

EXHIBIT E

BY-LAWS
OF

Condominium ASSOCIATION OF GOLF VILLAS, INC.
Florida Not-for-Profit Corporation

OR BOOK 1011 PAGE 1576

1. GENERAL

1.1 Name: The name of the corporation shall be CONDOMINIUM ASSOCIATION OF GOLF VILLAS, INC., hereinafter referred to as the "Association" or "Corporation".

1.2 Principal Office: The principal office of the Association shall be at 2172 Reserve Park Trace, Port St. Lucie, FL 34986, or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept at the principal office.

1.3 Definitions: Terms defined in the Declaration of Condominium for GOLF VILLAS, A CONDOMINIUM hereinafter referred to as the "Condominium", shall have the same meaning herein as therein.

2. DIRECTORS

2.1 Powers: The property and business of the Association shall be managed by the Board of Directors ("Board"), which may exercise all corporate powers granted to a condominium association by law and the Condominium Act, the Articles of Incorporation, the Declaration of Condominium and these By-Laws, if not inconsistent with the Condominium Act.

2.2 Number and Term: The number of directors which shall constitute the whole Board of Directors shall be not less than three (3) or more than nine (9), as determined by the members at the annual or a special meeting. A director shall be elected to serve for a term of two (2) years or until his successor has been duly elected and qualified. The first Board of Directors shall have three (3) members. An employee or agent of a business entity owner, (such as) the Developer, shall be eligible to serve as a director of the Association.

2.3 Election of Directors: Notwithstanding anything to the contrary herein, at any meeting in which Unit Owners other than the Developer have the right to elect members of the Board of Directors of the Association, a majority of Unit Owners (other than the Developer) present at a meeting where a quorum is present as provided hereinafter, shall be required to elect the Unit Owner member(s) to the Board of Directors. A majority of the Unit Owners other than the Developer as of the date of the notice for the meeting shall constitute a quorum. The term of office for the directors shall be two (2) years, and shall expire at the annual meeting of members next following the election of the directors. No Directors or Officers appointed by the Developer need be members of the Association however, all other officers and Directors must be members of the Association or an employee or agent of a business entity member of the Association.

2.4 Vacancy and Replacement: If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining directors, though less than a quorum, at a special meeting duly called for this purpose, shall choose a successor, who shall hold office for the unexpired term in respect to which such vacancy occurred. The Developer shall be empowered to remove or replace at any time any director originally selected by the Developer.

2.5 Recall and Removal: Directors may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all voting members. A special meeting of the voting members to recall a Director or Directors may be called by ten percent (10%) of the voting members giving notice of the meeting as required in Article 7 of these By-Laws, and the notice shall state the purpose of

the meeting. No director shall continue to serve on the Board if, during his term of office, his membership in the corporation shall be terminated for any reason whatsoever; this provision shall not apply to directors appointed by the Developer.

2.6 Unfilled Vacancies: If the Developer, remaining members of the Board of Directors, or members of the Association fail to fill vacancies on the Board of Directors sufficient to constitute a quorum in accordance with these By-Laws, any Unit Owner may apply to the circuit court within whose jurisdiction the Condominium lies for the appointment of a receiver to manage the affairs of the Association. At least thirty (30) days prior to applying to the circuit court, the Unit Owner shall mail to the Association and post in a conspicuous place on the Condominium property 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 Unit 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 powers and duties of a duly constituted Board of Directors, and shall serve until the Association fills vacancies on the Board of Directors sufficient to constitute a quorum.

2.7 First Board of Directors: The first Board of Directors designated in the Articles of Incorporation shall hold office and exercise all the powers of the Board of Directors until the first membership meeting, anything in these By-Laws to the contrary notwithstanding; provided, any or all of the said directors shall be subject to replacement by the Developer.

