

**BY-LAWS
OF
LAS BRISAS AT CORAL BAY VILLAGE
ASSOCIATION, INC.**

ARTICLE 1: GENERAL

A. Identity. These By-Laws shall apply to Las Brisas at Coral Bay Village Association, Inc. ("the Village Association"), a corporation not for profit organized under the laws of the State of Florida, for the purposes stated in the Articles of Incorporation to administer the planned residential development located in Broward County, Florida, known as "Las Brisas at Coral Bay" ("the Village"). These By-Laws are expressly subject to the terms, provisions and authorizations contained in the Articles of Incorporation ("the Articles") and in the Declaration of Covenants, Conditions and Restrictions for Las Brisas at Coral Bay ("the Declaration"). The Declaration is filed in Official Records Book 18818, at Page 0595 of the Public Records of Broward County, Florida.

B. Compliance. Each present and future owner and tenant, guest, licensee, servant, agent, employee and any other person who shall be permitted to use the facilities of the Village or a Unit shall comply strictly with these By-Laws and the Rules and Regulations issued by the Village Association, and with the covenants, conditions and restrictions set forth in the Declaration and the deed deemed to mean that the owner, tenant or occupant has accepted and ratified these By-Laws and the Rules and Regulations of this Village Association and will comply with them. Failure to comply with any of the same shall be grounds for a civil action to recover sums due for damages or injunctive relief, or both, plus the Village Association's costs and reasonable attorneys' fees incurred by the Village Association on behalf of the unit owners.

C. Office. The principal office of the Village Association shall be Pompano Beach, Florida, or at such other place as may be subsequently designated by the Board. All books and records of the Village Association or complete copies thereof shall be kept at its principal office.

D. Seal. The seal of the Village Association shall bear the name of the Village Association, the word "Florida," the words "Corporation Not for Profit," and the year of incorporation. An impression of the Seal is affixed to the last page of these By-Laws.

E. Definitions. Unless the context otherwise requires, all terms used in these By-Laws shall have the same meaning as is attributed to them in the Declaration and the Articles.

ARTICLE II: BACKGROUND

A. Authorization for Establishment. The Village has been established by Declarant pursuant to the right retained by it in Article 4 of that certain Declaration of Covenants, Conditions and Restrictions for Coral Bay (together with any amendments thereto existing as of the date hereof), as originally recorded in Official Records Book 17206 at Page 062 of the Public Records of Broward County, Florida ("the Master Declaration"). Declarant of the Declaration is also Declarant of the Master Declaration.

B. Supremacy of the Master Declaration. The provisions of these By-Laws and the rights and obligations granted herein or pursuant hereto are expressly subject to and subordinate to the provisions of the Master Declaration.

C. Obligations of the Village and the Village Association. It is the intention of the Master Declaration that each Village Association established pursuant thereto, including but not limited to this Village Association, shall be a discrete and autonomous organization, subject, however, to the provisions of the Master Declaration in general and Paragraph B hereof in particular.

D. Cooperation with Other Village Associations. Nothing contained herein shall be deemed to preclude the Village Association from cooperating with Declarant or other Village Associations at Coral Bay if such cooperation would, in the Board's opinion, be in the best interests of this Village.

ARTICLE III: MEMBERS

A. Membership in General.

1. Qualification. The qualification of members, the manner of their admission to membership and the termination of such membership shall be as set forth in the Articles of Incorporation.

2. Member Register. The Secretary of the Village Association shall maintain a register in the office of the Village Association showing the names and addresses of the members of the Village Association. Furthermore, upon request from Declarant, the Village Association shall supply the Declarant with a current list of the names and addresses of Owners of Units or Land subject to the jurisdiction of the Village Association. The Declarant shall not be responsible for reflecting any changes, until notified of such changes in writing.

3. Notice by Declarant. So long as Declarant is a member, it shall, solely as an accommodation and with no consequences for failure to do so, provide the Secretary of the Village Association with an address to which communications from the Village Association must be sent.

