

BY-LAWS

OF

EMERALD GREEN SECTION THREE, INC.
A FLORIDA NON-PROFIT CORPORATION

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1972
(2000)

ARTICLE I

IDENTITY

The following By-Laws shall govern the operation of the Condominium created by the Declaration of Condominium to which these By-Laws are attached.

Emerald Green Section Three Inc., is a Florida corporation, not for profit, organized and existing under the laws of the State of Florida for the purpose of administering (but not exclusively unless so provided in the Association's Articles of Incorporation) the Condominium created by the Declaration of Condominium to which these By-Laws are attached.

Section 1. The Office of the Association shall be at the Condominium property, or at such other place as may be subsequently designated by the Board of Directors of the Association.

Section 2. The Seal of the Corporation shall bear the name of the Corporation, the word, "Florida", the words, "Corporation not for profit", and the year of incorporation.

Section 3. As used herein, the word, "Corporation", shall be the equivalent of "Association", as defined in the Declaration of Condominium to which these By-Laws are attached. All other words, as used herein, shall have the same definitions as attributed to them in the Declaration of Condominium to which these By-Laws are attached.

ARTICLE II

MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership in the Association shall be limited to owners of the Condominium villas in Condominium(s) wherein this Corporation has been designated the Association to operate and administer said Condominium by virtue of the Declaration of Condominium of said Condominium. Transfer of villa ownership, either voluntary or by operation of law, shall terminate membership in the Association, and said membership is to become vested in the transferee. If villa ownership is vested in more than one person, then all of the persons so owning said villa shall be members eligible to hold office, attend meetings, etc., but, as hereinafter indicated, the vote of a villa shall be cast by the "voting member". If villa ownership is vested in a Corporation, said Corporation may designate an individual officer or employee of the Corporation as its "voting member".

Any application for the transfer of membership, or for a conveyance of an interest in, or to encumber or lease a Condominium parcel, where the approval of the Board of Directors of the Association and of the Management Firm, as long as the Management Agreement remains in effect, is required, as set forth in these By-Laws and the Declaration of Condominium to which they are attached, shall be accompanied by an application fee in an amount to be set by the Management Firm, as long as the Management Agreement remains in effect, and thereafter, by the Board of Directors of the Association, to cover the cost of contacting the references given by the applicant, and such other costs of investigation that may be incurred.

(a) The owner(s) of each Condominium villa shall be entitled to the number of votes equal to the total of the percentage of ownership in the common elements applicable of his villa ownership, as set forth in the Condominium's Declaration of Condominium. If a Condominium villa owner owns more than one villa, he shall be entitled to vote for each villa owned. The vote of a Condominium villa shall not be divisible.

(b) A majority of the villa owners' total votes shall decide any question, unless the Declaration of Condominium, By-Laws, Articles of Incorporation of the Association, Long-Term Lease, or Management Agreement provide otherwise, in which event the voting percentage required in the said Declaration of Condominium, By-Laws, Articles of Incorporation, Long-Term Lease, or Management Agreement, shall control.

Section 3. QUORUM. Unless otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the villa owners' total votes shall constitute a quorum.

Section 4. PROXIES. Votes may be cast in person or by proxy. All proxies shall be in writing and signed by the person entitled to vote (as set forth below in Section 5.), and shall be filed with the Secretary prior to the meeting in which they are to be used, and shall be valid only for the particular meeting designated therein. Where a villa is owned jointly by a husband and wife, and if they have not designated one of them as a voting member, a proxy must be signed by both husband and wife where a third person is designated.

Section 5. DESIGNATION OF VOTING MEMBER. If a Condominium villa is owned by one person, his right to vote shall be established by the recorded title to the villa. If a Condominium villa is owned by more than one person, the person entitled to cast the vote for the villa shall be designated in a Certificate, signed by all of the recorded owners of the villa and filed with the Secretary of the Association. If a Condominium villa is owned by a Corporation, the officer or employee thereof entitled to cast the vote of the villa for the Corporation shall be designated in a Certificate for this purpose, signed by the President or Vice President, attested to by the Secretary or Assistant Secretary of the Corporation, and filed with the Secretary of the Association. The person designated in such Certificate who is entitled to cast the vote for a villa shall be known as the "voting member". If such a Certificate is not on file with the Secretary of the Association, for a villa owned by more than one person or by a Corporation, the vote of the villa concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the villa, except if said villa is owned by a husband and wife. Such Certificates shall be valid until revoked or until superseded by a subsequent Certificate, or until a change in the ownership of the villa concerned. If a Condominium villa is owned jointly by a husband and wife, the following three provisions are applicable thereto:

(a) They may, but they shall not be required to, designate a voting member.