2.8 Compensation: Neither directors nor officers shall receive compensation for their services as such.

2.9 Meetings:

- (a) The first meeting of each Board of Directors newly elected by the voting members shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum of the Board of Directors shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Directors shall be held at the same place as the voting members' annual meeting, and immediately after the adjournment of same.
- (b) Special meetings shall be held whenever called by the President or by a majority of the Board of Directors. The Secretary shall give notice of each special meeting either personally, by mail or by telegram to each director at least three (3) days before the date of such meeting, but the directors may waive notice of the calling of the meeting.
- (c) Meetings of the Board of Directors shall be open to all Unit Owners. Owners may tape record or videotape these meetings, in accordance with Division of Florida Land Sales, Condominiums, and Mobile Homes rules for tape recording or videotaping meetings. Unit Owners also have the right to make statements regarding agenda items, provided the statements are limited to five (5) minutes for each agenda item and the request to speak is given to the Secretary at the beginning of the meeting. Adequate notice of all meetings of the Board of Directors shall be posted conspicuously on the condominium property at least forty-eight (48) continuous hours in advance, except in an emergency. Notice of any meeting where regular assessments against Unit Owners are scheduled to be considered shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

Written notice regarding meetings addressing nonemergency special assessments or proposing, discussing, or approving amendments to rules regarding unit use must be mailed or delivered to the Unit Owners and posted conspicuously on the condominium property not less than fourteen (14) days prior to the meeting. Evidence of compliance with this fourteen (14) day notice requirement must be made by an affidavit executed by the Secretary and filed among the official records of the Association. Each Member of the Association must be given written notice of the meeting of the Directors at which the annual budget of common expenses will be adopted. That notice must state the time and place of the meeting and must be delivered not less than thirty (30) days before the meeting. All Notices must contain a list of the agenda items to be discussed at that meeting. After notice to Unit Owners, the Board must designate a specific location on the property on which all notices of board meetings will be posted.

- (d) A majority of the Board of Directors shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business, and the act of a majority present at any meeting at which there is a quorum shall constitute the act of the Board of Directors. If a quorum shall not be present at the meeting, the Directors then present may adjourn the meeting without notice, other than announcement at the meeting, until such time as a quorum shall be present.

2.10 Order of Business: The order of business at all meetings of the Board of Directors shall be as follows:

- (a) Roll call and quorum determination;
- (b) Reading of minutes of last meeting;
- (c) Consideration of communications;
- (d) Resignations and elections;
- (e) Reports of officers and employees;
- (f) Reports of committees;
- (g) Unfinished business;
- (h) Original resolutions and new business;
- (i) Adjournment.

3. EXECUTIVE COMMITTEE

3.1 Executive Committee: The Board of Directors may, by resolution, appoint an Executive Committee of two (2) or more members, to serve during the pleasure of the Board, to consist of such directors as the Board may from time to time designate. The Chairman of the Executive Committee shall be designated by the Board of Directors. The resolution appointing the Executive Committee shall specifically delineate the powers given to the Executive Committee by the Board.

3.2 Procedure: The Executive Committee, by a vote of a majority of its members, shall fix its own times and places of meetings, shall determine the number of its members constituting a quorum for the transaction of business, and shall prescribe its own rules of procedure, which shall not be changed except by a majority vote of its members. However, notice of all Executive Committee meetings must be given in the same manner as the Board of Directors' meetings, and all Executive Committee meetings shall be open to all members of the Association.

3.3 Powers: During the intervals between the meetings of the Board of Directors, the Executive Committee shall possess and may exercise all the powers specifically given the Executive Committee, as contained in the resolution appointing the Executive Committee which resolution is promulgated pursuant to Section 3.1 of these By-Laws.

4. OFFICERS

4.1 Executive Officers: The Executive Officers of the Association shall be a President, Vice-President, Treasurer and Secretary, all of whom shall be elected annually by the Board of Directors. Any two of said offices may be held by one person, except that the President shall not also be the Secretary or an Assistant Secretary of the Association. If the Board so determines, there may be more than one Vice-President.

4.2 Subordinate Officers: The Board of Directors may appoint such other officers and agents as they may deem necessary, who shall hold office at the pleasure of the Board of Directors and have such authority and perform such duties as from time to time may be prescribed by the Board.