B. Voting.

1. Number of Votes. In any meeting of members, the members shall be entitled to cast one vote for each unit owned. The vote of a unit shall not be divisible.

2. Majority Vote. The acts approved by a majority of the votes at a meeting at which a quorum shall be present, shall be binding upon all members for all purposes except where otherwise provided by law, the Declaration, the Articles or these By-Laws. The terms "majority of the members" shall mean those members having more than fifty percent (50%) of the total authorized votes of all members voting at any meeting of the members at which a quorum shall be present.

3. Designation of Voting Member. If a unit is owned by more than one person, or is under lease, the person entitled to cast the vote for the unit shall be designated by a Voting Certificate signed by all of the record owners of that unit according to the roster of members and filed with the Secretary of the Village Association. IF a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated by a Voting Certificate signed by the president or vice-president and attested by the secretary or assistant secretary of the corporation and filed with the secretary of the Village Association. The person so designated to cast the vote of the unit shall be known as the "voting member." If such a Voting Certificate is not on file with the secretary for a unit owned by more than one person, under lease, or by one business entity, the vote of the unit concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the unit, except to such unit as owned by a husband and wife. Such Voting Certificate shall be valid until revoked or superseded by a subsequent Voting Certificate, or until a change in the ownership of the unit concerned.

A husband and wife owning a unit jointly shall have the following options:

a. They may designate a voting member.

b. If they do not designate a voting member and both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

c. If they do not designate a voting member and only one is present at a meeting, the spouse who is present may cast the unit vote without establishing the concurrence of the absent spouse.

d. If both spouses are present at a meeting and concur, either one may cast the unit vote.

4. Quorum. Members holding the voting interests for at least thirty percent (30%) of the Units shall constitute a quorum.

= 122
+ 4
30% =
37

5. Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. No proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the member executing it. A proxy must be written, signed by the voting member generating the proxy and filed with the Secretary of the Village Association before the appointed time of the meeting.

C. Meetings of Unit Owners.

1. Annual Meetings. The annual meetings of the members shall be held on the date and at the time as determined by the Board from time to time, provided that there shall be an annual meeting every calendar year and not later than thirteen (13) months after the last preceding annual meeting. The purpose of the meeting shall be to elect Directors and to transact any other business which properly comes before the meeting.

2. Special Meetings. Special meetings of the members shall be held whenever called by the President or by a majority of the Board. A special meeting must be called by the President if one-third (1/3) of the members file a written request with the Secretary. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting.

3. Location of Meetings. All annual and special meetings shall be held at the principal office of the Village Association or at such other suitable and convenient place as may from time to time be fixed by the Board and designated in the notices of such meetings.

4. Notices of Meetings. Notices of meetings of members stating the time and place and the objects for which the meeting is called shall be given by the President or Secretary. A copy of the notice shall be posted at a conspicuous place within the Village and a copy shall be delivered or mailed to each member entitled to attend the meeting. The notice of the annual meeting shall be posted in a conspicuous place within the Village at least fourteen (14) days but not more than sixty (60) days prior to the annual meeting and also shall be sent by mail to each member unless the member waives the right to receive such notice, in writing. The delivery or mailing shall be to the address of the member as it appears on the roster of members. The Secretary shall provide an affidavit affirming that notices of meetings were mailed or hand delivered as required herein to each unit owner at the address appearing on the roster. Any member may waive in writing notice of any specific meeting; such waiver, when filed in the records of the Village Association, shall be deemed equivalent to the receipt of such notice by such member. If any meeting cannot be organized because a quorum has not attended, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended (whenever the latter percentage of attendance may be required as set forth in the

Articles, these By-Laws or the Declaration), the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present. *

D. Conduct of Meetings.

1. The President, or in his absence, the Vice President, shall preside at all meetings; in the absence of both of them, the presiding officer shall be the officer designated by the Board.