(b) If they do not designate a voting member, and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting. (As previously provided, the vote of a villa is not divisible).

(c) Where they do not designate a voting member, and only one is present at a meeting, the person present may cast the villa vote, just as though he or she owned the villa individually, and without establishing the concurrence of the absent person.

ARTICLE III

MEETING OF THE MEMBERSHIP

Section 1. Place. All meetings of the Association membership shall be held at the Condominium(s) property, or at such other place and at such time as shall be designated by the Board of Directors of the Association and stated in the Notice of the meeting.

Section 2. Notices. It shall be the duty of the Secretary to mail or deliver a Notice of each annual or special meeting, stating the time and place thereof, to each villa owner of record, at least five (5) but not more than fifteen (15) days prior to such meeting. Notice of any special meeting shall state the purpose thereof. All Notices shall be mailed to or served at the address of the villa owner as it appears on the books of the Association.

Section 3. Annual Meeting. The annual meeting shall be held at 4:00 P.M., Eastern Standard Time, on the first Thursday in February of each year, for the purpose of electing Directors and transacting any other business authorized to be transacted by the members, provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next secular day following. At the annual meeting, the members shall elect by plurality vote (cumulative voting prohibited), a Board of Directors, and shall transact such other business as may properly be brought before the meeting.

Section 4. Special Meeting. Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, and shall be called by the President or Secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing, of voting members representing twenty-five percent (25%) of the villa owners' total votes, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the objects stated in the Notice thereof.

Section 5. Waiver and Consent Whenever the vote of members at a meeting is required or permitted by any provision of these By-Laws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if not less than three-fourths (3/4ths) of the members who would have been entitled to vote upon the action if such meeting were held, shall consent, in writing, to such action being taken; however, Notice of such action shall be given to all members, unless all members approve such action.

Section 6. Adjourned Meeting. If any meeting of members cannot be organized because a quorum of voting members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

Section 7. Proviso. Provided, however, that until the first Thursday in February of such year as is five (5) years after the year in which these By-Laws are dated, or until the Developer elects to terminate its control of the Condominium, whichever shall first occur, there shall be no meeting of the members of the Association unless a meeting is called by the Board of Directors of the Association, and should a meeting be called, the proceedings shall have no effect unless approved by the Board of Directors of the Association.

Section 8. Approval or Disapproval of a villa owner upon any matter, whether or not the subject of an Association meeting, shall be by the voting members, provided, however, that where a villa is owned jointly by a husband and wife, and they have not designated one of them as a voting member, their joint approval

or disapproval shall be required where they are present in the event only one is present, the person present may cast the vote without establishing the concurrence of the absent person.

Section 9. The Management Firm, as long as the Management Agreement remains in effect, shall be entitled to Notice of all Association meetings, and shall be entitled to attend the Association's meetings, and it may designate such person(s) as it desires to attend such meetings on its behalf.

ARTICLE IV.

DIRECTORS

Section 1. Number, Term and Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of not less than three (3), nor more than seven (7) persons, as is determined from time to time by the members. All Directors shall be members of the Association provided, however, that until one of the events in Article III., Section 7. of these By-Laws first occurs, all Directors shall be designated by the Developer and need not be members. All Officers of a Corporate villa owner shall be deemed to be members of the Association so as to qualify as a Director herein. The term of each Director's service shall extend until the next annual meeting of the members, and thereafter, until his successor is duly elected and qualified, or until he is removed in the manner provided in Section 3. below.

Section 2. First Board of Directors.

(a) The first Board of Directors of the Association, who shall hold office and serve until the first annual meeting of members, and until their successors have been elected and qualified, shall consist of the following:

WILLIAM D. HORVITZ
DAVID E. COAY
GEORGE LUCK
ROSS P. BECKERMAN
STANLEY M. BECKERMAN

(b) The organizational meeting of a newly elected Board of Directors of the Association shall be held within ten (10) days of their election, at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary, provided a quorum shall be present.

Section 3. Removal of Directors. At any time after the first annual meeting of the membership, at any duly convened regular or special meeting, any one or more of the Directors may be removed, with or without cause, by the affirmative vote of the voting members, casting not less than two-thirds (2/3rds) of the total votes present at said meeting, and a successor may then and there be elected to fill the vacancy thus created. Should the membership fail to elect said successor, the Board of Directors may fill the vacancy in the manner provided in Section 4. below.