4.3 Tenure of Officers; Removal: All officers and agents shall be subject to removal, with or without cause, at any time by action of the Board of Directors. The Board may delegate powers of removal of subordinate officers and agents to any officer.

4.4 The President:

- (a) The President shall preside at all meetings of the members and Directors; he shall have general and active management of the business of the Association; he shall see that all orders and resolutions of the Board are carried into effect; he shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Association; the seal, when affixed, may be attested by the signature of the Secretary;
- (b) He shall have general superintendence and direction of all the other officers of the Association, and shall see that their duties are performed properly;
- (c) He shall submit a report of the operation of the Association for the fiscal year to the Directors whenever called for by them, and to the members at the annual meeting, and from time to time shall report to the Board all matters within his knowledge which are of interest to the Board;
- (d) He shall be an ex-officio member of all committees, and shall have the general powers and duties of supervision and management usually vested in the office of President of a corporation.

4.5 The Vice-President: The Vice-President shall be vested with all powers and required to perform all duties of the President in his absence, and such other duties as may be prescribed by the Board of Directors.

4.6 The Secretary:

- (a) The Secretary shall keep the minutes of the meetings for the voting members and of the Board of Directors in one or more books provided for that purpose; the minute books shall be available for inspection by Unit Owners, or their authorized representatives, and by Directors at any reasonable time; the minutes shall be retained for a period of not less than seven (7) years;

- (b) He shall see that all notices are duly given in accordance with the provisions of the Condominium Documents or as required by law;
- (c) He shall be custodian of the corporate records and of the seal of the Association and shall see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association, such execution under seal must be duly authorized in accordance with the provisions of these By-Laws;
- (d) He shall keep a register of the post office address of each Unit Owner, which shall be furnished to the Secretary by each Unit Owner;
- (e) In general, he shall perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.
- (f) An Assistant Secretary may perform the duties of the Secretary when the Secretary is absent.

4.7 The Treasurer:

- (a) The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association, in such depositories as may be designated by the Board of Directors.
- (b) He shall disburse the funds of the Association as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association.
- (c) He may be required to give the Association a bond in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and the restoration to the Association, in case of his death, resignation or removal from office, all books, papers, vouchers, money or other property of whatever kind in his possession belonging to the Association.

4.8 Vacancies: If the office of the President, Vice President, Secretary or Treasurer, or one or more of them, becomes vacant by reason of death, resignation, disqualification or otherwise, the Directors, by a majority vote, may choose a successor who shall hold office for the unexpired term.

4.9 Resignations: Any director or other officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the Association, unless a specific date be fixed in the resignation, and then from that date.

5. POWERS AND DUTIES OF THE ASSOCIATION

The Association shall have all powers granted to a Condominium Association by law and the Condominium Act, and the Articles of Incorporation and these By-Laws, if not inconsistent with the Condominium Act, all of which shall be exercised by its Board of Directors.

6. MEMBERSHIP

6.1 Definition: Voting membership in the Association shall be limited to owners of units in the Condominium as more particularly provided in paragraph 14.2 of the Declaration.

6.2 Transfer of Membership and Ownership: Membership in the Association may be transferred only as an incident to the transfer of the transferor's Unit, and such transfer shall be subject to the requirements set forth in the Declaration of Condominium.

6.3 Plural Ownership: Membership may be held in the names of more than one person, in which event, all of the plural owners of the unit shall be entitled collectively to only one vote in the management of the affairs of the Association, which vote may not be divided between the plural owners. The plural owners must file a certificate naming the person authorized to cast votes for the Unit in accordance with Section 7.7 of these By-Laws.

7. MEETINGS OF MEMBERSHIP

7.1 Place: All meetings of the Association membership shall be held at the office of the Association or at such other place as may be stated in the notice of the meeting.