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

- a. Called to order by the President;
- b. Election of chairman of the meeting;
- c. Calling of the roll and certifying of proxies;
- d. Proof of notice of the meeting or waiver of notice;
- e. Reading and disposal of any unapproved minutes;
- f. Reports of officers;
- g. Reports of committees;
- h. Appointment of inspectors of election;
- i. Determination of number of Directors;
- j. Election of Directors;
- k. Unfinished business;
- l. New business;
- m. Adjournment.

E. Limitations of Membership. Except as otherwise provided, membership in the Village Association shall be limited to the unit owners or co-owners. In the event that a member shall lease or permit another to occupy his unit, the tenant or occupant shall not vote in the affairs of the Village Association except as a member shall permit the tenant or occupant to exercise the proxy vote of the member. Every transfer of title to the member's unit, in accordance with the Declaration, shall include membership in the Village Association, and upon making such transfer, the previous owner's membership shall terminate automatically. Except as herein provided, membership in the Village Association may not be assigned or transferred and any attempted assignment or transfer thereof shall be void and of no effect.

ARTICLE IV: BOARD OF DIRECTORS

A. Authorization. The affairs of the Village Association shall be governed by a Board of Directors.

B. Number of Directors.

1. So long as Declarant is a member of the Village Association, the affairs of the Village Association shall be managed by a Board comprised of three (3) Directors. So long as Declarant is entitled to appoint any Director pursuant to the Articles or the Declaration, the number of Directors will be determined, and may be changed from time to time, only by Declarant and only by written notice to the Board. In all events, however, there shall be an odd number of Directors, and in no event shall there be more than five (5) Directors. In the absence of such notification, there shall be three (3) Directors.

2. After Declarant is no longer entitled to appoint any Director, the number of Directors on the Board may be changed at any meeting where the members are to elect any Directors. In all events, however, there should be an odd number of Directors, and in no event shall there be more than seven (7) Directors and fewer than three (3) Directors.

C. Representation.

Declarant shall select all of the Directors until the occurrence of the first of the following events:

1. Five (5) years after conveyance of the first unit in the Village has been conveyed;
2. Four (4) months after seventy-five percent (75%) of the Units that will be operated ultimately by the Village Association have been conveyed to Owners other than Declarant; or
3. Declarant's sooner election to transfer control to the Owners other than Declarant.

Thereafter, the members shall have the right to elect a majority of the Directors and Declarant shall be entitled to appoint the remaining Directors so long as Declarant holds for sale in the ordinary course of business at least one (1) of the Units in the Village. Thereafter, the members shall have the right to select all of the Directors. The rights reserved to Declarant to elect and maintain Directors may be assigned to and exercised by Declarant successor(s) in interest.

D. Election Procedures, Generally.

All Directors not chosen by Declarant shall be elected at the annual meeting of the members of the Village Association immediately following Declarant's election of Directors. Member-elected Directors shall be elected in the following manner:

1. A nominating committee of not less than three (3) members shall be appointed by the Board not less than thirty (30) days prior to the annual meeting of the members. The committee may nominate one or more persons for each available position. Nominations also may be made from the floor at the annual meeting.

2. The election shall be by closed ballot unless dispensed with by unanimous consent of those present and the winner shall be determined by a plurality of the votes cast. Each person voting shall be entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

E. Vacancies. Vacancies in the Board may be filled, until the date of the next annual meeting, by selections by the remaining Directors except that should any vacancy in the Board be created in any position previously filled by a person elected by Declarant, such vacancy shall be filled by Declarant electing by written instrument delivered to any officer of the Village Association.

F. Terms of Office. The term of office of each Director, other than those elected by Declarant, shall be for one (1) year, expiring at the next annual meeting of the membership, or when successors are duly elected and qualified, or any shorter period in the event of removal in the manner provided herein or by law.

G. Removals. Any Director elected by the membership may be removed, with or without cause, at any time by a vote of a majority of the members at any special meeting called for such purpose by at least thirty-three and one third percent (33 1/3%) of the total members. If the recall is approved, the recall shall be effective immediately, and the recalled Director(s) shall turn over to the Board any and all records of the Village Association in his (their) possession within seventy-two (72) hours after the meeting. Only Declarant shall have the right to remove and replace any Director(s) chosen by it. Such replacement of Directors shall be made by written instrument delivered to any officer of the Village Association, specifying the name of each person designated as successor to each Director so removed.

