

**BY-LAWS
OF
RIVERWALK HOMEOWNERS ASSOCIATION, INC.
(a not-for-profit Florida Corporation)**

ARTICLE I

NAME, PURPOSE AND LOCATION

Section 1. Name: The name of the corporation is Riverwalk Homeowners' Association, Inc. (hereinafter referred to as the Association). The Association is a not-for-profit corporation organized and existing under the Florida Not-For-Profit Corporation Act, Chapter 617 of the Florida Statutes.

Section 2. Purpose: The Association has been incorporated for the purposes set forth in the Articles of Incorporation of Riverwalk Homeowners Association, Inc., including, but not limited to, the general purposes of administering, managing, operating, maintaining and preserving a residential community known as Riverwalk, situated in Broward County, Florida, and governed by that certain Declaration of Restrictions, Covenants, Easements and Conditions for Riverwalk, as recorded in the Public Records of Broward County, Florida, and as may be amended from time to time.

Section 3. Location of Principal Office: The principal office of the Association shall be located at 1216 N.W. 72nd Avenue, Miami, Florida 33126, or at such other place as may be subsequently designated by the Board of Directors.

ARTICLE II

DEFINITIONS

For ease of reference, these By-Laws shall be referred to as the By-Laws and the Articles of Incorporation of the Association as the Articles. The terms used in these By-Laws shall have the same definition and meaning as those set forth in the Declaration of Restrictions, Covenants, Easements and Conditions for the Riverwalk Community, which has or will be recorded in the Public Records of Broward County, Florida, unless herein provided to the contrary, or unless the context otherwise requires.

ARTICLE III

MEMBERSHIP AND VOTING

Section 1. Membership: The Members of the Association shall consist of all of the record owners of the Living Units from time to time. Any transfer of ownership of a Living Unit shall terminate an Owner's membership in the Association. Membership in the Association is appurtenant to a Living Unit and cannot be conveyed other than by conveyance of the fee simple title to the Unit.

Section 2. Voting: Each Living Unit shall be entitled to one (1) vote on any Association matter requiring a vote of the Members. The vote to which any Living Unit is entitled shall not be divisible, and shall be cast by the Member designated and entitled to cast the vote according to the terms and provisions of this Section 2. In no event shall more than one vote be cast with respect to any one Living Unit. Except as otherwise provided in this Article III, each Member who is designated and entitled to cast the vote for any Living Unit shall be named in a voting certificate signed by all Owners of such Living Unit and filed with the Association. In the event any such voting certificate is not filed with the Association, the vote to which such Living Unit is entitled shall not be considered in determining whether a quorum is present, or for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such certificate is filed, except if the Living Unit is owned jointly by a husband and wife. If the Living Unit is owned jointly by a husband and wife, the provisions of Section 2(d)

shall be applicable. A voting certificate shall be valid until revoked by the Owners of, or until a transfer of a title to, the Living Unit to which the voting certificate pertains.

Voting rights shall be established as follows:

(a) In the event an owner is one person, that person's right to vote shall be established by the recorded title to the Living Unit at issue.

(b) In the event a Living Unit is owned by more than one person or entity, those persons or entities shall sign a voting certificate designating one of them for the purpose of casting the vote that is appurtenant to their Unit.

(c) In the event a Living Unit is owned by an entity, or an entity is designated as the owner entitled to cast the vote for a Living Unit, such entity shall designate a partner, officer, fiduciary, or employee of the entity to cast the vote that is appurtenant to the subject Living Unit. The voting certificate for such Living Unit shall be signed by any duly authorized partner or officer of the entity, or the fiduciary (in the event the entity is a trust or estate).

