

BYLAWS
OF
WATERS EDGE PHASE II
HOMEOWNERS ASSOCIATION
OF VERO BEACH, INC.
a Florida not-for-profit Corporation

ARTICLE I

GENERAL PROVISIONS

1.01 IDENTITY. These are the Bylaws of WATERS EDGE PHASE II HOMEOWNERS ASSOCIATION OF VERO BEACH, INC. (hereinafter referred to as the "Association"), a Florida not-for-profit corporation. The Association has been organized for the purposes stated in the Articles of Incorporation and shall have all the powers provided in these Bylaws, the Articles, the Declaration, and under the laws of the State of Florida.

1.02 DEFINITIONS. All defined terms used in these Bylaws shall have the meaning assigned to them in the Declaration of Restrictions and Protective Covenants for Waters Edge Phase II.

1.03 PRINCIPAL OFFICE. The principal office of the Association shall be at such location as may be established by the Board of Directors from time to time and will be posted on the web-site as to where for future meetings.

1.04 SEAL. The seal of the Association shall have inscribed upon it the name of the Association, the year of its incorporation and the words "Corporation Not-for-Profit. The seal may be used by causing it, or a facsimile thereof, to be impressed, affixed or otherwise reproduced upon any instrument or document executed in the name of

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1.05 FISCAL YEAR. The fiscal year of the Association shall be a calendar year.

ARTICLE II MEMBERSHIP

2.01 QUALIFICATIONS. Pursuant to Article III, Section 1, of the Articles of Incorporation of the Association, all record owners of a fee or undivided fee interest in any Lot shall be members of the Association. Membership for each Lot shall be established upon the recording of the Declaration. Prior to the recording of the Declaration, the incorporator shall be the sole member of the Association, but its membership shall terminate upon the recording of the Declaration, unless the incorporator owns any Lot(s).

2.02 CHANGES IN MEMBERSHIP. The transfer of ownership to any Lot, either voluntary or by operation of law, shall automatically terminate the membership of the prior owner, and the transferee or new owner shall automatically become a member of the Association. It shall be the responsibility of the transferor and transferee of a Lot, to inform the Association of the change in membership, by delivering to the Association a recorded copy of the deed or other instrument of conveyance which establishes the transfer of ownership. In the absence of such notification, the Association shall not be obligated to recognize any change in membership or ownership of a Lot for any purpose including the right to vote, the right to receive notice of meetings and notice of assessments, and the right to inspect the Association's books and records.

2.03 MEMBER REGISTRATION. The Secretary of the Association shall maintain a register of the names and addresses of the members of the Association. It shall be the obligation of each member of the Association to advise the Secretary of any change of address of the member, or of a change of ownership of a member's Lot, as set forth above. Any member who mortgages its Lot shall notify the Association of the name and address of the mortgagee. Any member who satisfies a mortgage encumbering its Lot shall notify the Association by filing a copy of the recorded satisfaction of mortgage with the Association. The names and addresses of any such mortgagee shall also be maintained with the member register.

2.04 RIGHT OF OWNERS TO PEACEABLY ASSEMBLE. All common areas serving the Association shall be available to parcel owners in the Association served

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thereby, and their invited guests, for the use intended for such common areas not to include parking of motor vehicles, trailers and boats. The entity or entities responsible for the operation of the common areas may adopt reasonable rules and regulations pertaining to the use of such common areas. No entity or entities shall unreasonably restrict any Lot owner's right to peaceably assemble or right to invite public officers or candidates for public office to appear and speak in common areas.

2.05 RIGHTS OF MEMBERSHIP. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessment is imposed against each Owner of, and becomes a lien upon, the Properties against which such assessments are made as provided by the Declaration of Restrictions to which the Properties are subject.

ARTICLE III

BOARD OF DIRECTORS

3.01 MEMBERSHIP. The affairs of the Association shall be managed by a Board of Directors which shall consist of not less than three no more than nine persons, .

3.02 ELECTION OF DIRECTORS BY MEMBERS. The directors of the Association shall be elected at the annual meeting of the Members as specified in the Articles of Incorporation. The election shall be decided by majority vote.

3.03 TERM OF OFFICE. All directors elected by the members shall hold office until the next annual meeting of the Members and until their successors are duly elected, or until such director's death, resignation or removal, as hereinafter provided or as otherwise provided by the Articles or by law.

3.04 REMOVAL OF DIRECTORS. Any director may be removed from office at any time with or without cause by a affirmative majority vote of the Association membership at special meeting of the members called by not less than ten percent of the Members of the Association

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Any vacancy of the Board caused by any such removal may be filled by the Members at such meeting or, if the Members fail to fill such vacancy, by the Board, as in the case of any other vacancy on the Board.