H. Meetings.

1. Notice of Board Meetings. In lieu of other types of Notice the Board may publish and furnish to the membership an annual schedule of Board meetings (the Schedule) each year setting forth the date, time and location of each meeting. As to any meetings not included in the aforesaid Notice, Notice of such other Board meeting must either be posted in a conspicuous place in the Village at least 48 hours in advance of a meeting, except an emergency; or in the alternative, if notice is not posted in a conspicuous place in the Village, except in an emergency, Notice of each Board meeting must be mailed or delivered to each Member of the Village Association (Member) at least seven (7) day before the meeting. A meeting occurs whenever a quorum of the Board gathers to conduct association business. Notice of a meeting of the Board need not be given to any Director or Member who signs a waiver of notice either before or after the meeting.

Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in any notice or waiver of notice of, such meeting except that an assessment may not be levied at a board meeting unless the Schedule or Notice includes a statement that assessments will be considered and the nature of the assessments.

2. Attendance at Board Meetings. A Director may appear at a Board meeting by telephone conference, but in that event a telephone speaker shall be attached so that any discussion may be heard by the Directors present as in an open meeting.

3. Organizational Meeting. The organizational meeting of a newly elected Board shall be held immediately after its election in the location where the election takes place or such other place as the Board determines.

4. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Board.

5. Board Meetings Open to Members. All meetings of the Board shall be open to all members except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege.

6. Special Emergency Meetings. Special emergency meetings of the Board may be called by the President, and must be called by the Secretary at the written request of any two (2) Directors. Not less than eight (8) hours notice of any emergency meeting shall be given to each Director, personally or by mail, telephone, or telegram, which notice shall state the time, place and purpose of the meeting and a Notice thereof shall be placed in a conspicuous place in the Village at the earliest practical time consistent with the emergency.

7. Waiver of Notice. Any Director or Member may waive notice of a meeting and such waiver shall be deemed equivalent to the receipt of notice by each such Director or Member. Attendance by a Director or Member at a meeting shall constitute a waiver of notice of such meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

8. Quorum. A quorum at a Board meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the votes present at a meeting in which a quorum is present shall constitute acts of the Board, except as specifically provided otherwise in the Articles of Incorporation, these By-Laws or the Declaration of Covenants. If any meeting cannot be organized because a quorum has not attended, the Directors who are present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, business which might have been transacted at the meeting as originally called may be transacted without further notice. Directors may join by written concurrence in

any action taken at a meeting of the Board, but such concurrence may not be used for the purposes of creating a quorum.

8. 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. Any business that might have been transacted at the meeting as originally called may be transacted at any adjourned meeting without further notice.

9. Presiding Officer. The presiding officer of the Directors' meeting shall be the Chairman of the Board if such an officer is elected; and if none, the President of the Village Association shall preside if the President is a Director. In the absence of the presiding officer, the Directors shall designate one of their members to preside.

10. Order of Business. The order of business at a Directors' meeting shall be:

- a. Calling of role;
- b. Proof of due notice of meeting;
- c. Reading and disposal of any unapproved minutes;
- d. Reports of officers and committees;
- e. Election of officers;
- f. Unfinished business;
- g. New business; and
- h. Adjournment.

11. Committees. The Board may, by resolution duly adopted, appoint committees. Any committee shall have and may exercise such powers, duties and functions as may be determined by the Board from time to time, which may include any powers which may be exercised by the Board and which are not prohibited by law from being exercised by a committee.

12. Action of Directors Without Meeting. Anything herein to the contrary notwithstanding the Board may take action without calling a meeting or giving notice of such action so long as such action is taken in accordance with Section 607.0821, Florida Statutes and so long as such action is not limited or prohibited by other applicable law.

