

BY-LAWS
OF
PORT ANTIGUA AT CORAL BAY VILLAGE
ASSOCIATION, INC.

ARTICLE I: GENERAL

A. Identity. These By-Laws shall apply to Port Antigua 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 Port Antigua 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 Port Antigua at Coral Bay ("the Declaration"). The Declaration was filed in Official Records Book 17206 at Page 106 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 to the Unit. Ownership, rental or occupancy of any Unit conclusively shall be 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, maintainable by the Village Association on behalf of the unit owners.

C. Office. The principal office of the Village Association shall be Margate, Florida, or at such other place as may be subsequently designated by the Board. All books and records of the Village Association 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 as follows:

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 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 one third (1/3) of the Units shall constitute a quorum.

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.

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 a majority 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.

B. 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 the 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 five (5) 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 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) and 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 ten percent (10%) of the Voting Interests. 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 Meetings. 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 twenty-four (24) hours before the time at which such meeting is to be held, or by first-class mail, postage prepaid, at least five (5) 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. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place, the time or the manner in which the meeting has been called or convened, except when a Director states, at the beginning of the meeting, an objection to the transaction of any business because the meeting is not lawfully called or convened. 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.

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 within ten (10) days after its election and at such time and at such place as shall be fixed at the meeting at which it was elected. No further notice of the organizational meeting shall be necessary, provided a quorum shall be present.

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. Notice of regular meetings shall be given to each Director personally or by mail, telephone or telegram, at least three (3) days prior to the day specified for such meeting.

5. Special Meetings. Special meetings of the Board may be called by the president, and must be called by the secretary at the written request of any three (3) Directors. Not less than three (3) days' notice of any 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.

6. Waiver of Notice. Any Director may waive notice of a meeting and such waiver shall be deemed equivalent to the receipt of notice by each such Director. Attendance by a Director 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.

7. 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. 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 607.134 of the Florida Statutes if prior to July 1, 1990, and in accordance with Section 607.0821 thereof if taken after June 30, 1990.

13. Minutes of Meetings and Records of Corporate Actions Without Meeting. The minutes of all meetings of the Board and of all corporate actions taken without a meeting shall be kept in a book available for inspection by the members of the Village Association, or their authorized Representatives and the Directors at any reasonable time.

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 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.

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

1. Any Director selected by a Village Association 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 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; 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 implied therefrom.

12. Entering into and upon any portion of the Land, including Units, when necessary to maintain, care and preserve any Property in the event 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 acquires 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. Declarant has established a Community Development District (the "CDD") 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 notices 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 an 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 Board 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 Director or an officer as an employee of the Village Association and compensating such employee, 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 VI: 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, necessary to defray the Village Expenses of the Village Association for such calendar 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, including fire insurance and extended coverage; 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), 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 Village Expenses of the Village Association for the fiscal year in which the adopted budget applies to, 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.

- B. Assessments and Assessment Roll.

1. 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 monthly installments, payable in advance on the first day of each months 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 monthly installments on such assessments 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 upon 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.

2. 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 in the same proportion as the share of the Assessments for Village Expenses.

3. 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 balance due.

4. 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 Records and Reports. The Village Association shall maintain accounting records according to good accounting practices. The records shall be open to inspection by members, or their authorized representatives, at reasonable times. The records shall include, but not be limited to: (a) a record of all receipts and expenditures; (b) the assessment roll of the members referred to above; (c) current copies of the Declaration, Articles, By-Laws any Rules and Regulations of the Village Association; and (d) the books, records and financial statements of the Village Association. The Village Association shall be required

to make available to perspective purchasers of any Land or Unit current copies of the Village Declaration, Articles and By-Laws, and the most recent annual financial statement of the Village Association. The Board may, and upon the vote of a majority of the members shall, conduct an audit of the accounts of the Village Association by a certified public accountant, and if such an audit is made, a copy of the report shall be made available to each member, upon written request to the Village Association.