7.2 Annual Meeting:

- (a) Annual members' meetings shall be held each year on the first Wednesday in September, at the hour of 7:00 P.M. or at such other time as the Board of Directors may establish from time to time. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. If the meeting is rescheduled, the directors elected at the first annual meeting and the officers elected as a result of the directors' meeting will hold office until the annual meeting is held.
- (b) At the annual meeting, the members, by a plurality vote, shall elect a Board of Directors and transact such other business as may properly come before the meeting.
- (c) Written notice of the annual meeting shall be given to each Unit Owner and shall be posted in a conspicuous place on the condominium property at least fourteen (14) continuous days prior to the annual meeting. Following notice to Unit Owners, the Board of Directors must designate a specific location on the Condominium Property on which notices of all Unit Owners meetings will be posted. The notice of the annual meeting shall be sent by mail or delivered to each Unit Owner in writing not less than fourteen (14) days prior to the meeting and the post office certificate of mailing shall be retained as proof of such mailing.
- (d) Unit Owners may waive notice of annual meetings and may take action by written agreement without meetings.

7.3 Membership List: At least ten (10) days before every regular meeting of the membership, a complete list of members entitled to vote at said meeting, arranged numerically by units, and designating the residents of each, shall be prepared by the Secretary. Such list shall be produced and kept for said ten (10) days at the office of the Association, and shall be open to examination by any member throughout such ten (10) day period.

7.4 Special Meetings:

- (a) Special meetings of the members may be called by the President, for any purpose(s) unless proscribed by law, the Declaration of Condominium, or the Articles of Incorporation, and shall be called by the President or Secretary at the written request of one third (1/3) of the voting members. Such request shall state the purpose(s) of the proposed meeting.
- (b) Written notice of a special meeting of members, stating the time, place and purpose(s) thereof, shall be served upon or mailed to each voting member at the member's address as it appears on the books of the Association, at least (5) days before such meeting.
- (c) No business shall be transacted at a special meeting unless it is within the purpose(s) stated in the notice of the meeting.
- (d) Unit Owners may waive notice of special meetings and may take action by written agreement without meetings.

7.5 Quorum: A majority of the total number of voting members of the Association, present in person or represented by written proxy, shall be required for and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by statute, by the Articles of Incorporation or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the members, the voting members present in person or represented by written proxy, shall have the power to adjourn the meeting, without notice other than announcement at the meeting, until such time as a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

7.6 Voting required to Transact Business: When a quorum is presented at any meeting, a majority of the votes cast, in person or represented by written proxy, shall decide any question brought before the meeting, unless the question is one upon which, by express provision of law, the Declaration of Condominium, the Articles of Incorporation or these By-Laws a different vote is required, in which case such express provision shall govern and control the decision of such question. Cumulative voting is prohibited.

7.7 Entitled and Qualified to Vote: Plural Ownership: Proxies: Each Unit Owner shall be entitled to one (1) vote for each unit owned by him. At any meeting of the members, every member entitled to vote may vote in person or by proxy. Such proxy shall only be valid for the specific meeting for which originally given or subsequent adjourned meetings thereof. In no event shall any proxy 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 Unit Owner executing it. If more than one (1) person owns a unit, they shall file a certificate with the Secretary of the Association naming the person authorized to cast votes for said unit. If the certificate is not on file the owner(s) shall not be qualified to vote and the vote of such owner(s) shall not be considered nor shall the presence of said Unit Owner(s) at the meeting be considered in determining whether the quorum requirement has been met. If a unit shall be owned by husband and wife as tenants by the entirety, no certificate need be filed with the Secretary naming the person authorized to cast votes for said unit, and either spouse, but not both, may vote in person or by proxy and be considered in determining whether the quorum requirement has been met at any meeting of the members, unless prior to such meeting, either spouse has notified the Secretary in writing that there is a disagreement as to who shall represent the unit at the meeting, in which case the certificate

requirements set forth above shall apply. If a unit is owned by a non-natural person pursuant to the provisions of the Declaration of Condominium, such non-natural person shall appoint, by appropriate resolution, an individual as a voting member. Such individual need not be the individual designated as the resident of the unit. If no such appointment is made, the non-natural Unit Owner shall not be entitled to vote at any matters coming before the membership nor shall the presence of said non-natural owner be considered in the determination of whether the quorum requirement has been met.

