, unless otherwise provided by law or in the Articles of Incorporation, the affirmative vote of a majority of the members at the meeting entitled to vote on the subject matter shall be the act of the members. After a quorum has been established at a members' meeting, the subsequent withdrawal of members, so as to reduce the number of members entitled to vote at the meeting below the number required for a quorum shall not affect the validity of any action taken at the meeting or any adjournment hereof. If a quorum is not present when a meeting starts, then a majority of the members at the meeting may adjourn the meeting from time to time without further notice until a quorum is present.

16. **Votes.** Each voting member shall be entitled to one vote on each matter submitted to the members; provided however, that there shall only be one vote per Villa. If a Villa is owned by two or more voting members, then the owners of the Villa shall designate, in writing, one owner as its proxy to cast its vote and represent the Villa. If a Villa is owned by a corporation, trust or other non-natural person who is a voting member, then it shall designate in writing, a natural

person as its proxy to cast its vote and represent the Villa. In the event a dispute arises between the co-owners as to how the vote for the Villa shall be cast or in the event the co-owners are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to cast the vote for the Villa on the matter being voted upon at the meeting, but their membership shall be counted for purposes of determining the existence of a quorum.

17. **Proxies.** Every member entitled to vote at a meeting of members or to express consent to dissent without a meeting may authorize another person or persons to act for him by proxy. Every proxy shall be in writing and shall be signed by the member or his otherwise duly authorized attorney-in-fact and delivered to the secretary of the meeting at or prior to the time designated in the order of business for delivering proxies. Any proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the member executing it, except as otherwise provided by law. Every proxy shall contain the date, time and place of the meeting for which the proxy is given and if a limited proxy, shall set forth those times which the proxy holder may vote in the manner in which the vote is to be cast.

18. **Who may Attend.** In the event any Villa is owned by more than one person, all co-owners of the Villa may attend any meeting of the members. In the event any Villa is owned by a corporation, any director or officer of the corporation may attend any meeting of the members. However, the vote for any Villa shall be cast in accordance with the provision of this paragraph. Institutional lenders have the right to attend all members meetings.

ARTICLE III - BOARD OF DIRECTORS

Section 1. **General Powers.** Subject to the limitations of the Articles of Incorporation, these Bylaws, and the Florida not for profit corporation act concerning corporate action that must be authorized or approved by the members of the Association, all corporate powers shall be exercised by or under the authority of the Board of Directors, and the management and affairs of the Association shall be controlled by the Board of Directors.

Section 2. **Number and Qualification.** The number of Directors shall be the number of Directors elected from time to time in accordance with these Bylaws, but shall never be less than three (3) nor more than nine (9). The number of Directors may be increased or decreased from time to time by election in accordance with these Bylaws.

Section 3. **Election of Directors by Members.** The members shall elect directors at the annual members' meetings.

3.1 Prior to any special or annual meeting at which directors are to be elected by the members, the existing Board may nominate a committee, which committee shall nominate one person for each director to be elected by the members, on the basis that the number of directors to

serve on the Board will not be altered by the members at the members meeting. Nominations for additional directorships created at the meeting shall be made from the floor, and other nominations may be made from the floor.

3.2 The election of directors by the members shall be by ballot (unless dispensed with by unanimous consent and by a plurality of the votes cast, each member voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled.

Section 4. Term of Office. All directors elected by the member shall hold office until the next annual meeting of the members and until their successors are duly elected, or until such director's death, resignation or removal, as hereinafter provided or as otherwise provided by statute or by the Articles.

Section 5. Annual Meeting. The Board of Directors shall hold its annual meeting at the same place as and immediately following each annual meeting of members for the purpose of the election of officers and the transaction of such other business as may come before the meeting. If the majority of the Directors are present at the annual meeting of the members, no prior notice of the annual meeting of the Board of Directors shall be required. However, another place and time for such meeting may be fixed by written consent of all of the Directors.

Section 6. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall be determined from time to time by the Board of Directors. During the period when Declarant appoints a majority of the Directors, no regular meeting of the Board will be required.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board (if there is one), the President or any Director. The person or persons authorized to call special meetings of the Board of Directors may fix a reasonable time and place for holding them.

