

BY-LAWS

OF

CHANTECLAIR VILLAS CONDOMINIUM NUMBER THREE, INC.

a Florida Corporation Not-For-Profit

I. IDENTITY

A. These are the By-Laws of CHANTECLAIR VILLAS CONDOMINIUM ASSOCIATION NUMBER THREE, INC., a corporation not-for-profit organized pursuant to Chapter 617, Florida Statutes (hereinafter referred to as the "Association"). The Association has been organized for the purpose of managing, operating, and administering a residential condominium apartment project located on a portion of real property described as Tract B of Charter World, according to the Plat thereof, recorded at Plat Book 31, Page 21 of the Public Records of Palm Beach County, Florida, and located in Palm Beach County, Florida, and more particularly described in the Declaration of Condominium (the "Declaration") to which a true copy of these By-Laws will be attached and which will be recorded amongst the Public Records of Palm Beach County, Florida, when CHANTECLAIR VILLAS CONDOMINIUM NUMBER THREE is declared.

B. The provision of these By-Laws are applicable to the Condominium and are subject to the provisions of the Articles of Incorporation of the Association (the "Articles"). A copy of the Articles and a copy of these By-Laws will be annexed, as exhibits, to the Declarations of Condominium (the "Declaration"), which will be recorded in the Public Records of Palm Beach County, Florida. The terms and provisions of the Articles and Declaration shall control wherever the same may conflict herewith.

C. All members of the Association are subject to these By-Laws, the Articles and the Declaration.

D. The office of the Association shall be at 1700 Palmland Drive, Boynton Beach, Florida, or at such other place within Palm Beach County, Florida, as may be established by resolution of the Board of Directors.

E. The fiscal year of the Association shall be the calendar year.

F. The seal of the Association shall bear the name of the Association, the word "Florida", the words "Corporation Not For Profit", and the year of incorporation. An impression of the seal is as follows:

Exhibit "I" to Declaration of Condominium

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II. MEMBERSHIP, VOTING, QUORUM, PROXIES.

A. The qualification of members of the Association (the "Members"), the manner of their admission to membership and termination of such membership and voting by Members, shall be as set forth in Article IV of the Articles, the provisions of which are incorporated herein by reference.

B. A quorum at meetings of Members shall consist of the persons entitled to cast a majority of the votes of the entire Membership.

C. The vote of the owner(s) of a Unit in a Condominium served by the Recreational Facilities owned by more than one natural person, as tenants in common, joint tenants, a partnership, or any other association of natural persons, or by a corporation, a trust or any other entity shall be cast or otherwise exercised, at all meetings at which Members of the Association are entitled to vote or otherwise act, by the one natural person approved to vote in the affairs of the applicable Condominium Association.

D. Evidence of the approval or disapproval of the owner(s) of a Unit in a Condominium served by the Recreational Facilities upon any matter, whether or not the subject of an Association meeting, shall be given to the Association by the same person who would cast the vote of such owner if in an Association meeting.

E. Except as otherwise required under the provisions of the Articles, these By-Laws or the Declaration, or where the same otherwise may be required by law, at any meeting of the general membership of the Association, duly called and at which a quorum is present, the affirmative vote of the owners of the majority of the Units then present and entitled to vote shall be binding upon the Members.

F. At any meeting of the Members, every Member having the right to vote shall be entitled to vote in person or by proxy.

III. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP.

A. The annual meeting of Members shall be held at the principal office of the Association or such other place in Palm Beach County, Florida, as may be designated by the Board of Directors, at 7:00 p.m. on the first Tuesday in February of each year, or at such other time during that week as may be set by the Board, for the purpose of electing Directors and of 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 day.

B. Special meetings of the entire Membership of the Association shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors. A special meeting must be called by such officers upon receipt of a written request from Members of the Association owning a majority of the Units in the Condominium.