(d) Notwithstanding anything to the contrary contained in these By-Laws, in the event a Living Unit is owned jointly by a husband and wife, the following provisions shall be applicable to the casting of the vote that is appurtenant to their Unit:

(i) The husband and wife may, but shall not be required to, designate one of them as the voting Member;

(ii) In the event the husband and wife do not designate either of them as the person entitled to cast the vote that is appurtenant to their Living Unit, and if both persons are present at any regular or special meeting of the Members and are unable to concur in their decision upon any subject requiring a vote of the Members, such husband and wife shall lose their right to vote on that particular subject at that particular meeting; and

(iii) In the event the husband and wife do not designate one of them as the person entitled to cast the vote appurtenant to their Living Unit, and only one of them is present at any meeting, the Member present may cast the vote to which their Living Unit is entitled, without establishing the concurrence of the absent Member.

The voting rights granted to the Members pursuant to this Section 2 shall be subject to the Association's right to suspend such voting rights as provided in the Declaration, Section 15 of this Article III, and Section 18(t) of Article IV of these By-Laws.

Section 3. Voting Certificate and Ledger: All voting certificates shall be filed with the Secretary. The Secretary shall keep all voting certificates and shall prepare and maintain a ledger listing, by Living Unit, each Member who is designated to vote on behalf of such Unit.

Section 4. Quorum: The presence of designated voting Members holding thirty percent (30%) of all of the votes eligible to be cast by the Members, either in person or by proxy, shall be necessary to constitute a quorum at any meeting of Members. A majority vote of the Members present either in person or by proxy at any meeting of the Association when a quorum has been attained shall decide any matter to be determined by the Association, unless otherwise provided by the Articles, By-Laws or Declaration, in which event the voting percentage required by such other provision shall control. In the event less than a quorum is present at any annual or special meeting of the Members, the President may adjourn the meeting from time to time until a quorum is present. Any business that might have been transacted at the originally scheduled meeting may be conducted at any adjourned meeting thereof. Notwithstanding anything to the contrary contained in these By-Laws, notice of adjourned meetings shall be given to the Members as shall be determined by the President.

Section 5. Proxies: Any Member of the Association who is entitled to cast the vote for a Living Unit may, by written proxy, authorize another person to vote on behalf of such Living Unit. Any such written proxy shall specify the meeting and issue to which it pertains. The Board of Directors may, in its discretion, prescribe a form for written proxies. A general proxy may only be used to establish a quorum at a meeting. A proxy shall be valid only for the purposes and meeting for which it is given as specified therein, and any adjournment of such meeting, but

in no event for more than ninety (90) days after the date of the first meeting for which it was given. Any proxy must be filed with the Secretary before the appointed time of the particular meeting for which the proxy is given in order for the proxy to be effective. A proxy may be revoked by the person executing it prior to the time a vote is cast pursuant to such proxy.

Section 6. Secret Ballot: At any time prior to a vote upon any matter at any meeting of Members, any Member may require that a vote be made by secret written ballot. If secret written ballots are used, the Chairman of the meeting shall call for nominations and the election of three (3) inspectors of elections to collect and tally such ballots. Such inspectors of elections shall be nominated by a member or Members and chosen by a majority vote of the membership.

Section 7. Annual Meeting: The annual meeting of the Members of the Association for the purpose of electing Directors and transacting any other business that may be transacted by the Members, shall be held on a date and time and place within Broward County, Florida, as established by the Board of Directors. Provided, however, that, if that day is a legal holiday, the annual meeting shall be held on the next secular day; and provided, further, that the annual meeting shall be held no earlier than ninety (90) days, and no later than fifteen (15) days, before the fiscal year end.

Section 8. Special Meeting: Special meetings of the members of the Association may be called at any time by the President, and shall be called by the President upon written request of a majority of the Board of Directors or upon the written request of the Members who are entitled to vote at least one-third (1/3) of all of the votes eligible to be cast by Members. Special meetings of Members shall be held on such date, and at such time and place in Broward County, Florida, as the Board of Directors shall designate and the business Conducted therein shall be limited to the purpose described in the notice of the meeting.