Section 4. Vacancies on Directorate. If the office of any Director or Directors 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, shall choose a successor or successors, who shall hold office for the balance of the unexpired term in respect to which such vacancy occurred. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors.

Section Disqualification and Resignation of Directors. Any Director may resign at any time by sending a written notice of such resignation to the office of the Corporation, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. Commencing with the organizational meeting of a newly elected Board of Directors following the first annual meeting of the members of the Association, more than three (3) consecutive absences from regular meetings of the Board of Directors, unless excused by resolution of the Board of Directors, shall automatically constitute a resignation effective when such resignation is accepted by the Board of Directors. Commencing with the Directors elected at such first annual meeting of the membership, the transfer of title of his villa by a Director shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors. No member shall continue to serve on the Board should he be more than thirty (30) days delinquent in the payment of an assessment, and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

Section 6. Regular Meetings. The Board of Directors may establish a schedule of regular meetings to be held at such time and place as the Board of Directors may designate. Notice of such regular meetings shall, nevertheless, be given to each Director personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President, and in his absence; by the Vice President, or by a majority of the members of the Board of Directors, by giving five (5) days' notice, in writing, to all of the members of the Board of Directors of the time and place of said meeting. All notices of special meetings shall state the purpose of the meeting.

Section 8. Directors' Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at such meetings at which a quorum is present, shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the Minutes thereof, shall constitute the presence of such Director for the purpose of determining a quorum.

Section 10. Compensation. The Directors' fees, if any, shall be determined by the Voting Members.

Section 11. Provided, however, that until the first Thursday in February of such year as is five (5) years after the year in which these By-Laws are dated, or until the Developer elects to terminate its control of the Condominium, whichever shall first occur, all Directors shall be designated by the Developer and need not be owner of villas in the Condominium, and may not be removed by members of

the Association, as elsewhere provided herein; and where a vacancy occurs for any reason whatsoever, the vacancy shall be filled by the person designated by the Developer.

Section 12. The Management Firm, as long as the Management Agreement remains in effect, shall be entitled to notice of all Directors' meetings, and shall be entitled to attend the Directors' meetings and it may designate such person(s) as it desires to attend such meetings on its behalf.

Section 13. Powers and Duties. The Board of Directors of the Association shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by law or by the Declaration(s) of Condominium, this Association's Articles of Incorporation, or these By-Laws, directed to be exercised and done by villa owners. These powers shall specifically include, but shall not be limited to the following:

(a) To exercise all powers specifically set forth in the Declaration(s) of Condominium, this Association's Articles of Incorporation, in these By-Laws, and in the Condominium Act, and all powers incidental thereto.

(b) To make assessments, collect said assessments, and use and expend the assessments to carry out the purposes and powers of the Association, subject to the provisions of the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement.

(c) To employ, dismiss and control the personnel necessary for the maintenance and operation of the project, and of the common areas and facilities, including the right and power to employ attorneys, accountants, contractors, and other professionals, as the need arises, subject to the delegation of the foregoing powers to the Management Firm, under the provisions of the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement.

(d) To make and amend regulations respecting the operation and use of the common elements and Condominium property and facilities, and the use and maintenance of the Condominium villas therein, and the recreational area and facilities, subject to the provisions of the Long-Term Lease attached to the Declaration of Condominium to which these By-Laws are attached. The foregoing is subject to the delegation of the said foregoing powers to the Management Firm, under the provisions of the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement.

(e) To contract for the management of the Condominium and to designate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration(s) of Condominium to have approval of the Board of Directors or membership of the Association. To contract for the management or operation of portions of the common elements or facilities susceptible to the separate management or operation thereof, and to lease or concession such portions. The foregoing powers have been delegated to the Management Firm, under the provisions of the applicable Management Agreement.

the applicable Declaration(s) of Condominium, this Association's Articles of Incorporation, and these By-Laws, and subject to the Long-Term Lease attached to the Declaration of Condominium to which these By-Laws are attached and the provisions of the applicable Management Agreement.

(g) Designate one or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management and affairs and business of the Association. Such committee shall consist of at least three (3) members of the Association, one of whom shall be a Director. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular Minutes of their proceedings and report the same to the Board of Directors, as required. The foregoing powers shall be exercised by the Board of Directors or its contractor or employees, subject only to approval by villa owners when such is specifically required.