3.05 RESIGNATION. Any director may resign at any time by giving written notice of his resignation to another director or officer. Any such resignation shall take effect at the time specified therein or, if the time when such resignation is to become effective is not specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be required to be deemed effective. Board to appoint replacement for the remaining term.

3.06 ORGANIZATIONAL MEETING. The first meeting of the duly elected Board of Directors, for the purpose of organization, shall be held immediately after the annual meeting of members, provided the majority of the members of the Board elected be present. Any action taken at such meeting shall be by a majority of the whole Board. If the majority of the members of the Board elected shall not be present at that time, or if the directors shall fail to elect officers, the meeting of the Board to elect officers shall then be held within thirty days after the annual meeting of members upon three days' notice in writing to each member of the Board elected, stating the time, place and object of such meeting.

3.07 REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such time or place as may be determined from time to time, on such days and at such hours as the Board of Directors may, by resolution appoint. Meetings of the Board shall be open to all Members and will be posted on the web-site and in the newsletter.

3.08 SPECIAL MEETING. Special meetings of the Board of Directors may be called at any time by the President or by any director of the Board and may be held at any place and at any time.

3.09 NOTICE OF MEETINGS. Notice of each. meeting, of the Board of Directors, stating the time, place and purpose or purposes thereof, shall be given by or on behalf of the President or by or on behalf of the Secretary or by or on behalf of a majority of the members of the Board to each member of the Board not less than three days prior to the scheduled date of the meeting by mail telephone web-site or email Special meetings of the Board may also be held at any place and time without, notice by unanimous waiver of notice by all the directors. 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

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director at a meeting shall constitute a waiver of such notice and a waiver of any and all objections of notice of such meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states at the beginning of the meeting that the meeting is not lawfully called or convened. Neither the business to be transacted, 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. Notice of meetings shall be posted on the web-site at least three days in advance, except in an emergency. Notice of any meeting in which assessments against parcels are to be established shall specifically contain a statement that assessments shall be considered and a statement of the nature of such assessments.

3.10 VACANCIES. Vacancies in the Board may be filled by a majority vote of the directors then in office, or by a sole remaining director, and a director so appointed shall hold office until the next annual election and until his successor is duly elected, unless sooner displaced. If there are no directors, then a special election of the Members shall be held to elect the directors.

3.11 DIRECTOR COMPENSATION. No Director shall receive any compensation from the Association for acting as such unless approved by Members representing a majority of the total vote of the Association at a regular or special meeting of the Association; however, any Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors.

3.12 OPEN MEETINGS Subject to the provisions of this Article, all meetings of the Board shall be open to all Members, but no Member other than Directors may participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Director. In such case, the President may limit the time that any Member may speak.

3.13 POWERS AND DUTIES. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these Bylaws directed to be done and exercised exclusively by the Members.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the Managing Agent or Manager, if any, which might arise between meetings of the Board of Directors.

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In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and be responsible for the following, in way, of explanation, but not limitation:

- a. Preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses;
- b. Making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment, provided, unless otherwise determined by the Board of Directors, the annual assessment for each Lot's proportionate share of the Common Expenses shall be payable in equal quarterly installments, each such installment to be due and payable in advance on the first day of quarter,
- c. Providing for the operation, care, upkeep, and maintenance of all of the Common Areas;
- d. Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Areas where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- e. Collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; the reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;
- f. Making and amending rules and regulations only with membership approval;
- g. Opening of bank accounts on behalf of the Association and designating the signatories required;
- h. Making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;
- i. Enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it and bringing any proceedings which may be

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instituted on behalf of or against the Owners concerning the Association after receiving the proper authorization, if any, required by the Declaration;

j. Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

k. Paying the cost of all services rendered to the Association or its Members and not chargeable to Owners;

l. Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the owners. All books and records shall be kept in accordance with generally accepted accounting practices;

m. Make available to any prospective purchaser of a Lot, and Owner of a Lot, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Lot, current copies of the Declaration, the Articles of Incorporation, the Bylaws, rules governing the Lot and all other books, records, and financial statements of the Association; and

n. Permit utility suppliers to use portions of the Common Area reasonably necessary for the ongoing development or operation of the Properties.

3.14 MANAGEMENT OF ASSOCIATION(. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subparagraphs (a), (b), (f), (g), and (i) of Section 3.13 of this Article. The Developer, or an affiliate of the Developer, may be employed as managing agent or manager. No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee on ninety (90) days, or less, written notice.