Section 8. Notice and Waiver. Notice of each meeting of the Board shall be given by the secretary, or by any other officer or director, which notice shall state the day, place and hour of the meeting. Notice of such meeting shall be delivered to each director either personally or by telephone or telegraph, at least 48 hours before the time at which such meeting is to be held, or by first class mail, postage prepaid, addressed to such director at his residence, or usual place of business, at least three days before the day on which such meeting is to be held. Notice of a meeting of the Board need not be given to any director who signs a waiver of notice either before or after the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail with postage prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting, either before, at, or after the meeting and a waiver of any and all objections to the place of such meeting or the manner in which it has been called or convened,

except when a Director states at the beginning of the meeting any objection to the transaction of business because the meeting is not lawfully called or convened.

Section 9. Quorum and Voting. A majority of Director in office shall constitute a quorum for the transaction of business. The vote of a majority of Directors present at a meeting at which a quorum is present shall constitute the action of the Board of Directors, unless the act of a greater number of directors is required by statute, the Declaration, the Articles, or by these Bylaws. If less than a quorum is present, then a majority of those Directors present may adjourn the meeting from time to time without notice until a quorum is present. A director may join by written concurrence in any action taken at a meeting of the Board but such concurrence may not be used for the purpose of creating a quorum.

Section 10. Adjourned Meetings. A majority of the directors present at a meeting, whether or not a quorum exists, may adjourn any meeting of the Board to another place and time. Notice of any such adjourned meeting shall be given to the directors who are not present at the time of the adjournment, and unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 11. Presiding Officer. The presiding officer of the Board meetings shall be the chairman of the Board if such an officer is elected and if none, the president of the Association shall preside. In the absence of the presiding officer, the directors shall designate one of their members to preside.

Section 12. Order of Business. The order of business at a Board meeting shall be:

- 12.1 Calling roll;
- 12.2 Proof of due notice of meeting;
- 12.3 Reading and disposal of any unapproved minutes;
- 12.4 Reports of officers and committees;
- 12.5 Election of officers;
- 12.6 Unfinished business;
- 12.7 New business; and
- 12.8 Adjournment.

Section 13. Minutes of Meetings. The minutes of all meetings of the Board shall be kept in a book available for inspection by the members of the Association, or their authorized representatives, and the directors, upon reasonable notice, during reasonable times, for a proper purpose. The Association shall retain these minutes for a period of not less than seven years.

Section 14. **Resignation.** Any director may resign at any time by giving written notice of his resignation to another director or officer. Any such resignation shall take effect at the time specified therein or, if the time when such resignation is to become effective is not specified therein, immediately upon its receipt and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 15. **Vacancies.** Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors even though it is less than a quorum of the Board of Directors, unless otherwise provided by law of the Articles of Incorporation. A Director elected to fill a vacancy shall hold office only to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or members or a special meeting of member called for that purpose.

15.1 In the event the Association fails to fill vacancies on the Board sufficient to constitute a quorum in accordance with these Bylaws, any Villa Owner may apply to the Circuit Court of the County in which the property is located for the appointment of a receiver to manage the affairs of the Association. At least thirty (30) days prior to applying the Circuit Court, the Villa Owner shall mail to the Association a notice describing the intended action giving the Association the opportunity to fill the vacancies. If during such time the Association fails to fill the vacancies, the Villa Owner may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs, and attorneys' fees. The receiver shall have all power and duties of a duly constituted member of the Board and shall serve until the Association fills vacancies on the Board sufficient to constitute a quorum.

Section 16. **Removal.** At any meeting of members called expressly for that purpose, any Director or Directors may be removed from office, with or without cause, by majority vote of the voting members. Further, any director may be removed by majority vote of the remaining directors, if such director has been absent for the last three (3) consecutive Board meetings, and/or adjournments and continuances of such meetings. New Directors may be elected by the members for the unexpired terms of Directors removed from office at the same meeting at which such removals are voted.

Section 17. **Compensation.** The Directors shall not be entitled to any compensation for serving as Directors unless the members approve such compensation, provided however, the Association may reimburse any Director for expenses incurred on behalf of the Association without approval of the members.