ARTICLE V

OFFICERS

Section 1. Elective Officers. The principal officers of the Association shall be a President, two Vice Presidents, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. One person may not hold more than one of the aforementioned offices, except one person may be both Secretary and Treasurer. The President and Vice Presidents shall be members of the Board of Directors. Notwithstanding the foregoing, the restriction as to one person holding only one of the aforementioned offices or the President and Vice Presidents being members of the Board of Directors shall not apply until the time provided in Article III., Section 7., as determined by the Developer.

Section 2. Election. The Officers of the Association designated in Section 1 above, shall be elected annually by the Board of Directors, at the organizational meeting of each new Board following the meeting of the members.

Section 3. Appointive Officers. The Board may appoint Assistant Secretaries and Assistant Treasurers, and such other Officers as the Board of Directors deems necessary.

Section 4. Term. The Officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors, provided, however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors (e.g., if the Board of Directors is composed of five persons, then three of said Directors must vote for removal). If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President. He shall be the chief executive officer of the Association; he shall preside at all meetings of the villa owners and of the Board of Directors. He shall have executive powers and general supervision over the affairs of the Association and other officers. He shall sign all written contracts to perform all of the duties incident to his office and which may be delegated to him from time to time by the Board of Directors.

Section 6. The Vice Presidents. They shall perform all of the duties of the President in his absence, and such other duties as may be required of them from time to time by the Board of Directors of the Association.

Section 7. The Secretary. He shall issue notices of all Board of Directors' Meetings and all meetings of the villa owners; he shall attend and keep the Minutes of same; he shall have charge of all of the Association's books, records and papers, except those kept by the Treasurer. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

Section 8. The Treasurer.

(a) He shall have custody of the Association's funds and securities, except the funds payable to the Management Firm, as provided in the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement, and 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 of and to the credit of the Association, in such depositories as may be designated from time to time by the Board of Directors. The books shall reflect an account for each villa in the manner required by Section 11 (7) (B) of the Condominium Act.

(b) He shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors, at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as the Treasurer and of the financial condition of the Association.

(c) He shall collect the assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors.

(d) He shall give status reports to potential transferees on which reports the transferees may rely.

(e) The Assistant Treasurer shall perform the duties of the Treasurer when the Treasurer is absent.

(f) The duties of the Treasurer may be fulfilled by the Management Firm employed by the Association, and the Management Firm, as provided in the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreements shall fulfill the duties of the Treasurer, as specified in said Management Agreement, and shall have custody of such books of the Association as it determines in its sole discretion, and the foregoing shall include any books required to be kept by the Secretary of the Association.

ARTICLE VI

FINANCES AND ASSESSMENTS

Section 1. Depositories. The funds of the Association shall be deposited in such Banks and depositories as may be determined by the Board of Directors from time to time, upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board of Directors. Obligations of the Association shall be signed by at least two officers of the Association; provided, however, that the provisions of the Management Agreement between the Association and the Management Firm relative to the subject matter in this Section, shall supersede the provisions hereof.

Section 2. Fidelity Bonds. The Treasurer and all officers who are authorized to sign checks, and all officers and employees

of the Association and any contractor handling or responsible for Association funds, shall be bonded in such amount as may be determined by the Board of Directors. The premiums on such Bonds shall be paid by the Association. The Bond shall be in an amount sufficient to equal the monies an individual handles or has control of via a signatory or a bank account or other depository account; however, notwithstanding the foregoing, the Management Firm, under the terms of the Management Agreement, as to funds in its possession and/or control, shall determine, in its sole discretion, the amount of and who is to be bonded, if any, among its employees.

Section 3. Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each year, provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board of Directors deems it advisable; provided, however, that the Management Firm, as long as the Management Agreement remains in effect, shall be authorized to set the fiscal year, as determined in its sole discretion.

Section 4. Determination of Assessments.