Section 9. Notice of Meeting: A written notice of the date, time, place and purpose of all annual and special meetings of Members shall be given to each Member, either personally or by mail at the member's last known address as it appears in the books and records of the Association. Any such notice shall be given to the members not less than fifteen (15) and not more than forty (40) days before the meeting to which the notice pertains. If notice is given by mail, it shall be deemed delivered when deposited in a mail receptacle maintained by the United States Postal Service. In the event any Member desires that notice be mailed to an address other than the address that appears on the books and records of the Association, such member shall file a written request with the Secretary that notices intended for that Member be mailed to some other address, in which case notices shall be mailed to the address designated in such request. Additionally, the Secretary of the Association shall cause one or more copies of any such written notice to be posted in a conspicuous place or places on the Property at least fifteen (15) days prior to the meeting for which the notice is given. Notice of any meeting in which Assessments against Lots or Living Units are to be established shall specifically contain a statement that Assessments shall be considered and a statement of the nature of such Assessments.

Section 10. Waiver of Notice: Notwithstanding anything to the contrary contained in the Articles, the Declaration or these By-Laws, notice of any regular or special meeting of Members may be waived by any Member before, during or after any such meeting, which waiver shall be in writing and shall be deemed to be that member's receipt of notice of such meeting.

Section 11. Adjourned Meeting: If any proposed meeting cannot be held because a quorum is not present, the Members who are present, in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given at the original meeting or in the manner required for the giving of notice of a meeting. Except as required above, proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reason other than the new date of the meeting.

Section 12. Action without a Meeting: The Members entitled to vote may, with the approval of the Board of Directors, act by written agreement in lieu of any regular or special meeting of the Members; provided, however, that written notice of the specific matter or matters to be determined is given to all Members as set forth in Section 9 of this Article III and such notice includes a time period during which a response must be made by the Members entitled to vote.

Section 13. Action With a Vote: Whenever the vote of the Members is required or permitted by any provision of the Articles, Declaration or these By-Laws to be taken at any meeting of Members; the vote of the Members may be dispensed with if not less than the required percentage of Members to vote upon the action consent in writing to such action being taken; provided, however, that notice of such action shall be given to all Members unless all Members entitled to vote shall approve such action.

Section 14. Minutes of Meetings: The minutes of all meetings of Owners shall be kept in a book available for inspection by Owners, or their authorized representatives, and by Directors at reasonable times.

Section 15. Delinquent owners: If any Assessments or portions thereof imposed against an owner remain unpaid for thirty (30) days after they are due and payable, such Owner's voting rights in the Association shall be automatically suspended until all such past due Assessments and all the sums then due are paid, whereupon, the voting rights shall be automatically reinstated.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number, Term and Qualifications of Directors: The business and affairs of the Association shall be managed and governed by a Board of Directors composed of not less than three (3) nor more than seven (7) persons. Directors need not be Owners and one of the Directors shall be elected to serve as the President of the Association; provided, however, that until the Developer transfers control of the Association to the Owners as provided in Article III of the Declaration, all Directors shall be elected by the Developer unless the Developer, in its sole discretion, consents to the election of one or more Directors by Members prior to such transfer of control. Directors elected by the Developer may not be removed by Members other than the Developer. Each Director shall serve on the Board of Directors until the next Annual Meeting, or until he resigns, is disqualified or is removed from office as provided in these By-Laws.

Section 2. Nomination and Election of Directors: Until such time as the Developer transfers control of the Association to the owners as provided in Article III of the Declaration, the Developer may, in its sole discretion, elect and remove Directors at any time. When the Members of the Association are permitted to elect Directors, the nomination and election of Directors shall be conducted as follows:

(a) Nominations shall be made by Members at each annual meeting of Members. At the first meeting at which Members are permitted to elect Directors, nominations may also be made by a Member's written submission of a nomination to the Secretary of the Association prior to the date of the annual meeting of Members. Thereafter, all written nominations shall be submitted to a nominating committee, which shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members. The nominating committee shall be appointed by the Board of Directors at least sixty (60) days prior to each annual meeting of Members to serve until the close of that annual meeting.