C. Notice of all meetings of Members shall be given by the Secretary, or other officer of the Association, to each Member (unless waived in writing). Each notice shall be written or printed and shall state the time and place of and purpose for which the meeting is called. Notice of the Annual Meeting shall be given to each Member not less than fourteen (14) days nor more than sixty (60) days prior to the date set for the meeting, and shall be mailed or delivered personally to each Member. If delivered personally, receipt of notice shall be signed by the Member, indicating the date received. If mailed, such notice shall be deemed properly given when deposited in the United States Mail addressed to the Member at his Post Office address as it appears on the records of the Association, with postage thereon prepaid. Proof of mailing shall be given by the affidavit of the person giving the notice. Any Member may, in writing signed by such Member, waive such notice, and such waiver, when filed in the records of the Association, whether before, at or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such Member. Each notice shall in addition be posted at a conspicuous place on the Condominium property at least fourteen (14) days prior to said meeting. If any meeting of Members cannot be held because a quorum is not present, or because a greater percentage of the membership required to constitute a quorum for a particular purpose is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, the By-Laws or the Declaration, the Members who are present either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum is present.

D. At meetings of Members, the President shall preside, or in his absence the first or senior Vice-President if there be more than one shall preside. Minutes shall be kept in a businesslike manner and available for inspection by Unit owners and Directors during normal business hours at the principal office of the Association.

E. The order of business at annual meetings of Members, and, as as practical, at other meetings of Members, shall be:

- (1) Calling of the roll and certifying of proxies.
- (2) Proof of notice of meeting or waiver of notice.
- (3) Reading or waiver of reading of minutes of previous meeting of Members.
- (4) Reports of officers.
- (5) Reports of committees.
- (6) Appointment by Chairman of inspectors of election.
- (7) Election of Directors.
- (8) Old business.
- (9) New business.
- (10) Adjournment.

F. Meetings of the Board of Directors shall be open to all Unit Owners and notices of meetings shall be posted conspicuously on the Condominium property forty-eight (48) hours in advance for the attention of Unit Owners, except in an emergency.

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IV. BOARD OF DIRECTORS

A. (1) The first Board of Directors shall consist of three (3) persons who shall be the subscribers to the Articles; succeeding Board of Directors shall consist of six (6) or more persons, elected at large. When Unit Owners other than ORLAN HOMES CORP. (the "Developer"), own fifteen percent (15%), but less than seventy-five percent (75%) of the Units that will be operated by the Association, the Unit Owners other than the Developer shall be entitled to elect, in the manner provided in Paragraph B, Article IV, of these By-Laws, not less than nor more than one-third (1/3) of the members of the Board of Directors. The Unit Owners, other than the Developer, shall be entitled to elect, in the manner provided in Paragraph B, Article IV, of the By-Laws, a majority of the members of the Board of Directors: 1) three years after sales by the Developer have been closed on fifty percent (50%) but less than ninety percent (90%) of the Units, or 2) three (3) months after sales have been closed by the Developer of ninety percent (90%) of the Units, or 3) when all of the Units that ultimately will be operated by the Association have been completed and some have been sold and none of the others are being offered for sale by the Developer in the ordinary course of business, whichever shall first occur. The Developer shall have the right to elect in the manner provided in Paragraph B, Article IV of these By-Laws, the members of the Board of Directors which the other Unit Owners are not entitled as long as the Developer holds for sale in the ordinary course of business any Units in the Condominium and the Developer shall be entitled to elect not less than one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least one (1) Unit in the Condominium. Notwithstanding the foregoing, the Developer shall be entitled at any time to waive its rights hereunder by execution and delivery to the Association of written waivers, and thereafter to vote in elections for members of the Board of Directors in the same manner as any other Unit Owner. For purposes of these By-Laws, any reference to "Units" shall include all planned Units over which the Association will have authority

B. Directors shall be elected in the following manner:

- (1) Commencing with the election of the First Board to succeed the Subscribers of the Articles, Developer shall designate that number, and the identity, of the members of the Board which it shall be entitled to designate in accordance with the Articles and these By-Laws, and upon such designation by Developer, by written instrument presented to the meeting at which such election is held, the persons so designated by Developer shall be deemed and considered for all purposes Directors of the Association, and shall thenceforth hold the offices and perform the duties of such Directors until their successors shall have been elected or designated, as the case may be, and qualified in accordance with the provisions of these By-Laws.