Section 18. **Presumption of Assent.** A Director of the Association who is present at a meeting of the Board of Directors at which action on any corporation matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting because of an asserted conflict of interest.

ARTICLE IV - OFFICERS

Section 1. **Officers.** The Officers of This Association shall be a President, Vice President, Secretary and Treasurer, each of whom shall be elected by the Board of Directors. A Chairman of the Board, additional Vice Presidents, and such other officers and assistant officers as may be deemed appropriate may be elected by the Board of Directors from time to time. Any two or more officers may be held by the same person. A failure to elect a president, Vice President, Secretary or Treasurer shall not affect the existence of the Association.

Section 2. **Election and Term of Office.** The Officers of the Association shall be elected annually by the Board of Directors at its meeting after each annual meeting of members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. **Resignations.** Any officer may resign at any time by giving written notice of his resignation to any director or officer. Any such resignation shall take effect at the time specified therein, or if there is not time specified therein, immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make such resignation effective.

Section 4. **Removal.** Any officer may be removed from office at any time, with or without cause, on the affirmative vote of a majority of the Board of Directors whenever, in its judgment, the best interests of the Association will be served thereby. Removal shall be without prejudice to any contract rights of the person so removed, but election of an officer shall not of itself create contract rights.

Section 5. **Vacancies.** Vacancies in offices, however occasioned, may be filled at any time by election by the Board of Directors for the unexpired terms of such offices in the manner prescribed in these Bylaws for the regular election or appointment of such office.

Section 6. **Duties.** The Chairman of the Board, or the President if there is no Chairman of the Board, shall preside at all meetings of the Board of Directors and of the members. The President shall be the chief executive officer of the Association.

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

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

6.3 The Secretary. The Secretary shall prepare and keep the minutes of all proceedings of the directors and the 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 the same to instruments requiring a seal when duly executed. 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.

6.4 The Treasurer. The Treasurer shall have custody of all property of the Association including funds, securities, and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board for examination at reasonable times. He shall submit a Treasurer's Report to the Board at reasonable intervals and shall perform all other duties incident to the office of treasurer. He shall collect all assessments and shall report to the Board the status of collections as requested.

Section 7. Compensation. The officers shall not be entitled to compensation unless the Board specifically votes to compensate them. However, neither this provision, nor the provision that directors will not be compensated unless otherwise determined by the members, shall preclude the Board from employing a director or an officer as an employee of the Association and compensating such employee, nor shall they preclude the Association from contracting with a director for the management of property subject to the jurisdiction of the Association, or for the provision of services to the Association, and in either such event to pay such director a reasonable fee for such management or provision of services.

ARTICLE V - EXECUTIVE AND OTHER COMMITTEES

Section 1. Creation of Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate an Executive Committee and one or more other committees.

Section 2. Executive Committee. The Executive Committee (if there is one) shall consult with and advise the Officers of the Association in the management of its affairs and shall have and may exercise to the extent provided in the resolution of the Board of Directors creating such Executive Committee, such powers of the Board of Directors as can be lawfully delegated by the Board.

Section 3. **Other Committee.** Such other committees shall have such functions and may exercise such power of the Board of Directors as can be lawfully delegated and to the extent provided in the resolution creating such committee or committees.

Section 4. **Meetings.** Regular meetings of the Executive Committee and other committees may be held without notice at such time and at such place as shall from time to time be determined by the Executive Committee or such other committees, and special meetings of the Executive Committee or such other committees may be called by any Member thereof upon two (2) days notice to the other members of such committee, or on such shorter notice as may be agreed to in writing by each of the other members of such committee, given either personally or in the manner provided in these Bylaws pertaining to notice for Directors' meetings.

Section 5. **Vacancies.** Vacancies on the executive Committee or on other committees shall be filled by the Board of Directors then in office at any regular or special meeting of the Board of Directors.

Section 6. **Quorum.** At all meetings of the Executive Committee or other committees, a majority of the committee's members then in office shall constitute a quorum for the transaction of business.

Section 7. **Manner of Acting.** The acts of a majority of the members of the Executive Committee or other committees present at any meeting at which there is a quorum shall be the act of such committee.