(a) The Board of Directors of the Association shall fix and determine from time to time, the sum or sums necessary and adequate for the common expenses of the Condominium. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the common elements and the limited common elements, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance and extended coverage, expenses under the Long-Term Lease, and any other expenses designated as common expenses from time to time by the Board of Directors of the Association, or under the provisions of the Declaration of Condominium to which these By-Laws are attached, and the Long-Term Lease attached to said Declaration of Condominium. The Board of Directors is specifically empowered, on behalf of the Association, to make and collect assessments, and to lease, maintain, repair and replace the common elements and limited common elements of the Condominium and recreation facilities, subject, however, to the provisions of the Long-Term Lease. Funds for the payment of common expenses shall be assessed against the villa owners in the proportions or percentages of sharing common expenses, as provided in the Declaration. Said assessments shall be payable monthly in advance, and shall be due on the first day of each month in advance, unless otherwise ordered by the Board of Directors. Special assessments, should such be required by the Board of Directors, shall be levied in the same manner as hereinbefore provided for regular assessments, and shall be payable in the manner determined by the Board of Directors. The foregoing powers and duties of the Association have been delegated to the Management Firm, as provided in the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreements. All funds due under these By-Laws, the Long-Term Lease and the Management Agreement, which are attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement, and said Declaration of Condominium, are common expenses of this Condominium.

(b) When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association shall mail or present to each villa owner, a statement of said villa owner's assessment. All assessments shall be payable to the Treasurer of the Association and, upon request, said Treasurer shall give a receipt for each payment made to him.

(c) The provisions of the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement, shall supersede the provisions relative thereto in this Section and as to all Sections in Article VI. of these By-Laws. The Board of Directors has delegated the power and duty of making and collecting assessments to the Management Firm, as long as the Management Agreement remains in effect, and as provided in the Management Agreement, except, the Board of Directors retains the authority to make assessments as to the following:

(1) Special assessments for additional recreation or social activities.

(2) Acquisition of villas, as provided in Article IX. of these By-Laws, and pursuant to Article XIX.K of the Declaration of Condominium to which these By-Laws are attached, subject to the written approval of such parties as are specified therein.

(d) The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Board of Directors, may, if it desires, adopt a budget for each fiscal year that shall include the estimated funds required to defray the common expenses and to provide and maintain funds to cover current expenses, and which shall include all receipts and expenditures within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, (except expenditures chargeable to reserves, to additional improvements, or to operations); reserve for deferred maintenance which shall occur less frequently than annually; reserve for replacement - which shall include funds for repair or replacement required because of damage, depreciation or obsolescence; betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements or the recreation facilities under the Long-Term Lease; operations - the amount of which may be to provide working funds or to meet losses.

Section 5. Application of Payments and Co-Mingling of Funds. All sums collected by the Association from assessments, may be co-mingled in a single fund or divided into more than one fund, as determined by the Management Firm, as long as the Management Agreement remains in effect, and thereafter, by the Board of Directors of the Association. All assessment payments by a villa owner shall be applied as to interest, delinquencies, costs and attorney's fees, other charges, expenses and advances, and rent under the Long-Term Lease, as provided herein and in the Declaration of Condominium, and general or special assessments, in such manner and amounts as the Management Firm, as long as the Management Agreement remains in effect, determines in its sole discretion, and thereafter, as the Board of Directors determines in its sole discretion. The Management Firm may co-mingle the Association's funds with the funds of others for whom it is acting as Manager.

Section 6. Acceleration of Assessment Installments Upon Default If a villa owner shall be in default in the payment of an installment upon any assessment, the Management Firm or the Board of Directors may accelerate the remaining monthly installments for the fiscal year, upon notice thereof to the villa owner and, thereupon the unpaid balance of the assessment shall become due upon the date stated in the Notice, but not less than fifteen (15) days after delivery of or the mailing of such notice to the villa owner.

Section 7. During the term of the Management Agreement, the Management Firm shall render to the Association a statement for each calendar year no later than April 1 next thereafter. The Management Firm shall perform a continual internal audit of the Association's financial records for the purpose of verifying the same but no

independent or external audit shall be required of it. During the term of the Management Agreement the Association may conduct an external audit by an independent auditor acceptable to the Management Firm at such reasonable time as the Management Firm shall agree to, provided however, said request for inspection is not made more than once in any calendar year and provided that the cost and expense of same is borne by the Association. Upon the termination of the Management Agreement, an audit of the accounts of the Association shall be made annually, as provided for in Article III, Section 7., of these By-Laws. Said audit shall be prepared by such Accountant as the Board of Directors determines, and a copy of said Report shall be available to the members of the Association in the Office of said Association, and with the Treasurer of the Association. Such Report shall be available not later than three (3) months after the end of the year for which the Report is made. The provisions of a Management Agreement applicable thereto shall supersede the foregoing.