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- (2) For so long as the Developer shall retain the right to appoint at least one member of the Board of Directors, all members of the Board of Directors whom developer shall not be entitled to designate under these By-Laws shall be elected at large, by a plurality of the votes cast at the annual meeting of the general membership, immediately following the designation of the members of the Board whom Developer shall be entitled to designate. Commencing with the first annual election of Directors after the Developer shall have lost or relinquished the right to appoint at least one Director, the members owning Units in each Phase of the Condominium shall elect one (1) Director, by a plurality of the votes cast by the Unit Owners of such Phase at the annual meeting of general membership, and the remaining three Directors shall be elected at large, by a plurality of the votes cast by the general membership of said meeting.
- (3) A vacancy on the Board created by the Director at large may be filled, to expire on the date of the next annual meeting, by the remaining Directors. Should any vacancy in the Board be created in any directorship previously filled by any person designated by Developer, such vacancy shall be filled by Developer designating by written instrument delivered to any officer of the Association, the successor Director, who shall fill the vacated directorship for the unexpired term thereof. Any vacancy created in any directorship previously filled by a person elected by the members of a Phase shall be filled by such members at a special election, which member shall thereafter fill the vacated directorship for the unexpired term thereof.
- (4) Each director elected by the members shall be elected for one (1) year only. Directors may succeed themselves one time so as to serve two consecutive terms. Directors may be re-elected to office, except as above stated, only after one intervening year.
- (5) In the election of Directors, each member shall cast only one vote for each director to be elected, upon whom that member shall be entitled to vote. There shall not be cumulative voting. Each member will cast one vote for the Director's seat.
- (6) Within sixty (60) days after Unit owners other than Developer are entitled to elect a member or members of the Board of Directors of the Association, the Association shall, as otherwise in accordance with the provisions of these By-Laws, call and give not less than thirty (30) days nor more than forty (40) days notice of a meeting of the Unit owners for this purpose. Such meeting may be called and the notice given by any Unit owner if the Association fails to do so within the time prescribed herein. Election of such Directors shall be conducted in the manner provided in these By-Laws.

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- (7) In the event that Developer selects any person or persons to serve on any Board, Developer shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on the Board. Replacement of any person or persons designated by Developer to serve on any Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from the Board. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

C. The organizational meeting of a newly elected or designated Board shall be held within fifteen (15) days of their election or designation, at such time and place as shall be fixed at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary; provided, that a quorum shall be present.

D. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived.

E. Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one-third of the Directors. Not less than three (3) days notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

F. Minutes of all meetings of the Board shall be kept in a businesslike manner and available for inspection by Unit owners and Directors during normal business hours at the principal office of the Association.

G. Any Director may waive notice of a meeting before, at or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

H. A quorum at meetings of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these By-Laws, or the Declarations. If any meeting of the Board cannot be held because a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these By-Laws or the Declarations, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

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I. The presiding officer of meetings of the Board shall be the President of the Association. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

J. All of the powers and duties of the Association shall be exercised by the Board, including those existing under the law of Florida, the Articles, these By-Laws and the Declarations. Such powers and duties shall be exercised in accordance with the Articles, these By-Laws and the Declarations, and shall include, without limitation, the right, power and authority to:

- (1) Make, levy and collect assessments, including without limitation assessments for reserves and for betterments to the condominium and/or Association property, against Members and Members' Units to defray the costs of the Condominium, and use the proceeds of assessments in the exercise of the powers and duties of the Association;
- (2) Maintain, repair, replace, operate and manage the Condominium, and wherever the same is required to be done and accomplished by the Association for the benefit of Members;
- (3) Repair and reconstruct improvements after casualty;
- (4) Make and amend regulations governing the use of the property, real and personal, in the Condominium; provided, that such regulations or amendments thereto shall not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles and Declarations;
- (5) Approve or disapprove proposed purchasers and lessees of the Units each in the manner specified in the Declaration. The President or the Vice President of the Association may, by resolution of the Board, be authorized to approve (but not disapprove) any proposed purchaser or lessee, and to execute, on behalf of the Association, appropriate documents to evidence same;
- (6) Acquire, own, hold, operate, lease, encumber, convey, exchange, manage, and otherwise trade and deal with property, real and personal including Units of and in the Condominium, as may be necessary or convenient in the operation and management of the Condominium, and in accomplishing the purposes set forth in the Declarations;
- (7) Contract for the management of the Condominium and in connection therewith delegate all of the powers and duties of the Association, except those which may be required by the Declaration to have approval of the Board or members of the Association;
- (8) Enforce by legal means the provisions of the Articles, these By-Laws, the Declaration and all regulations governing use of property of and in the Condominium hereafter adopted.