7.8 Rights of Unit Owners: Unit Owners may participate in meetings of Unit Owners regarding all designated agenda items, provided the statements are limited to five (5) minutes for each agenda item and the request to speak is given to the secretary at the beginning of the meeting. Owners may tape record or videotape these meetings, in accordance with Division of Florida Land Sales Condominiums, and Mobile Homes rules, for tape recording or videotaping meetings.

7.9 Order of Business: The order of business at annual members' meetings, and as far as practical at other members' meetings, shall be:

- (a) Election of Chairman
- (b) Roll Call and Quorum Determination
- (c) Proof of Notice of Meeting or Waiver of Notice
- (d) Reading of Minutes of Prior Meeting
- (e) Officers' Reports
- (f) Committee Reports
- (g) Elections
- (h) Unfinished Business
- (i) New Business
- (j) Adjournment



7.10 Procedure: Roberts Rules of Order (latest edition) shall govern the conduct of Association proceedings when not in conflict with the Articles of Incorporation, these By-Laws or any provision of law.

8. NOTICES

8.1 Definition: Except where expressly provided to the contrary, whenever under the provisions of law, the Declaration of Condominium, the Articles of Incorporation or these By-Laws, notice is required to be given to any director or member, it shall not be construed to mean personal notice; such notice may instead be given in writing by regular mail, by depositing the same in a post office or letter box in a postpaid, sealed envelope, addressed as appears on the books of the Association, and the post office certificate of mailing shall be retained as proof of such mailing.

8.2 Service of Notice - Waiver: Whenever any notice is required to be given under the provisions of these By-laws, a waiver thereof, in writing, signed by the person(s) entitled to such notice, whether before or after the time stated herein, shall be deemed the equivalent of such notice.

8.3 Address: The address for notice to the Association is CONDOMINIUM ASSOCIATION OF GOLF VILLAS, INC., 2172 Reserve Park Trace, Port St. Lucie. FL 34986.

9. FINANCES

9.1 Fiscal Year: The fiscal year of the Association shall be the calendar year, commencing January 1, of each year, provided however, that the Board of Directors is authorized to change to a different fiscal year at such time as the Board deems advisable.

9.2 Checks: All checks or demands for money and notes of the Association shall be signed by any one of the following officers: President, Secretary or Treasurer, or by such officer(s) or such other person(s) as the Board of Directors may from time to time designate.

9.3 Depositories: The funds of the Association shall be deposited in a bank or banks in St. Lucie County, Florida, in an account for the Association under resolutions approved by the Board of Directors, and shall be withdrawn only over the signature of the Treasurer, the President or the Secretary, or such other person(s) as the Board may authorize. The Board may require more than one signature on checks and bank drafts. The funds of the Association shall be used only for Association purposes. If necessary, and if demanded by Institutional Mortgagees, separate accounts shall be established to maintain and disburse escrow funds required by Institutional Mortgagees to meet mortgage requirements for the establishment of escrows for real estate taxes and insurance respecting condominium parcels.

9.4 Inspection and Records: The Association shall maintain good accounting records. All such records and any legal documents, policies of insurance, and books of the Association shall be open to inspection at reasonable times by members, their authorized representatives, and all Institutional Mortgagees. Upon request, Institutional Mortgagees shall have the right to receive an unaudited financial statement of the Association within ninety (90) days following the end of the fiscal year.

9.5 Annual Statement: The Board of Directors shall present at each annual meeting a full and clear statement of the business and condition of the Association.

9.6 Insurance: The Association shall procure, maintain and keep in full force and effect all insurance required by and in accordance with the Declaration of Condominium.

9.7 Fidelity Bonds: Fidelity bonds in the minimum amount of \$10,000 shall be required by the Board of Directors from all officers and employees of the Association who control or disburse funds of the Association, and may also be required from any other officers and employees and from any contractor handling or responsible for Association funds. The premiums for such bonds shall be paid by the Association as a common expense.