13. Minutes of Meetings of the Board and Minutes of Meetings of Members. Minutes of all meetings of the Members of the Village Association and of the Board of Directors must be maintained in written form or in another form that can be converted into written form within a reasonable time. A vote or abstention from voting on each matter voted upon for each Director present in a Board meeting must be recorded in the minutes.

I. Resignation. Any Director of the Village Association may resign at any time by giving written notice of his resignation to the Board or Chairman of the Board or the President or the Secretary. Any such resignation shall take effect at the time specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

J. Replacement of Directors. Directors may be replaced as follows:

1. Any Director selected by the Members of the Village Association other than Declarant may be replaced and his successor selected in the manner set forth in Paragraph G hereof.

2. Any Director appointed by Declarant may be replaced, and his successor appointed in the manner set forth in Paragraph G and K hereof.

K. Directors Appointed by Declarant. Notwithstanding anything contained herein to the contrary, Declarant shall have the right to appoint the maximum number of Directors in accordance with the rights granted to Declarant pursuant to the Articles. All Directors appointed by Declarant shall serve at its pleasure, and Declarant shall have the absolute right, at any time, and in its sole discretion, to remove any Director appointed by it, and to replace such Director with another person to serve on the Board. Replacement of any Director appointed by Declarant shall be made by written notice to the Village Association which shall specify the name of the person designated as successor Director. The removal of any Director and the designation of his successor by Declarant shall become effective immediately upon delivery of such written instrument by Declarant.

L. Compensation. The Directors shall not be entitled to any compensation for serving as Directors; provided, however, the Village Association may reimburse any Director for expenses incurred on behalf of the Village Association.

M. Powers and Duties. The Directors shall have the right to exercise all of the powers and duties of the Village Association, express or implied, existing under these By-Laws, the Articles, the Declaration, or as otherwise provided by statute or law. Such powers and duties of the Directors shall include, without limitation (except as limited elsewhere herein), the following:

1. The operation, care, upkeep and maintenance of any portion of the Village determined to be maintained by the Board.

2. The determination of the expenses required for the operation of the Village Association.

3. The collection of Assessments for Village Expenses from Village Association members required to pay same.

4. The employment and dismissal of personnel.
5. The adoption and amendment of rules and regulations covering the details of the operation and use of the Village.
6. Maintaining bank accounts on behalf of the Village Association and designating signatories required therefor.
7. Obtaining and reviewing insurance.
8. The making of repairs, additions and improvements to, or alterations of, Land owned and/or maintained by the Village Association.
9. Borrowing money on behalf of the Village Association; provided however, that:
(i) the consent of at least two-thirds (2/3) of the Directors appointed by the Village Association and all of the Directors selected by Declarant obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of \$10,000.00; and (ii) no lien to secure repayment of any sum borrowed may be created on any property without the consent of the Owner of such property.
10. Contracting for the management and maintenance of Land owned and/or maintained by the Village Association; authorizing a management agent or company to assist the Village Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules with funds as shall be made available by the Village Association for such purposes. The Village Association and its officers shall, however, retain at all times the powers and duties granted by all Village Association documents and the Declaration, including, but not limited to, the making of Assessments, promulgation of rules, and execution of contracts on behalf of the Village Association.
11. Exercising all powers specifically set forth in the Declaration, the Articles, these by-Laws, and as otherwise provided by statute or law, and all powers incidental thereto or implies therefrom.
12. Entering into and upon any portion of the Land, including Units, when necessary to maintain, care and preserve any Property in the vent the Owner fails to do so.
13. Collecting delinquent Assessments by suit or otherwise, abating nuisances, and enjoining or seeking damages for violations of these By-Laws and the terms and conditions of the Declaration or of the Rules and Regulations of the Village Association.
14. Acquiring and entering into agreements whereby the Village Association acquired leaseholds, memberships and other possessory or use interests in lands or facilities, whether or not contiguous to the lands operated by the Village Association, intended to provide

for the enjoyment, recreation or other use and benefit of the members and/or Owners and declaring expenses in connection therewith to be Village Expenses; all in such form and in such manner as may be deemed by the Board to be in the best interest of the Village Association; and the participation in the acquisition of any interest in lands or facilities for the foregoing purposes may be direct or indirect, meaning, without limiting the generality of the foregoing, by direct ownership of land or acquisition of stock in a corporation owning land.

