

BY-LAWS

OF

VILLAGE DRIVE OWNERS ASSOCIATION, INC.

A corporation not for profit under the laws of the State of Florida

ARTICLE I

IDENTITY

1. These are the By-Laws of Village Drive Owners Association, Inc., a corporation not for profit under the laws of the State of Florida, hereinafter called "Association." The Association has been organized for the purpose of operating and administering the recreational and other common facilities for the use and benefit of the residents of The Village Phase III Subdivision, (hereinafter "The Village").
2. The office of the Association shall be at 1701 Moody Boulevard, Flagler Beach, Florida, or at such other place as the Board of Directors may determine from time to time.
3. The fiscal year of the Association shall be the calendar year.
4. "Developer" as used herein shall mean Village Concepts, Inc., or a successor, to whom said corporation may transfer its rights as Developer or an entity which may succeed to such rights by operation of law.
5. "The Declaration of Covenants and Restrictions" as used herein shall mean the Declaration of Covenants and Restrictions of The Village Phase III, as recorded in the Public Records of Flagler County, Florida.

ARTICLE II

MEMBERSHIP, VOTING, QUORUM AND PROXY

1. The qualifications of members, the manner of their admission to membership, termination of such membership, and voting by members shall be as set forth in the Declaration of Covenants and Restrictions in Article 4 of the Articles of Incorporation of the Association, and such provisions are

incorporated herein by reference.

2. A quorum at members' meetings shall consist of persons, present in person or by proxy, entitled to cast a majority of the votes of the entire membership.
3. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting.
4. Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these By-Laws, the Declaration of Covenants and Restrictions, or where the same may otherwise be required by law, the affirmative vote of the owners of a majority of the lots represented at any duly called members' meeting at which a quorum is present, shall be binding upon the members.

ARTICLE III

ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

1. Annual meetings of the membership shall be held on the first Saturday of May at a time and place to be designated by the Board of Directors of the Association.
2. A special membership meeting shall be held for the purpose of electing a Director as provided for in Section 4 of Article IV of the Declaration of Covenants and Restrictions. A special meeting shall be called by the President or Secretary promptly after the 25th townhouse in The Village shall have been conveyed by the Developer, such meeting to be held on a date within forty-five (45) days after such conveyance.
3. Except in those situations provided for in Paragraph 2 above, special membership meetings shall be held whenever called for by a majority of the Board of Directors, and after expiration of the Period of Development (as defined in the Declaration of Covenants and Restrictions) must be called upon receipt of a written request therefor by members of the Association owning more than one-half (1/2) of the residences.
4. Notice of all members' meetings, regular or special, shall be given by the President, Vice-President, or Secretary of the Association to each member, unless waived in writing; and such notice shall be written or printed and shall state

the time and place and purpose for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mails, addressed to the member at his post office address as it appears on the records of the Association, the postage thereon prepaid. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any member may waive notice, and such waiver, when filed, in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. If any members' meeting cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called, may be transacted without further notice.

5. At meetings of membership, the President shall preside, or in his absence, the Vice-President shall preside, or, in the absence of both, the membership shall select a chairman.
6. The order of business at Annual Members' Meetings and, as far as practical, at any other members' meetings, shall be as follows:
 - a. Calling of the roll and certifying of proxies.
 - b. Proof of notice of meeting or waiver of notice.
 - c. Reading of minutes.
 - d. Reports of Officers.
 - e. Reports of Committees.
7. Notwithstanding anything else herein contained, until the expiration of the Period of Development (as described in the Declaration of Covenants and Restrictions), the proceedings of any meetings of members of the Association other than for the election of a Director shall have no effect, unless expressly approved in writing by the Board of Directors.

ARTICLE IVDIRECTORS

1. The affairs of the Association shall be managed by a Board of Directors. Until the 25th townhouse in The Village Phase III shall have been transferred of record to an individual purchaser, the Directors named in the Articles of Incorporation shall constitute the Board of Directors, and in the event of a vacancy, the Developer shall have the right to appoint a successor. Upon the conveyance of record of the 25th townhouse, the Board of Directors shall forthwith call a special meeting of membership for the purpose of electing a Director who shall replace HAZEL LAWRENCE, or her successor. Such Director elected by the members shall serve until the expiration of the Period of Development, and in the event of the death, resignation or removal of such Director, his successor shall be elected by the owners other than the Developer. During the Period of Development, the remaining two (2) Directors shall be GUS SIMOS and DONALD R. DeROSA, and in the event of the death, resignation or removal of either of them, the Developer shall have the right to appoint the successor.
2. Upon the termination of the Period of Development, the Board of Directors shall forthwith call a special meeting of the membership for the election of successor Directors for all three (3) members of the initial Board, and the Directors so elected by the membership shall serve until the next regular meeting of the Board of Directors, or until their successors have been elected and qualified.
3. Election of Directors shall be by written ballot (unless dispensed with by unanimous consent) and by plurality of the votes cast, each person voting being entitled to cast as many votes as there are Directors to be elected, provided, however, there shall be no cumulative voting, and each member shall not cast more than one (1) vote for any person nominated as a Director.
4. Any elected Director may be removed by concurrence of two-thirds (2/3) of the vote of the entire membership at a special meeting of the members called for that purpose. The vacancy on the Board of Directors so created shall be filled by the members of the Association at the same meeting. A Director appointed by Developer may be removed by Developer by a written notice to the Board of the Director's removal and naming his successor.

5. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election, at such place and time as shall be fixed by the Directors at a meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.
6. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director in writing personally or by mail, or telegraph, at least three (3) days prior to the day named for such meeting.
7. Special meetings of the Directors may be called by the President and must be called by the Secretary, at the written request of a majority of the Directors. Not less than three (3) days' notice of the meeting shall be given to each Director in writing personally or by mail, or telegraph, which notice shall state the time, place and purpose of the meeting.
8. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent of the giving of notice.
9. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors.
10. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting, from time to time, until a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called, may be transacted without further notice.
11. The presiding officer of Directors' meetings shall be the Chairman of the Board, who shall be elected by a majority vote of the Directors. A Vice Chairman shall also be elected to preside in the absence of the Chairman. The Directors present shall designate one of their number to preside in the absence of the Chairman and Vice Chairman.
12. The order of business at Directors' meetings shall be as follows:

- a. Calling of roll.
 - b. Proof of due notice of meeting.
 - c. Reading of minutes and disposal of any unapproved minutes.
 - d. Reports of officers and committees.
 - e. Election of officers.
 - f. Unfinished business.
 - g. New business.
 - h. Adjournment.
13. The undertakings and contracts authorized by the initial Board, consisting in whole or in part of Developer's appointees, shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by the first Board of Directors duly elected by the membership after Developer has relinquished control of the Association, notwithstanding the fact that members of the initial Board may be Directors or officers, of, or otherwise associated with, the Developer, or other entities doing business with the Association.

ARTICLE V

OFFICERS

1. The executive officers of the Association shall be a President; a Vice President, and a Secretary-Treasurer, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. Any Director of the Association may also be an officer of the Association. The Board of Directors may also appoint one (1) or more Assistant Secretaries to act in the absence of the Secretary.
2. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the president of an association, including, but not limited to, the power to appoint committees from among the members, from time to time, as he may, in his discretion, deem appropriate, to assist in the conduct of the affairs of the Association.

3. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other duties as shall be prescribed by the Directors.
4. The Secretary shall 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 such other notices as may be required by law. He shall have custody of the seal of the Association and shall affix the same to instruments requiring a seal, when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the Directors or President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.
5. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidence of indebtedness. He shall keep the assessment rolls and accounts of the members; he shall keep the books of the Association in accordance with good accounting practices, and he shall perform all other duties incident to the office of the Treasurer.
6. The compensation of all officers and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association; neither shall it preclude the contracting with a Director, or a person, firm or entity with which a Director is associated, for services to or management of the Association.

ARTICLE VI

FISCAL MANAGEMENT

1. The assessment roll shall be maintained in a set of accounting books, in which there shall be an account for each lot. Such an account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which assessments are due, the amounts paid upon the account, and the balance due upon assessments.

2. Commencing at the year of adoption of these By-Laws, the Association shall adopt a calendar year as its fiscal year. The Board of Directors shall adopt a budget and assessment notice for each fiscal year on or before December 1st of the year preceding the fiscal year. Copies of the budget and assessment notice shall be transmitted to each member of the Association, the delivery of a copy of any budget shall not affect the liability of any member for such assessment, not be considered as a condition precedent to the effectiveness of the budget and the assessment levied pursuant thereto; and nothing herein contained shall be construed as restricting the right of the Board of Directors at any time, in its sole discretion, to levy any additional assessment for emergency or for any anticipated deficit in expenses of operation and management.

ARTICLE VII

PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these By-Laws or with the Statutes of the State of Florida.

ARTICLE VIII

AMENDMENTS TO BY-LAWS

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

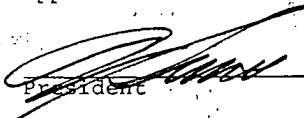
1. Amendments to these By-Laws may be proposed by the Board of Directors of the Association or by instrument, in writing, signed by a majority of the members.
2. Such proposed amendment or amendments shall be transmitted to the President of the Association, or other Officer of the Association in the absence of the President who shall, thereupon, call a Special Meeting of the members of the Board of Directors of the Association and the membership for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by such Officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each


member written notice of such meeting in the same form and in the same manner as notice of the calling of Special Meeting of the members is required, as herein set forth.

3. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of a majority of the entire membership of the Board and by an affirmative vote of the members owning not less than a majority of the lots. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the Secretary of the Association, and a copy thereof shall be promptly recorded in the Public Records of Flagler County, Florida.
4. At any meeting held to consider such amendment or amendments to the By-Laws, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.
5. Notwithstanding the foregoing provisions of this Article VIII, no amendment to these By-Laws may be adopted or become effective during the Period of Development without the prior written consent of the Developer.

The foregoing were adopted as the By-Laws of Village Drive Owners Association, Inc., a corporation not for profit, under the laws of the State of Florida, at a meeting of the Board of Directors on 10-14-83, 1983.

Approved:


President


Secretary

83 OCT 18 P 2:07
SHELEEN B. BARBER
CLERK OF CIRCUIT COURT
FLAGLER COUNTY, FLA.

NO. 83/09447
FILED & RECORDED
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