9.8 Assessments:

(a) The Board of Directors has the power to and shall from time to time fix and determine the amounts necessary to pay the common expenses of the Condominium. Common expenses include those expenses described in Paragraph 2.8 of the Declaration of Condominium and any other expenses designated as common expenses by the Board of Directors.

(b) Funds for the payment of common expenses shall be assessed and be a lien against the condominium parcels in the proportion of the fractional shares of sharing common expenses as provided in the Declaration of Condominium.

(c) Regular assessments shall be paid by the members on a quarterly basis unless the Board of Directors shall approve a different period for payment.

- (d) Special assessments, when required by the Board of Directors, shall be levied and paid in the same manner as regular assessments, unless the Declaration of Condominium shall otherwise provide. The Board of Directors or its managing agent may make special assessments in emergencies and upon such conditions as the Board may authorize.
- (e) When the Board of Directors has determined the amount of any assessment, the Secretary or Treasurer shall transmit a statement of such assessment to each condominium parcel owner. All assessments shall be made payable to and at the office of the Association and upon request, the Secretary or Treasurer shall give a receipt for each payment made.
- (f) Assessments are necessarily made upon projections and estimates of the Board of Directors, and may be in excess of or less than the sums required to meet the cash requirements of the Condominium, in which event the Board of Directors may increase or decrease the amount of an assessment, and make such adjustments in cash or otherwise, as they shall deem proper, including the assessment of each member of his proportionate share of any deficiency. Notice of all changes in assessments shall be given to all Unit Owners.
- (g) Assessments shall not include charges for utilities separately charged and metered to each condominium unit, nor charges for such alterations, repairs, maintenance, improvements or decorating within the interior of any unit as are the obligation of the Unit Owner and not the obligation of the Association. The Board of Directors may provide certain maintenance and repairs as would otherwise be the obligation of the individual unit owners, by the undertaking of contracts with business establishments providing repair and maintenance services, and in such cases the cost or price of common contractual services may be treated as a common expense and assessed against the members as part of their regular maintenance. The specific contracts or undertakings need not be submitted by the Board of Directors to the membership for approval once the membership has approved the policy of having a specific type of repair or maintenance undertaken by the Association which would otherwise be the individual unit owner's responsibility.
- (h) Assessments are due on the dates stated in the notice of assessment, and thereafter shall bear interest at the highest rate allowed by the civil usury laws of the State of Florida until paid.
- (i) In the event an assessment is not paid within thirty (30) days of the date it is due and payable, the Association, through the Board of Directors, may proceed to enforce and collect said assessment from the delinquent owner in any manner provided by the Condominium Act, the Declaration and these ByLaws. Each Unit Owner shall be individually responsible for the payment of reasonable attorneys' fees and costs incurred by the Association in the collection of sums due and in the enforcement of any lien held by the Association.
- (j) All sums collected by the Association from assessments may be commingled in a single fund or divided into more than one fund, as determined by the Board of Directors. All assessment payments by a Unit Owner shall be applied as provided herein and in the Declaration of Condominium.

- (k) Any Unit Owner shall have the right to require from the Association, a certificate showing the amount of unpaid assessments against him with regard to his condominium parcel. The holder of a mortgage or other lien shall have the same right as to any condominium parcel upon which it has a lien. Any person other than the owner who relies upon such certificate shall be protected thereby.

9.9 Budget and Financial Report:

- (a) The Board of Directors is empowered to propose and adopt the budget for the Condominium.

(b) The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expenses classifications. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance, unless a majority of a quorum present at a duly constituted meeting of members vote not to have these reserve accounts. These accounts shall include, but not be limited to, roof replacement, building painting, and pavement resurfacing. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item.