(b) The Directors who shall serve on the Board of Directors shall be elected by votes cast at the annual meeting of Members, provided a quorum of the Members entitled to vote is present, either in person or by proxy. One vote per Living Unit may be cast with respect to each elected Director. There shall be no cumulative voting.

Section 3. Organization Meeting: Within fourteen (14) days after each annual election of the Board of Directors, the newly elected Directors shall meet for the purpose of organization, the election of officers, and the conduct of other business that may be transferred by the Board of Directors. The organizational meeting shall be held on such date and at such time and place as shall be fixed by the Board of Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary, provided all Directors are present at the meeting at which they were elected. In the event all Directors are not present, notice of the organizational meeting shall be given as provided in Section 9 of this Article IV.

Section 4. Resignations: Any Director may resign from his service on the Board of Directors at any time by giving written notice of such resignation to the Board of Directors. Such resignation shall take effect upon receipt thereof by the President or Secretary of the Association or at any later time as may be specified in the notice.

Section 5. Removal: Any Director may be removed from his service on the Board of directors for any nonfeasance, malfeasance, misfeasance or conduct detrimental to the best interests of the Association, by the affirmative vote of a majority of the Members at a special meeting of Members called for that purpose, and a successor Director shall, at such meeting, be elected to fill the vacancy thus created. In the event the Members fail to elect a successor Director, then the Board of Directors may fill the vacancy as provided in Section 6 of this Article IV. Any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any Assessments for more than sixty (60) days may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board in the manner provided above in this Section 5. Notwithstanding anything contained herein to the contrary, until a majority of the Directors are elected by the Members other than the Developer, neither the first Directors of the Association nor any Directors replacing them, nor any other Director named by the Developer, shall be subject to removal by Members other than the Developer. The first Directors and Directors replacing them may be removed and replaced by the Developer without a meeting.

Section 6. Vacancies: In the event the office of any Director becomes vacant by reason of death, resignation, disqualification or otherwise, or in the event a majority of the Members fail to replace a removed Director, a majority of the remaining Directors, although less than a quorum, shall choose a successor Director to fill such vacancy. Any successor Director shall serve on the Board of Directors for the balance of the unexpired term of the office he was chosen to fill. The Board of Directors may elect successor Directors at any regular or special meeting of the Board of Directors called for that purpose.

Section 7. Regular Meeting: The Board of Directors shall, at each organizational meeting, establish a schedule of regular meetings to be held during the period of time between such organizational meeting and the next annual meeting of Members. All meetings of the Board of Directors other than those established as regular meetings shall be special meetings.

Section 8. Special Meetings: Special meetings of the Board of Directors shall be held when called by the President of the Association or by any Director.

Section 9. Notice of Meetings: Except as otherwise provided in these By-Laws, notice of the date, time and place of meetings of the Board of Directors, or adjournments thereof, shall be given to each Director by personal delivery, by ordinary mail at a Director's usual place of business or residence, or by telephone, telefax, or telegram, not less than three (3) days prior to the date of such meeting. If mailed, such notice shall be deemed delivered when deposited in a mail receptacle maintained by the United States Postal Service. If given by telefax, such notice shall be deemed given when transmitted and a transmittal receipt is obtained. If given by telegram, such notice shall be deemed delivered when delivered to the telegram company. The notice for any special meeting of the Board of Directors shall state the purpose of such special meeting; provided, however, that if all Directors are present at any special meeting, notice of a specific purpose shall be deemed waived and any business may be transacted by the Board of Directors at such special meeting. Meetings of the Board of Directors shall be open to all owners and notice of such meeting shall be posted conspicuously on the Properties at least forty-eight (48) hours in advance for the attention of the Members, except in the event of an emergency, provided that owners not be permitted to participate in, and need not be recognized at, any such meeting.

All meetings of the Board shall be open to all members except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege. An assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessments.