3.15 MANAGEMENT STANDARDS. The following management

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standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- a. Accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- b. Accounting and controls should conform with established AICPA guidelines and principles, which require, without limitation, (i) disbursements by check requiring two (2) signatures, and (ii) cash disbursements limited to amounts of Seventy-Five Dollars (\$75.00) and under,
- c. Cash accounts of the Association shall not be commingled with any other accounts;
- d. No remuneration shall be accepted by a managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finders fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;
- e. Any financial or other interest which a managing agent may have in any form providing goods or services to the Association shall be disclosed promptly to the Board of Directors; and
- f. An annual report consisting of at least the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year (1) a balance sheet as of the end of the fiscal year, (2) an operating (income) statement for the fiscal year, and (3) a statement of changes in financial position for the fiscal year.

3.16 POWER TO BORROW MONEY. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Areas without the approval of the Members of the Association; provided, however, the Board shall obtain Member approval in the same manner provided in the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, and the total amount of such borrowing exceeds or would exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

3.17 POWER TO IMPOSE FINER. The Board shall have the power to impose reasonable fines,

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which shall constitute a fine of \$50.00 to be added to the quarterly dues owed to the association, and to suspend an Owner's right to vote or to use the Common Area, for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot. In the event that any occupant of a Lot violates the Declaration, Bylaws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the fine shall constitute a 10% late fee per month for as long as the dues plus fine is outstanding and the Owner shall be responsible for all fees owed to the association before the property is sold. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

a. Notice. Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (14) days within which the alleged violator may present a written request to the committee designated by the Board, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (14) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

b. Hearing. If a hearing is requested in a timely manner, the hearing shall be held in executive session before the body specified in the notice which shall afford the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

c. Appeal. If the hearing is held before a body other than the Board, then the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within thirty (30) days after the hearing date.

d. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these Bylaws, or the rules and regulations of the

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Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity for compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation for which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

ARTICLE IV

OFFICERS

4.01 MEMBERS. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members. The officers of the Association shall include a President, Vice President, Treasurer, and Secretary, all whom shall be members of the Board. Any person may hold two or more offices.

4.02 THE PRESIDENT. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the members of the Association and of the Board of Directors. He shall have the general powers and duties of supervision and management of the Association which usually pertain to his office, and shall perform all such duties as are properly required of him by the Board of Directors, 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.

4.03 THE VICE PRESIDENT. The Board of Directors shall elect one Vice President, who shall have such powers and perform such duties as usually pertain

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to such office or as are properly required of him by the Board of Directors. In the absence or disability of the President, the Vice President shall perform the duties and exercise the powers of the President.

4.04 THE SECRETARY. The Secretary shall issue notices of all meetings of the membership of the Association and the Board of Directors where notice of such meetings is required by law or in these Bylaws. He shall keep the minutes of the meetings of the membership and of the Board of Directors. He shall have custody of the seal of the Association and affix the seal to instruments requiring a seal when executed. He shall keep the records of the Association, and shall perform all other duties incident to the office of Secretary of an Association, and as may be required by the directors or the President.

4.05 THE TREASURFR. The Treasurer shall have the care and custody of all the monies and securities of the Association. He shall enter on the books of the Association, to be kept by him for that purpose, full and accurate accounts of all monies received by him and paid by him on account of the Association. He shall submit a Treasurer's Report to the Board at reasonable intervals. He shall collect all assessments and report to the Board the status of collections as requested. He shall sign such instruments as require his signature and he shall perform all other duties as usually pertain to his office or as are properly required of him by the Board of Directors or the President.

4.06 REMOVAL. Any officer may be removed at any time by the affirmative vote of a majority of the Board of Directors at any duly called regular or special meeting of the Board.

4.07 VACANCIES. Vacancies in any office arising from any cause may be filled by the majority of the Board of Directors for the unexpired portion of the term.

4.08 RESIGNATION. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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ARTICLE V

MEETINGS OF MEMBERS

5.01 **ANNUAL MEETING.** The regular annual meeting of the members shall be held annually during the month in which the Declaration was recorded at such time and place as shall be determined by the Board of Directors.

5.02 **SPECIAL MEETINGS.** Special meetings of the members may be called at any time by a majority of the members of the Board of Director, the President, or at the request in writing, by not less than 25% of the members, or as otherwise provided by law. Such request shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice for the meeting. Notice of any special meeting shall be given by the Secretary, or other officer of the Association, to all of the members within 30 days after same is duly called, and the meeting shall be held within 45 days after being so called.