- (c) Each proposed annual budget of common expenses adopted by the Board of Directors shall be detailed and shall show the amounts budgeted by accounts and expenses classifications, including, but not limited to, the following, as are applicable:

- (1) Administration of the Association.
- (2) Management Fees.
- (3) Maintenance.
- (4) Rent for recreational and other commonly used facilities.
- (5) Taxes upon Association property, if any.
- (6) Taxes upon leased areas.
- (7) Insurance.
- (8) Security provisions.
- (9) Other expenses.
- (10) Operating capital.
- (11) Fees payable to the Division of Florida Land Sales and Condominiums.
- (12) Utilities.
- (13) Reserve for roof replacement.
- (14) Reserve for building painting.
- (15) Reserve for pavement resurfacing.
- (16) Other reserves, if applicable.

- (d) Written notice of the time and place of the meeting and a copy of the proposed annual budget of common expenses

shall be mailed to the Unit Owners not less than thirty (30) days prior to the meeting of the Board of Directors at which the budget will be considered. Such meeting shall be open to the Unit Owners. If a budget is adopted by the Board of Directors which requires assessments against the Unit Owners in any fiscal year exceeding One Hundred Fifteen percent (115%) of the assessments for the preceding year, a special meeting of the Unit Owners shall be held, if requested in writing by at least ten percent (10%) of the Unit Owners, to consider and enact a revision of the budget, or recall any and all members of the Board of Directors and elect their successors. Such meeting shall be held not less than ten (10) days after written notice is given to each Unit Owner, but not more than thirty (30) days after such meeting has been requested in writing. The revision of the budget shall require a vote of not less than two-thirds ($2/3$) of the voting members. The recall of any or all members of the Board of Directors shall require a vote of not less than a majority of the voting members. The Board of Directors may in any event propose a budget to the Unit Owners at a members' meeting or in writing, and if such proposed budget is approved by the Unit Owners at a members' meeting or in writing, and if such proposed budget is approved by the majority of voting members in writing, such budget shall not thereafter be reexamined by the Unit Owners in the manner set forth above, nor shall the Board of Directors be recalled under the terms of this subsection.

- (e) Regular assessments shall be made against Unit Owners not less frequently than quarterly, in an amount no less than required to provide funds in advance for payment of all the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred.
- (f) The provisions of Florida Statute 718.112 in effect at the date the Declaration of Condominium is recorded, with regard to limitations on budget increases, special membership meetings for budget reconsideration, and the right to consider and adopt a budget at the annual membership meeting as an alternative, are hereby adopted. For the purpose of subparagraph (d) and (g) of this paragraph 9.9, in determination of the percent of increase of the annual budget over the preceding years, authorized provisions for reasonable reserves for repair or replacement of the condominium property, anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, and assessments for betterment of the condominium property shall be excluded from the computation.
- (g) As long as Developer is in control of the Association, the Association shall not impose an assessment for any year greater than one hundred fifteen percent (115%) of the prior fiscal year's assessment without approval by a majority of all voting members.
- (h) Notwithstanding anything in these By-Laws or the Declaration which authorizes expenditures, no single expenditure for the improvement of the common elements in excess of \$25,000 per annum, shall be made without the approval of seventy-five (75%) percent of the membership, except for the repair of the condominium property due to casualty loss, emergency repairs immediately necessary for the preservation and safety of the property, for the safety of persons, or as required to avoid suspension of any necessary service to the condominium.

(i) Within sixty (60) days following the end of the fiscal year of the Association, the Board of Directors shall mail or furnish by personal delivery to each Unit Owner a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications including, if applicable, but not limited to the following:

- (1) Administration of the Association.
- (2) Management Fees.
- (3) Maintenance.
- (4) Rent for recreational and other commonly used facilities.
- (5) Taxes upon Association property, if any.
- (6) Taxes upon leased areas.
- (7) Insurance.
- (8) Security provisions.
- (9) Other expenses.
- (10) Operating capital.
- (11) Fees payable to the Division of Florida Land Sales and Condominiums.
- (12) Utilities.
- (13) Reserve for roof replacement.
- (14) Reserve for building painting.
- (15) Reserve for pavement resurfacing.
- (16) Other reserves, if applicable.

10. CORPORATE SEAL

The seal of the Association shall have inscribed thereon the name of the Association, the year of its organization, and the words "Not for Profit". The seal may be used by causing it or a facsimile thereof to be impressed, affixed, or otherwise reproduced.