- (9) Pay all taxes and assessments which are liens against any part of the Condominium other than Units and the appurtenances thereto, and assess the same against the members and their respective Units subject to such liens.
- (10) Carry insurance for the protection of the members and the Association against casualty and liability.
- (11) Pay all costs of power, water, sewer and other utility services rendered to the Condominium and not billed to the owners of the separate Units.
- (12) Employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

K. The first Board of Directors of the Association shall be comprised of the three (3) Subscribers of the Articles, who shall serve until their successors are designated by Developer or elected at the first annual meeting of the Members. Should any member of the first Board be unable to serve for any reason, Developer shall have the right to select and designate a successor to act and serve for the unexpired term of the Director who is unable to serve.

L. Directors who are elected by Members may be removed from office by the members electing them at any time by affirmative vote of a majority of a quorum of the group who elected the Directors.

V. ADDITIONAL PROVISIONS - MEETINGS OF MEMBERS AND DIRECTORS.

A. Notwithstanding anything contained in these By-Laws to the contrary, any meeting of Members or the Board may be held at any place in Broward County, Florida, designated in the notice of any such meeting, or notice of which is waived.

B. To the extent now or from time to time hereafter permitted by the laws of Florida, the Board may take any action which they might take at a meeting of the Board without a meeting; provided, that a record of all such actions so taken, signed by each Director, shall be filed and retained in the minute book of the Association.

VI. OFFICERS.

A. The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall deem advisable from time to time. The President and the First Vice President (if there be more than one Vice President) shall be elected from the membership of the Board, but not other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person. The Board may from time to time elect such other officers, and designate their powers and duties, as the Board may deem necessary to properly manage the affairs of the Association. Officers may be removed from office by majority vote of the Board.

B. The President shall be the chief executive officer of the Association, and shall have all of the powers and duties which are usually vested in the office of President of a corporation not for profit, including but not limited to the power to appoint committees from among the Members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall have such additional powers as the Board may designate.

C. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

D. The Secretary shall keep the minutes of all proceedings of the Board and the Members. He shall attend to the giving and serving of all notices to the Members and Board, and such other notices as may be required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of a corporation not for profit and as may be required by the Board and the President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

E. The Treasurer shall have custody of all of the property of the Association including funds, securities and evidences of indebtedness. He shall keep the assessment roll and accounts of the Members; he shall keep the books of the Association (including without limitation a separate set of books of account for each of the Condominiums) in accordance with good accounting practices, he shall perform all other duties incident to the office of Treasurer.

F. The compensation of all employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director as an employee of the Association, nor preclude contracting with a Director for the management of the Condominium.

VII. FISCAL MANAGEMENT.

The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:

A. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and mailing address of the owner(s) of each Unit, the amount of each assessment against the owner(s) of each Unit, the amount of each assessment and due date thereof, and all amounts paid, and the balance due upon each assessment.

B. The Board shall adopt a budget for the Condominium in accordance with the procedure set forth in the Declaration and the laws of the State of Florida.