5.03 **NOTICES.** Written notice stating the place, date and hour of a meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each member entitled to vote by or at the direction of the President, the Secretary or the officer or person calling the meeting. Only one notice shall be required to be given with respect to each Lot, and may be given to any co-owner. Notice may be given to the member or co-owner either personally, or by sending a copy of the notice through email and mail, postage thereon fully paid, to his address appearing on the records of the Association. Each member or co-owner shall register his address with the Secretary, and notices of meetings shall be mailed to the member or co-owner, at such address, unless otherwise directed in writing by the owner or co-owner. Notice of any meeting, regular or special, shall be mailed or personally delivered at least six 14 days in advance of the meeting and shall set forth the general nature of the business to be transacted, provided, however, that if any business of any meeting shall invoice any action governed by the Articles of Incorporation, notice of such meetings shall be given or sent as therein provided.

5.04 **QUORUM AND VOTING REQUIREMENTS.** The presence in person by mail in ballot or by proxy at the meeting of members entitled to cast for any action

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governed by these Bylaws. The acts approved by a majority of the votes present in person by mail or by proxy at a meeting at which a quorum is present shall be binding upon all members and owners for all purposes, except where otherwise provided by law, in the Declaration, in the Articles, or in these Bylaws.

5.05 ADJURNMENTS. If any meetings of the Association cannot be held because a quorum is not present, a majority of the Members who are present in person or by proxy and entitled to vote at such meeting, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting at which a quorum is present, any business, which might have been transacted at the meeting originally called, may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present in person or by proxy at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members representing at least twenty-five percent (25%) of the total votes of the Association remain present, and provided further that any action taken shall be approved by at least a majority of the Members required to constitute a quorum.

5.06 PROXIES. Every Member entitled to vote at a meeting of the Members, or to express consent or dissent without a meeting, may authorize another person or persons to act on the Member's behalf by a proxy signed by such member or his attorney-in-fact. Any proxy shall be delivered to the Secretary of the meeting at or prior to the time designated in the order of business for delivering proxies. Homeowners may not vote by general proxy, but may vote by limited proxy. Limited proxies and general proxies may be used to establish a quorum. Limited proxies may also be used for votes taken to amend the articles of incorporation or bylaws or for any matter that requires or permits a vote of the Lot owners. Any proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meeting thereof. A proxy shall not be valid for a period longer than 90 days after the date of the first meeting for which it was given. A proxy is revocable at any time at the pleasure of the Lot owner who executes it.

5.07 ORGANIZATION. The President shall preside over all meetings of the Members, and the Secretary shall keep the Minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

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meetings. If the President is not in attendance at any meeting, the Vice President, Treasurer, or any person chosen by the majority of the Members present, in that prescribed order, shall act as chairman of the meeting. If the Secretary is absent or unable to act, any person appointed by the chairman of the meeting, shall act as Secretary of the meeting

5.08 ORDER OF BUSINESS. The order of business at the annual meetings of the members shall be: Set by an agenda sent out with the meeting notice 14 days prior to the meeting

- a) Determination of chairman of the meeting;
- b) Calling of the roll and certifying of proxies;
- c) Proof of notice of meeting or waiver of notice;
- d) Reading of reports of directors, officers or committees;
- e) Unfinished business;
- f) New business;
- g) Adjournment.

5.09 MINUTES. The minutes of all meetings of the members shall be filed and maintained in the minute's book of the Association, which shall be available for inspection by the members or their authorized representatives, and the directors, at any reasonable time. The Association shall maintain these minutes for at least 7 years.

5.10 ACTIONS WITHOUT A MEETING. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting and without prior notice, and without a vote if a consent in writing setting forth the action so taken shall be signed by all of the Members entitled to vote with respect to the subject matter thereof and having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were present and voted, and such consent shall have the same force and effect as a unanimous vote of the Members. Within 10 days after obtaining such authorization by written consent, notice of the action taken shall be given to those Members who have not consented in writing.

5.11 PARLIAMENTARY RULES. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, the Articles, or these Bylaws.

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ARTICLE VI

COMMITTEES

6.01 COMMITTEES. The Architectural Control Board shall be a standing committee of the Association. The Board of Directors or its President may appoint such other committees as it deems advisable.