11. DEFAULT

11.1 Enforcement of Lien for Assessments: In the event a Unit Owner does not pay any sums, charges or assessments required to be paid to the Association within thirty (30) days from the due date, the Association, acting on its own behalf or through its Board of Directors, may enforce its lien for assessments to which it is entitled, in accordance with the Declaration and the provisions of law.

11.2 Proceeds of Sale: If the Association becomes the owner of a unit by reason of foreclosure, it shall offer said unit for sale and at such time as a sale is consummated, the Association shall deduct from the proceeds of said sale all sums of money owing to it for assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorneys' fees, and any and all expenses incurred in the resale of the unit, which shall include but not be limited to advertising expenses, real estate brokerage fees and

expenses necessary for the repairing and refurbishing of the unit. All monies remaining after deducting the foregoing items of expenses shall be returned to the former owner of the unit.

11.3 Violations: In the event of violation of the provisions of the Declaration, Articles of Incorporation or these By-Laws, for thirty (30) days after notice from the Association to the Unit Owner to correct said breach or violation, the Association, on its own behalf or through its Board of Directors, may bring appropriate action to enjoin such violation or may enforce the provisions of said documents, or may sue for damages, or take such other courses of action, or other legal remedy, as it or they may deem appropriate. An Institutional Mortgagee of a unit shall be entitled to written notice from the Association of

any default by the mortgagor of such unit under the condominium documents which is not cured within thirty (30) days

11.4 Attorneys' Fees: In the event such legal action contemplated by these By-Laws is brought against a Unit Owner and results in a judgment for the Plaintiff, the Defendant shall pay the Plaintiff's attorneys' fees and all costs incurred.

11.5 Binding Effect: Each Unit Owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of the harshness of the remedy available to the Association and regardless of the availability of other equally adequate legal procedures. It is the intent of all owners of the units to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owning it from the owners of units, and to preserve each Unit Owner's right to enjoy his unit, free from unreasonable restraint and nuisance.

12. ARBITRATION

Any controversy or claim arising out of or relating to the internal operation of the Condominium among Unit Owners, the Association, or their agents or assigns, must be submitted to nonbinding arbitration. The arbitration shall be conducted in accordance with Section 718.1225 of the Florida Statutes.

13. AMENDMENT OF BY-LAWS

These By-Laws may only be amended at a duly called meeting of the voting members; provided (1) that the notice of the meeting shall contain a full statement of the proposed amendment; and (2) that the quorum requirement for such purposes shall be a majority of all voting members, in person or by proxy. There must be an affirmative vote of two-thirds (2/3) of the voting members, as well as an affirmative vote of two-thirds (2/3) of the Board of Directors, in order to amend these By-Laws. No amendment to these By-Laws which would operate to impair or prejudice the rights or liabilities of any Institutional Mortgagee shall be adopted without the consent of said Institutional Mortgagee. Any attempt to amend, alter, modify or rescind contrary to these prohibitions shall be of no force or effect.

No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Law(s) to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. If the proposed change is so extensive that the above 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; instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of By-Laws. See By-Law _____ for present text."

Non-material errors or omissions in the By-Laws amendment process shall not invalidate an otherwise properly promulgated amendment.

14. CONSTRUCTION

14.1 Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

14.2 Should any of the covenants herein imposed be void or unenforceable at law or in equity, the remaining provisions of this instrument shall nevertheless be and remain in full force and effect.

14.3 These By-Laws and the Articles of Incorporation shall be construed in the event of any ambiguity consistent with the provisions of the Declaration of Condominium.

The foregoing were adopted as the By-Laws of: CONDOMINIUM ASSOCIATION OF GOLF VILLAS, INC. a Florida Not-for-Profit corporation, at the first meeting of the Board of Directors.

CONDOMINIUM ASSOCIATION OF GOLF VILLAS, INC., a Florida not-for-profit corporation

By: 
President

(CORPORATE SEAL)

Approved:

By: 
Secretary

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