ARTICLE VII

ADDITIONS OR ALTERATIONS

There shall be no additions or alterations to the common elements or limited common elements of the Condominium(s) which this Association operates and maintains, except as specifically provided for in said Condominium's Declaration of Condominium. There shall be no alterations or additions to the recreation facilities under the Long-Term Lease attached to the Declaration of Condominium to which these By-Laws are attached, where the cost thereof to said Condominium is in excess of twenty (20%) percent of said Condominium's share of common expenses as to the recreation facilities under the Long-Term Lease, excluding rent thereunder, unless the same is authorized by the Board of Directors of the Association, and the same is approved by not less than sixty (60%) percent of the total vote of the members of this Association, and the same is approved by all other Lessees of said demised recreation facilities, and provided all Lessees of said demised recreation facilities share in the cost of said additions or alterations and the maintenance thereof in the manner provided in Exhibit "A" of the Declaration of Condominium to which these By-Laws are attached, and further provided that said additions or alterations are approved by the Lessor of said demised recreation facilities. The Management Firm shall have the right to make assessments for additions or alterations to the common elements of said Condominium and to the recreation facilities under the Long-Term Lease aforesaid, without the approval of the Board of Directors of this Association and the members of this Association, provided said assessment therefor does not exceed the amount required herein and in the Declaration of Condominium to which these By-Laws are attached, and further provided that said assessment is in accordance with these By-Laws and said Declaration of Condominium and Long-Term Lease attached thereto.

ARTICLE VIII

COMPLIANCE AND DEFAULT

Section 1. Violations. In the event of a violation (other than the non-payment of an assessment) by the villa owner in any of the provisions of the Declaration of Condominium, of these By-Laws, or of the applicable portions of the Condominium Act, the Association, by direction of its Board of Directors, may notify the villa owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of thirty

(30) days from date of the notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Declaration, of the By-Laws, or of the pertinent provisions of the Condominium Act, and the Association may then, at its option, have the following elections:

(a) An action at law to recover for its damage, on behalf of the Association or on behalf of the other villa owners.

(b) An action in equity to enforce performance on the part of the villa owner; or

(c) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.

Upon a finding by the Court that the violation complained of is willful and deliberate, the villa owner so violating shall reimburse the Association for reasonable attorney's fees incurred by it in bringing such action. Failure on the part of the Association to maintain such action at law or in equity within thirty (30) days from date of a written request, signed by a villa owner, sent to the Board of Directors, shall authorize any villa owner to bring an action in equity or suit at law on account of the violation, in the manner provided for in the Condominium Act. Any violations which are deemed by the Board of Directors to be a hazard to public health, may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the villa owner as a specific item, which shall be a lien against said villa with the same force and effect as if the charge were a part of the common expenses.

Section 2. Negligence or Carelessness of Villa Owner, etc. All villa owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any villa or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance company of rights of subrogation. The expense for any maintenance, repair or replacement required, as provided in this Section, shall be charged to said villa owner as a specific item, which shall be a lien against said villa with the same force and effect as if the charge were a part of the common expenses.

Section 3. Costs and Attorney's Fees. In any proceeding arising because of an alleged default by a villa owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the Court.

Section 4. No Waiver of Rights. The failure of the Association or of a villa owner to enforce any right, provision, covenant or condition which may be granted by the Condominium documents, shall not constitute a waiver of the right of the Association or villa owner to enforce such right, provision, covenant or condition in the future.

Section 5. Election of Remedies. All rights, remedies and privileges granted to the Association or villa owner, pursuant to any terms, provisions, covenants or conditions of the Condominium documents, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional right, remedies or privileges as may be granted to such other party by Condominium documents, or at law or in equity.

Section G. Management Firm, as long as the Management Agreement remains in effect, shall act on behalf of the Board of Directors of the Association and on its own behalf, with the same power and authority granted to the Board of Directors of the Association as to all matters provided under this Article VIII., Sections 1 through 5 inclusive, and said Sections 1 through 6 inclusive of this Article VIII, shall be interpreted as including within the context of such Sections, violations of the Management Agreement attached to the Declaration of Condominium to which these By-Laws are attached or any other applicable Management Agreement. Section 2 above shall also be interpreted as meaning and including said Condominium's property and the recreation facilities under the Long-Term Lease, both real and personal. The Management Firm may act upon its own determination or upon the determination and direction of the Board of Directors of the Association, as to Section 1 hereinabove. Should the Management Firm fail to act, as directed by the Board of Directors as to Section 1 above, the Board of Directors may act on their own behalf; however, due to the diverse types of situations that may arise between villa owners, stemming out of the alleged violations, the Management Firm shall not be liable or responsible to the Association, its Board of Directors or the villa owners, for its failure to act as directed by the Board of Directors, as to Section 1 hereinabove.