6.02 ARCHITECTURAL CONTROL BOARDS. The Architectural Control Board shall be appointed, shall serve and shall have the duties and functions as described in the Declaration. A party aggrieved by a decision of the Architectural Control Board shall have the right to make a written request to the Board of Directors, within thirty (30) days of such decision, so that the Board of Directors may review such decision. The determination of the Board of Directors, upon reviewing such decision of the Architectural Control Board, shall in all events be dispositive.

6.03 Bylaws committee will be revisited from time to time as seen fit by the Board of Directors

ARTICLE VII

BOOKS AND PAPERS

7.01 INSPECTION OF BOOKS AND RECORDS. The books and records of the Association shall be open to inspection by all owners or their authorized representatives, and all holders, insurers or guarantors of any first mortgage encumbering a unit, upon request, during reasonable business hours and under other reasonable conditions.

7.02 RECORDS. The Association shall maintain each of the following items, when applicable, which shall constitute the official record of the Association:

- a) A copy of the plans, permits, warranties, and other items provided by the developer,

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- b) A certified copy of the articles of incorporation of the Association, or other documents creating the Association and each amendment thereto;
- c) A copy of the bylaws of the Association and of each amendment to the bylaws;
- d) A copy of the current rules of the Association;
- e) The minutes of all meetings of the Association, of the board of directors, and of members;
- f) A current roster of all members and their mailing addresses, parcel identifications, and, if known, telephone numbers;
- g) All current insurance policies of the Association or a Copy thereof;
- h) A current copy of the management agreement, lease, or other contract to which the Association is a party or under which the Association or the parcel owners have an obligation or responsibility;
- i) Accounting records for the Association and separate accounting records for each parcel, according to generally accepted accounting principles;
 - 1. All accounting records are to be kept for a period not less than 7 years;
 - 2. Accounting records should include, but are not limited to:
 - (a) Accurate, itemized, and detailed records of all Receipts and expenditures;
 - (b) A current account and a periodic statement of the account for each member of the Association;
 - (c) All audits, reviews, accounting statements, and Financial reports of the Association
 - (d) All contracts for work to be performed;
 - (e) all bids for work to be performed shall be included and maintained for one year.

ARTICLE VIII

AMENDMENTS.

8.01 ADOPTION OF AMENDMENTS. These Bylaws may be amended, (a) by unanimous vote of all of the directors; or (b) at a regular or special meeting of the members, by a vote of a majority of the members present in person or by proxy, provided that the notice to the members of the meeting disclosed the information that the amendment

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of the Bylaws was to be considered; provided, however, the provisions which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matters stated herein to be or which are in fact governed by the Declaration of Restrictions and Protective Covenants referred to herein may not be amended except as provided in such covenants. Notwithstanding anything herein to the contrary, the Developer as described in the Articles of Incorporation of the Association and the Declaration of Restrictions, shall be permitted to unilaterally amend these Bylaws at any time and no amendment of these Bylaws may be made without the written consent of the Developer as long as the Developer holds title to any real property contained within the Project.

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

8.03 CONFLICT. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the said Declaration shall control.

8.04 RIGHTS OF INSTITUTIONAL MORTGAGEE. No amendment to these Bylaws shall prejudice or impair the rights and priorities of any Institutional Mortgagee without the prior written consent of all such Institutional Mortgagees.

8.05 EXECUTION AND RECORDING. No modification of, or amendment to, the Bylaws shall be valid until recorded in the public records of Broward County, Florida.

ARTICLE IX

MISCELLANEOUS

9.01 TENSE AND GENDER. The use of any gender or of any tense in these Bylaws shall refer to all genders or to all tenses, wherever the context so requires.

9.02 PARTIAL INVALIDITY. Should any of the provisions hereof be void or become unenforceable at law or in equity, the remaining provisions shall,

Bylaws of Waters Edge Homeowners Association

nevertheless, be and remain in full force and effect.

9.03 CONFLICTS. In the event of any conflict, the Declaration, the Articles, and these Bylaws shall govern, in that prescribed order.

9.04 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 described the scope of these Bylaws or the intent of any provisions hereof.

9.05 WAIVER OF OBJECTIONS. The failure of the Board or of any officers of the Association to comply with any terms and provisions of the Declaration, the Articles or these Bylaws which relate to time limitations shall not, by itself, invalidate the act done or performed. Any such failure shall be waived if it is not objected to by a member of the Association within ten 14 days after the member is notified, or becomes aware of the failure. Furthermore, if such failure occurs at a general or special meeting, the failure shall be waived as to all members who received notice of the meeting .

I hereby certify that the foregoing Bylaws of the Association were duly ado by the Board of Directors of said association at meeting held for such purpose on this 23rd day of February, 2006