N. Limitations on Powers and Duties. A Community Development District (the "CDD") has been established of which the Village is a part. To the extent that the CDD provides any of the services or performs any of the functions that Declarant and/or the Village Association is required and/or permitted to perform, or shall undertake any of the responsibilities and obligations of Declarant or the Village Association, then Declarant and the Village Association shall be discharged of those responsibilities undertaken by the special taxing district, and the assessments and budgets shall be adjusted accordingly.

ARTICLE V: OFFICERS

A. Members and Qualifications. The officers of the Village Association shall include a President, a Vice-President, a Treasurer and a Secretary, each of whom must be a Director and all of whom shall be elected by a Majority of Directors of the Village Association and may be preemptively removed from office with or without cause by vote of the Directors at any meeting by concurrence of a Majority of the Directors. Any person may hold two (2) or more offices except that the President shall not also be the Secretary. The Board may, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be appropriate to manage the affairs of the Village Association from time to time. 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 have resigned, or until he shall have been removed, as provided in these By-Laws.

B. Resignations. Any officer of the Village Association may resign at any time by giving written notice of his resignation to any Director, the President or the Secretary. Any such resignation shall take effect at the time specified therein, or if there is no 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.

C. Vacancies. A vacancy in any office, whether arising from death, resignation, removal or any other cause may be filled for the unexpired portion of the term of the office which shall be vacant in the manner prescribed in these By-Laws for the regular election or appointment of such office.

D. The President. The President shall be the chief executive officer of the Village 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 Village Association.

E. 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 prescribed by the Board.

F. 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 noticed required by law. He shall have custody of the seal of the Village Association and affix the same to instruments requiring a seal when duly executed. He shall keep the records of the Village Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of the association, and as may be required by the Board or the President.

G. The Treasurer. The Treasurer shall have custody of all property of the Village Association, including funds, securities, and evidences of indebtedness. he shall keep books of account for the Village 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 promptly to the Board the status of collections.

H. Compensation. The officers of the Village Association shall not be entitled to compensation unless the members of the Village Association specifically votes to compensate them. However, neither this provision, nor the provision that Directors will not be compensated, shall preclude the Board from employing a manager, management company, or Director or an officer of the Village Association as an employee of the Village Association and compensating such employee or entity, nor shall they preclude the Village Association from contracting with a Director for the management of Property subject to the jurisdiction of the Village Association or for the provision of services to the Village Association, and in either such event to pay such Director a reasonable fee for such management or provision of services.

ARTICLE VII: FINANCES AND ASSESSMENTS

A. Adoption of the Budget.

1. Not less than forty-five (45) days prior to the commencement of any calendar year of the Village Association, the Board shall adopt a budget for such calendar year. The budget shall reflect the estimated revenues and expenses for the year and the estimated surplus or deficit as of the end of the current year. The Expenses of the Village Association shall include but are not limited to all expenses of any kind or nature whatsoever incurred, or to be incurred, by the Village Association for the proper operation of the Village Association itself, including, but not limited to, the expenses of carrying out the powers and duties of the Village Association; all insurance premiums and expenses, reasonable reserves for purchases, deferred maintenance, replacements, betterments, and unknown contingencies; and all other expenses designated as

Village Expenses by these By-Laws, the Declaration, the Articles or any other applicable statute or law of the State of Florida. If pursuant to any agreement entered into by the Village Association, any expense of the Village Association is to be shared with any person(s) or entity, then the annual budget of the Village Association shall contain a separate classification for such expense(s). In the event the Board fails to adopt an annual budget for any year, the prior year's budget shall remain in effect until a new budget is adopted or the existing budget is amended or revised.