F. Fiscal Year. The fiscal year of the Village Association shall be the calendar year.

ARTICLE VII: PARLIAMENTARY RULES

Roberts' Rules of Order (latest edition) shall govern the conduct of the Village Association meetings when not in conflict with the Declaration, the Articles or these By-Laws.

ARTICLE VIII: AMENDMENTS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

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

B. Special Meeting.

Such proposed amendment(s) shall be transmitted to the president (or other officer in the absence of the president) who shall thereupon call a special joint meeting of the Board and the membership for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt of such officer of the proposed amendment(s). The secretary shall give to each member written notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the members is required as herein set forth.

C. Text of Proposed Amendments.

No By-Law shall be amended solely by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of By-Law. See By-Law _____ for present text."

D. Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board or by those voting members of the Association owning not less than one-third (1/3) of the total number of Units in

the Village. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing the approval is delivered to the secretary at or prior to the meeting. Any proposed amendment shall require the approval of Declarant so long as it owns any Land and shall also require the additional approval of either:

1. Those members of the Association owning not less than one-third (1/3) of the total number of Units in the Village and by not less than a majority of the Board; or

2. Than those members of the Association owning not less than a majority of the total number of Units in the Village.

E. Written Votes.

At any meeting held to consider such amendment(s), the written vote of any member shall be recognized even if such member is neither in attendance nor represented by proxy, provided that such written vote is delivered to the secretary at or prior to such meeting.

F. Writing in Lieu of Meeting.

In the event that the members holding the votes necessary to pass any amendment(s) shall execute any instrument amending these By-Laws, the same shall constitute a valid amendment and it shall not be necessary for the meeting otherwise prescribed above to be held. A copy of such amendment(s), bearing the signature of the member(s), and certified by the president and the secretary as being the amendment(s) so adopted by such members, shall be recorded in the Public Records of Broward County, Florida, within ten (10) days from the date of approval of such amendment(s).

G. Nonmaterial Errors.

Nonmaterial errors or omissions in the amendment process shall not invalidate an otherwise properly promulgated amendment.

H. Declarant's Rights.

Notwithstanding the foregoing provisions, no amendment to these By - Laws to abridge, amend or alter Declarant's rights herein may be adopted or become effective without Declarant's prior written consent.

I. Limitation on Amendments. 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 Units. No amendment shall be made that is in conflict with the Declaration, the Articles or these By-Laws. As long as Declarant owns any Land, 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, Declarant, unless Declarant shall join in the execution of the amendment. As long as Declarant controls the Association, any amendment to these By-Laws may be vetoed by HUD/VA. The Board shall develop a procedure for notifying HUD/VA of any amendment which is proposed while Declarant controls the Association.

ARTICLE IX: RULES AND REGULATIONS

The Board may, from time to time, adopt, or amend previously adopted, Rules and Regulations concerning the use, operation and maintenance of the Village and the Units contained therein in order to further implement and carry out the intent of the Declaration, the Articles and these By-Laws. The Board shall make available to any member, upon request, a copy of the Rules and Regulations adopted from time to time by the Board.

ARTICLE X: MISCELLANEOUS

A. Number, Tenses and Genders. The use of any number, gender or tense in these By-Laws shall refer to all numbers, genders or to all tenses, as the case may be, wherever the context so requires.

B. 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.

C. Conflicts. In the event of any conflict, any applicable Florida statute, the Declaration, the Articles, these By-Laws, and the Rules and Regulations of the Village Association shall govern, in that order.

D. 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 By-Laws or the intent of any provisions hereof.

E. Waiver of Objections. The failure of the Board or any officers of the Village Association to comply with any terms and provisions of the Declaration, the Articles or these By-Laws which relate to time limitations shall not, in and of itself, invalidate the act done or performed. Any such defect shall be waived if it is not objected to by a member of the Village Association within thirty (30) days after the member is notified, or becomes aware, of the defect. Furthermore, if such defect occurs at a general or special meeting, the defect shall be waived as to all members who received notice of the meeting and failed to object to such defect at the meeting.