ARTICLE IX

ACQUISITION OF VILLAS

Section 1. Voluntary Sale or Transfer. Upon receipt of a villa owner's written notice of intention to sell or lease, as described in Article XI., of the Declaration of Condominium to which these By-Laws are attached, the Board of Directors shall have full power and authority to consent to the transaction, as specified in said Notice, or object to same for good cause, or to designate a person other than the Association as designee, pursuant to the provisions of said Article XI., without having to obtain the consent of the membership thereto. The Board of Directors shall have the further right to designate the Association as being "willing to purchase, lease or rent", upon the proposed terms, upon adoption of a resolution by the Board of Directors recommending such purchase or leasing to the membership, but notwithstanding the adoption of such resolution and such designation by the Board of Directors, the Association shall not be bound and shall not so purchase or lease, except upon the authorization and approval of the affirmative vote of voting members casting not less than sixty (60%) percent of the total votes of the villa owners present at any regular or special meeting of the villa owners wherein said matter is voted upon. The provisions of Article XI. of the Declaration of Condominium to which these By-Laws are attached or Article XI of any Declaration of Condominium to which these By-Laws are attached, and the provisions of the Management Agreement attached to the aforesaid Declaration of Condominium or any other applicable Management Agreement, shall supersede the provisions herein relative thereto.

Section 2. Acquisition on Foreclosure. At any foreclosure sale of a villa, the Board of Directors may, with the authorization and approval by the affirmative vote of voting members casting not less than sixty percent (60%) of the total votes of the villa owners present at any regular or special meeting of the villa owners wherein said matter is voted upon, acquire in the name of the Association, or its designee, a Condominium parcel being foreclosed. The term "foreclosure", as used in this Section, shall mean and include any foreclosure of any lien, excluding the Association's lien for assessments. The power of the Board of Directors to acquire a Condominium parcel at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the said Board of Directors or of the Association to do so at any foreclosure sale,

the provisions her... being permissive in nature and for the purpose of setting forth the power in the Board of Directors to do so should the requisite approval of the voting members be obtained. The Board of Directors shall not be required to obtain the approval of villa owners at the foreclosure sale of a villa, due to the foreclosure of the Association's lien for assessments under the provisions of Article X. of the Declaration of Condominium to which these By-Laws are attached or Article X. of any Declaration to which these By-Laws are attached, notwithstanding the sum the Board of Directors determines to bid at such foreclosure sale.

ARTICLE X

AMENDMENTS TO THE BY-LAWS

The By-Laws may be altered, amended or added to at any duly called meeting of the villa owners, provided:

- (1) Notice of the meeting shall contain a statement of the proposed Amendment.
- (2) If the Amendment has received the unanimous approval of the full Board of Directors, then it shall be approved upon the affirmative vote of the voting members, casting a majority of the total votes of the villa owners.
- (3) If the Amendment has not been approved by the unanimous vote of the Board of Directors, then the Amendment shall be approved by the affirmative vote of the voting members casting not less than three-fourths (3/4ths) of the total votes of the villa owners' and,
- (4) Said Amendment shall be recorded and certified, as required by the Condominium Act. Notwithstanding anything above to the contrary, until one of the events in Article III, Section 7., of these By-Laws occurs, these By-Laws may not be amended without a prior resolution requesting the said Amendment from the Board of Directors.
- (5) Notwithstanding the foregoing, these By-Laws may only be amended with the written approval when required of the parties specified in Article VIII of the Declaration of Condominium to which these By-Laws are attached or Article VIII, of any Declaration of Condominium to which these By-Laws are attached.

ARTICLE XI

NOTICES

Whatever notices are required to be sent hereunder, shall be delivered or sent in accordance with the applicable provisions for notices, as set forth in the Declaration(s) of Condominium to which these By-Laws are attached.

ARTICLE XII

INDEMNIFICATION

The Association shall indemnify every Director and every Officer, his heirs, executors and administrators, against all loss, cost and expense reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or Officer of the Association, including reasonable counsel fees to be approved by the Association, except as to matters wherein he shall be finally adjudged in such action, suit

or proceeding, to be liable for or on account of willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

ARTICLE XIII

LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Condominium shall not relieve or release any such former owner or member from any liability or obligations incurred under or in any way connected with the Condominium during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XIV

LIMITATION OF LIABILITY

Notwithstanding the duty of the Management Firm and the Association to maintain and repair parts of the Condominium property and where applicable the recreation facilities, the Management Firm and Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements or by other owners or persons.