2. If, after the adoption of any budget, it shall appear that the adopted budget is insufficient to provide adequate funds to defray the expenses of the Village Association for the fiscal year in which the adopted budget applies, the Board may adopt an amended budget to provide such funds. All of the above provisions shall apply to the adoption of an amended budget.

3. The initial budget shall be prepared and adopted by the Board and initial member assessments made within ninety (90) days after the date of incorporation of the Village Association.

4. The Association shall provide each member with a copy of the budget or a written notice that a copy of the budget is available upon written request at no charge to the member. A copy of the budget shall be provided to the Member within ten (10) business days after receipt of the request.

B. Assessments and Assessment Roll.

1. Notice of meetings at which assessments shall be considered shall be provided as set out in Article IV (H) above.

2. Assessments against the members for their share of the items of the budget shall be made for the calendar year annually in advance on or before December 20th preceding the year for which the assessments are made. Such assessments shall be due in equal quarterly installments, unless otherwise provided payable in advance on the first day of each quarter of the applicable year. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and quarterly payments on such installments shall be due upon each installment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board. If a member shall be in default in the payment of an installment upon an assessment, the Board may accelerate the remaining installments of the assessments for the next twelve (12) months, upon five (5) days written notice to the member, and the then unpaid balance of the assessment shall be due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the member, or not less than ten (10) days after the mailing of such notice to him by certified mail or certificate of mailing, whichever shall first occur.

3. In the event the expenditure of funds required by the Village Association cannot be paid from the Assessments for Village Expenses, the Board may make special Assessments, which shall be levied in the same manner as hereinbefore provided for Assessments for Village Expenses and shall be payable in the manner determined by the Board. Each member's share of any special Assessment shall be the same proportion as the share of the Assessments for Village Expenses.

4. The Village Association shall maintain an Assessment roll for each member, designating the name and current mailing address of the member, the amount of each Assessment payable by such member, the dates and amounts in which the Assessments come due, the amounts paid upon the account of the member, and the balances due.

5. The Board shall follow those provisions of the Declaration dealing with Assessments, including but not limited to those contained in Article 7 thereof.

C. Depositories. The funds of the Village 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 persons as may be designated by the Board.

D. Application of Payments and Commingling of Funds. All sums collected by the Village Association from Assessments may be commingled in a single fund or divided into more than one fund, as determined by the Board.

E. Accounting and Other Records and Reports. The Village Association shall maintain each of the following items, when applicable, which constitute the official records of the Village Association:

1. Copies of any plans, specifications, permits, and warranties related to improvements constructed on the common areas or other property that the Village Association is obligated to maintain, repair or replace.

2. A copy of the By-Laws of the Village Association and of each amendment to the By-Laws.

3. A copy of the Articles of Incorporation of the Village Association and of each amendment thereto.

4. A copy of the Declaration of Covenants and a copy of each amendment thereto.

5. A copy of the current rules of the Homeowners' Association.

6. The minutes of all meetings of the Board of Directors and of the Members, which minutes must be retained for at least seven (7) years.

7. A current roster of all members and their mailing addresses and parcel identifications.

8. All of the Village Association's insurance policies or a copy thereof, which policies must be retained for a least seven (7) years.

9. A current copy of all contracts to which the Village Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Village Association has any obligation or responsibility. Bids received by the Village Association for work to be performed shall also be considered official records and shall be kept for a period of one (1) year.

10. The financial and accounting records of the Village Association, kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:

a. Accurate, itemized, and detailed records of all receipts and expenditures.

b. A current account and a periodic statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.

c. All tax returns, financial statements, and financial reports of the Village Association.

d. Any other records of the Village Association that identify, measure, record, or communicate financial information.

F. **Financial Reporting.** The Village Association shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The Village Association shall, within ten (10) business days after completion of the annual financial report, provide each member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the member. The financial report must consist of either:

1. Financial statements presented in conformity with generally accepted accounting principles; or

2. A financial report of actual receipts and expenditures, cash basis, which report must show:

a. The amount of receipts and expenditures by classification; and

b. The beginning and ending cash balances of the Village Association.