C. A copy of the proposed annual budgets of the Association shall be mailed to the Unit owners not less than thirty (30) days prior to the meeting of the Board at which the budget will be considered, together with a notice of the time and place of that meeting. Such meeting of the

Board shall be open to Unit owners. If a budget is adopted by the Board which requires assessment of the Unit owners in any budget year exceeding 115% of such assessments for the preceding budget year, upon written application of ten percent (10%) of the Unit owners, a special meeting of the Unit owners shall be held upon not less than ten (10) days written notice to each Unit owner, but within thirty (30) days of the delivery of such application to the Board or any member thereof, at which special meeting Unit owners shall consider and enact a budget, or recall any and all members of the Board and elect their successors. Any such revision of the budget or recall of any and all members of the Board shall require a vote of not less than a simple majority of the whole number of votes of all Unit owners. The Board may in any event first propose a budget to the Unit owners at any such meeting of Membership or by writing, and if such budget or proposed budget be approved by a majority vote of all Unit Owners, either at such meeting or by writing such budget as proposed by the Board shall be adopted and be binding.

D. In determining whether assessments exceed 115% of similar assessments in the prior budget year, there shall be excluded in the computation for reasonable reserves made by the Board in respect of repair and replacement of Condominium or Association property, or in respect of anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis; and there shall be excluded from such computation, assessments for betterments to the Condominium or Association property. Provided, however, that so long as Developer is in control of the Board of Directors the Board shall not impose an assessment for a budget year greater than 115% of the prior year's assessment without approval of a majority of the whole number of votes of all Unit owners.

E. Upon adoption of budgets, the Board shall cause written copy thereof to be delivered to all Unit owners. Assessments shall be made against Unit owners pursuant to procedures established by the Board and in accordance with terms of the Declarations and the Articles. Unit owners shall pay their assessments quarterly. Provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these By-Laws.

VIII. PARLIAMENTARY RULES.

Roberts' Rules of Order (latest edition) shall govern the conduct of all proceedings when not in conflict with the Declaration, the Articles, these By-Laws or the laws of Florida.

IX. AMENDMENTS TO BY-LAWS.

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

A. Amendments to these By-Laws may be proposed by the Board, acting upon vote of a majority of the Directors, or by Members owning a majority of the Units in the Condominium, whether meeting as Members or by instrument in writing signed by them.

B. Upon any amendment or amendments to these By-Laws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Association, or acting chief executive officer in the absence of the President who shall thereupon call a special meeting of the Members for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each Member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the Members is required as herein set forth; provided, that proposed amendments to the By-Laws may be considered and voted upon at annual meetings of the Members.

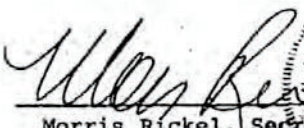
C. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of Members owning not less than a simple majority of the Units of the Condominium. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the Public Records of Palm Beach County, Florida, within fifteen (15) days from the date on which any amendment or amendments have been affirmatively approved by the Members.

D. At any meeting held to consider such amendment or amendments to these By-Laws, the written vote of any Member shall be recognized if such Member is not present at such meeting in person or by proxy, provided such written vote is delivered to the Secretary at or prior to such meeting.

E. Notwithstanding the foregoing provisions of this Article IX, no amendment to these By-Laws shall alter, amend, encroach upon or change any of the rights of the Developer which have been reserved to the Developer in these By-Laws in the Declaration of Condominium or by any other Condominium document without the written consent of Developer.

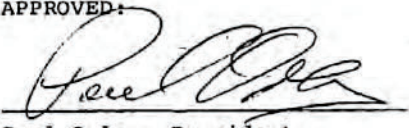
The foregoing were adopted as the By-Laws of CHANTECLAIR VILLAS CONDOMINIUM ASSOCIATION NUMBER THREE, INC., a corporation not-for-profit under the laws of the State of Florida, at the first meeting of the Board of Directors on the 3RD day of August, 19 81.

Dated: August 3, 1981


Morris Rickel, Secretary



APPROVED:


Paul Orlan, President

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EXHIBIT 'M'
CHANTECLAIR VILLAS CONDOMINIUM NUMBER THREE

UNDIVIDED SHARE IN THE COMMON ELEMENTS,
COMMON SURPLUS AND COMMON EXPENSES

1. There are fifty-two units in Chantclair Villas Condominium Number Three. When it is completed, each Unit will own an undivided share in the common elements and common surplus and will bear an undivided share of the common expenses of 1/52nd.

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RECORD VERIFIED
PALM BEACH COUNTY, FLA
JOHN B. DUNKLE
CLERK CIRCUIT COURT