ARTICLE XV

PARLIAMENTARY RULES

Roberts Rules of Order (latest Edition) shall govern the conduct of the Association's meetings when not in conflict with the Condominium Act, the Declaration of Condominium, or these By-Laws.

ARTICLE XVI

LIENS

Section 1. Protection of Property. All liens against a Condominium villa other than for permitted mortgages, taxes or special assessments, shall be satisfied or otherwise removed within thirty (30) days of the date the lien attaches. All taxes and special assessments upon a Condominium villa shall be paid before becoming delinquent, as provided in these Condominium documents or by law, whichever is sooner.

Section 2. Notice of Lien. A villa owner shall give notice to the Management Firm, as long as the Management Agreement remains in effect, and the Association, of every lien upon his villa, other than for permitted mortgages, taxes and special assessments, within five (5) days after the attaching of the lien.

Section 3. Notice of Suit. Villa owners shall give notice to the Management Firm and the Association of every suit or other proceeding which will or may affect title to his villa or any part of the property, such notice to be given within five (5) days after the villa owner receives notice thereof.

Section 4. Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

Section 5. Permitted Mortgage Register. The Association may maintain a register of all permitted mortgages, and at the request of a mortgagee, the Association shall forward copies of all notices for unpaid assessments or violations served upon a villa owner to said mortgagee. The Management Firm, as long as

the Management Agreement remains in effect, shall be required to maintain a register, as provided herein. If a Register is maintained the Management Firm, as long as the Management Agreement remains in effect and thereafter, the Board of Directors of the Association may make such charge as it deems appropriate against the applicable villa for supplying the information provided herein.

ARTICLE XVII

RULES AND REGULATIONS

Section 1. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Board of Directors may, from time to time, adopt or amend previously adopted administrative Rules and Regulations governing the details of the operation, use, maintenance, management and control of the common elements of the Condominium(s), and any facilities or services made available to the villa owners. A copy of the Rules and Regulations adopted from time to time, as herein provided, shall, from time to time, be posted in a conspicuous place.

Section 2. As to Condominium Villas. The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Board of Directors, may, from time to time, adopt or amend previously adopted Rules and Regulations governing and restricting the use and maintenance of the Condominium villas, provided, however, that copies of such Rules and Regulations, prior to the time the same become effective, shall be posted in a conspicuous place on the Condominium's property, and/or copies of same shall be furnished to each villa owner.

Section 3. As to Recreation Areas and Facilities. The use of the recreation areas and facilities under the Long-Term Lease shall at all times be subject to such Rules and Regulations as the Management Firm, as long as the Management Agreement remains in effect, may establish from time to time in its sole discretion, and thereafter, subject to the Rules and Regulations promulgated by the Lessees of said recreation areas and facilities. Said recreation areas and facilities shall only be used by the villa owners and those persons permitted by the Management Firm, and thereafter, said Lessees, subject to the Rules and Regulations for said facilities. All children who are sixteen (16) years of age or under, must be accompanied by a responsible adult to the recreation areas and facilities. Any damage to equipment or the premises caused by a villa owner, his family, servants, guests, etc., shall be paid for by the villa owner responsible therefor, and the cost thereof shall be a charge and lien upon the villa owner's parcel as a special assessment. The foregoing provisions are further subject to the approval of the Lessor, and said Lessor shall have the paramount right, should it desire, to establish Rules and Regulations for the use of the recreation areas and facilities, and to determine who may use said facilities, and under what circumstances and conditions.

Section 4. Conflict. In the event of any conflict between the Rules and Regulations adopted, or from time to time amended, and the Condominium documents, or the Condominium Act, the latter shall prevail. If any unreconciled conflict should exist or hereafter arise with respect to the interpretation of these By-Laws and the Management Agreement, the provisions of the Management Agreement shall prevail, and as between these By-Laws and the Declaration(s) of Condominium, the provisions of said Declaration shall prevail.

APPROVED AND DECLARED as the By-Laws of EMERALD GREEN
SECTION THREE, INC.

DATED this 24th day of February, 1972.

ASSOCIATION

EMERALD GREEN SECTION THREE, INC.

by

W.D. Horvitz, President

attest

Ross P. Beckerman, Secretary

(Corporate Seal)