Section 8. **Minutes.** The Executive Committee (if there is one) and the other committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required.

ARTICLE VI - MEMBERSHIP CERTIFICATES

Section 1. **Form and Issuance.** Members of the Association may be issued certificates signed by the President or a Vice President, and by the Secretary or an Assistant Secretary. Each membership certificate shall state the following: (a) the name of the Association; (b) that the Association is organized under the laws of the State of Florida as a nonprofit corporation; (c) the name of the person or persons to who issued; and (d) the class of membership. The membership certificate itself shall convey no rights or privileges, but shall only be for identification.

Section 2. **Lost, Stolen or Destroyed Certificates.** The Association may issue a new membership certificate in the place of any certificate previously issued if the member named in the certificate (a) makes proof in affidavit form that it has been lost, destroyed or stolen; (b) requests the issuance of a new certificate; and (c) satisfied any other reasonable requirements imposed by the Association.

ARTICLE VII - BOOKS, RECORDS AND REPORTS

Section 1. **Report to Members.** The Association shall send an annual report to the members of the Association not later than four months after the close of each fiscal year of the Association. Such report shall include a balance sheet as of the close of the fiscal year of the Association and a revenue and disbursement statement for the year ending on such closing date. Such financial statements shall be prepared from and in accordance with the books of the Association.

Section 2. **Inspection of Corporate Records.** Any person who is a voting member of the Association shall have the right, for any proper purpose and at any reasonable time, on written demand stating the purpose thereof, to examine and make copies from the relevant books and records of accounts, minutes, and records of Members of the Association. Upon the written request of any voting member, the Association shall mail to such member a copy of the most recent balance sheet and revenue and disbursement statement. If such request is received by the association before such financial statements are available for its last fiscal year, the Association shall mail such financial statements as soon as they become available. In any event, the financial statements must be mailed within four months after the close of the last fiscal year. Additionally, balance sheets and revenue and disbursement statements shall be filed in the registered office of the Association in Florida, shall be kept for a least five years, and shall be subject to inspection during business hours by any voting member, in person or by agent.

ARTICLE VIII - FINANCES AND ASSESSMENTS

Section 1. **Assessment Roll.** The Association shall maintain an assessment roll for each Villa, designating the name and current mailing address of the owner, the amount of each assessment against such owner, the dates and amounts in which the assessments come due, the amounts paid upon the account of the owner, and the balance due.

Section 2. **Depositories.** The funds of the Association shall be deposited in such banks and depositories as may be determined and approved by appropriate resolutions of the Board from time to time. Funds shall be withdrawn only upon checks and demands for money signed by such officers, directors or other person as may be designated by the Board, Fidelity bonds as required by the Declaration shall be required of all signatories on any account of the Association.

Section 3. **Depositing of Payments.** All sums collected by the Association from assessments may be deposited in a single fund or divided into more than one fund, as determined by the Board.

Section 4. **Accounting Records and Reports.** The Association shall maintain accounting records according to good accounting practices. The records shall be open to inspection by owners and institutional lenders or their authorized representatives, at reasonable times. The records shall include, but not be limited to (a) a record of all receipts and expenditures

and (b) the assessment roll of the members referred to above. The Board may and upon the vote of a majority of the members shall conduct a review of the accounts of the Association by a certified public accountant, and if such a review is made, a copy of the report shall be furnished to each member, or their authorized representative, within fifteen days after same is completed. In addition to the foregoing, any owner or institutional lender shall have the right to have an audited statement prepared at such owner's or institutional lender's expense.

Section 5. **Reserves.** The budget of the Association shall provide for a reserve fund for the periodic maintenance, repair and replacement of improvements to the common areas and those other portions of the property which the Association is obligated to maintain.

ARTICLE IX - PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with any Declaration, the Articles, or these Bylaws.

ARTICLE X - NONPROFIT OPERATION

The Association will not have or issue shares or stock. No dividends will be paid. No part of the income or assets of the Association will be distributed to its members, directors or officers without full consideration. The Association may contract in due course with its members, directors and officers without violating this provision.

ARTICLE XI - FISCAL YEAR

The fiscal year of the Association shall be the period selected by the Board of Directors as the taxable year of the Association for federal income tax purposes.

ARTICLE XII - SEAL

The corporate seal shall bear the name of the Association between two concentric circles and in the inside of the inner circle shall be the year of incorporation.

ARTICLE XIII - AMENDMENTS

Except as otherwise provided, these Bylaws may be amended in the following manner:

Section 1. **Notice.** Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

Section 2. **Initiation.** A resolution to amend these Bylaws may be proposed either by any director, or by or at the direction of 25 percent (25%) or more of the members of the Association.

Section 3. Adoption of Amendments.

3.1 A resolution for the adoption of the proposed amendment shall be adopted by not less than a majority of the votes of the entire membership of the Association. Any amendment approved by the members may provide that the Board may not further amend, modify, or repeal such amendment.

3.2 Notwithstanding anything contained herein to the contrary, so long as the Declarant is entitled to appoint a majority of the directors, the Declarant shall have the right to unilaterally amend these Bylaws without the joinder or approval of the Board of any member, and so long as the Declarant owns any Villa. No amendment to these Bylaws shall be effective without the written approval of the Declarant.

Section 4. No amendment shall make any changes in the qualification for membership nor in the voting rights or property rights of members without approval by all of the members and the joinder of all record owners of mortgages upon the Villas. No amendment shall be made that is in conflict with the Declaration or the Articles. Prior to the closing of the sale of all Villas, no amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, the Declarant, unless the Declarant shall join in the execution of the amendment, including, but not limited to, any right of the Declarant to appoint directors.

Section 5. No amendment to these Bylaws shall be made which discriminates against any owner(s) or affects less than all of the owners without the written approval of all of the owners so discriminated against or affected.

Section 6. No modification of, or amendment to, the Bylaws shall be valid until recorded in public records of the county in which the property is located.

Section 7. Any amendment made by Declarant and any amendment made by the members prior to the completion of 75% of the Villas that may be constructed within the property, must be approved by the Federal Housing Administration or by the Veterans Administration if any mortgage encumbering a Villa is guaranteed or insured by either such agency, if such amendment materially and adversely affects the owners or materially and adversely affects the general scheme of development created by the Declaration. Such approval shall specifically not be required where the amendment is made to correct error or omissions or is required to comply with the requirement of any institutional lender so that such lender will make, insure or guaranty mortgage loans for the Villas, or is required by any governmental authority. Such approval shall be deemed given if either agency fails to deliver written notice of its disapproval of any amendment to Declarant or to the Association within 20 days after a request for such approval is delivered to the agency by certified mail, return receipt requested, or equivalent delivery, and such approval shall be conclusively evidenced by a certificate of Declarant or the Association that the approval was given or deemed given.

ARTICLE XIV - MISCELLANEOUS

Section 1. **Tenses and Genders.** The use of any gender or of any tense in these Bylaws shall refer to all genders or to all tenses, wherever the context so requires.

Section 2. **Partial Invalidity.** Should any of the provisions hereof be void or become unenforceable at law or in equity, the remaining provisions shall, nevertheless, be and remain in full force and effect.

Section 3. **Conflicts.** In the event of any conflict, the Declaration, the Articles, and these Bylaws shall govern in that order.

Section 4. **Captions.** Captions are inserted herein only as a matter of convenience and for reference, and in no way are intended to or shall define, limit or describe the scope of these Bylaws or the intent of any provisions hereof.

Section 5. **Waiver of Objections.** The failure of the Board or any officers of the Association to comply with any terms and provisions of the Declaration, the Articles, or these Bylaws which relate to time limitations shall not, in and of itself, invalidate the act done or performed. Any such failure shall be waived if it is not objected to by a member of the Association within ten (10) days after the member is noticed, or becomes aware, of the failure. Furthermore, if such failure occurs at a general or special meeting, the failure shall be waived as to all members who received notice of the meeting or appeared and failed to object to such failure at the meeting.

The foregoing Bylaws are certified to be the true and correct Bylaws of the Association.

Dated: _____

1-21-04

Secretary

Melissa Higgins