Section 10. Waiver of Notice: A Director may waive notice of any meeting of the Board of Directors for which notice is required to be given pursuant to the terms and provisions of these By-Laws by signing a written Waiver of Notice before, during or after any such meeting of the Board of Directors. Attendance by any Director at any regular or special meeting of the Board of Directors shall be deemed to constitute that Director's waiver of notice of such meeting.

Section 11. Chairman: The President shall preside as Chairman at all regular and special meetings of the Board of Directors. In the President's absence, the Directors present at any such meeting shall choose a chairman to preside at the meeting.

Section 12. Quorum: A quorum of the Board of Directors shall consist of a majority of the total number of Directors serving on the Board of Directors. In the event less than a quorum is present at any meeting of the Board of Directors, the majority of the Directors present may adjourn the meeting from time to time until a quorum is present. Any business which might have been transacted at any meeting of the Board of Directors as originally called may be transacted at any adjourned meeting thereof.

Section 13. Voting: Each Director is entitled to cast one vote on any matters of business properly before the Board of Directors at any regular or special meeting of the Board of Directors. Each and every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board of Directors. Directors may not vote by proxy or by secret ballot at a board meeting, except that secret ballots may be used in the election of officers.

Section 14. Action without Meeting: The Board of Directors may act without a meeting if a consent in writing setting forth the action so taken is signed by all of the Directors and is filed with the minutes of the meetings of the Board of Directors. Such consent shall have the same effect as a unanimous vote of the Board of Directors and a resolution thereof.

Section 15. Telephone Meeting: Any Director may participate in any meeting of the Board of Directors by means of conference telephone or any similar means of communication by which all Directors participating can hear each other at the same time. Such participation by any Director shall constitute that Director's presence in person at any meeting.

Section 16. Minutes of Meetings: The Chairman shall, at each regular and special meeting of the board of Directors, appoint a Director to record the minutes of the meeting. Minutes of all meetings of the Board of Directors shall be kept in a businesslike manner and shall include all matters of business brought before the Board of Directors, and all motions, votes, acts and resolutions by the Board of Directors. The minutes of all meetings of the Board of Directors shall be made available to any Director, Officer or Member of the Association at the office of the Association during reasonable times and upon reasonable notice by the person requesting to inspect them.

Section 17. Compensation and Expenses: No Director shall receive any compensation or salary for his service as a Director on the Board of Directors; provided, however, that the Association may reimburse any Director for actual expenses incurred in the performance of his duties, and contract with a Director for the rendition of unusual or exceptional services to the Association and compensate him an amount that is appropriate in light of the value of such services.

Section 18. Powers and Duties: The Board of Directors shall have all powers and duties reasonably necessary to administer, manage, operate, preserve and maintain the Association and the Properties as set forth in the Articles, Declaration and By-Laws and granted by law to Directors. Such powers shall include, but not be limited to, the following:

- (a) Operating and maintaining the Common Areas and such portions of the Lots and Living Units as provided in the Declaration;
- (b) Determining the expenses required for the operation of the Association;
- (c) Levying Assessments on, and collecting them from, Owners;
- (d) Employing and dismissing the personnel necessary for the maintenance and operation of the Properties in accordance with the terms of the Declaration;

- (e) Adopting and amending Rules and Regulations concerning the details of the operation and use of The Properties;
- (f) Maintaining bank accounts on behalf of the Association and designating the signatories required therefor;
- (g) Purchasing, leasing or otherwise acquiring Living Units or other property in the name of the Association, or its designee;
- (h) Purchasing Living Units at foreclosure or other judicial sales, in the name of the Association, or its designee;
- (i) Selling, leasing, renting, mortgaging or otherwise dealing with Living Units acquired, and subleasing Living Units leased, by the Association, or its designee;
- (k) Obtaining and reviewing insurance for the Properties;
- (l) making repairs, additions, improvements, and restorations to, or alterations of, Living Units and Common Areas, in accordance with the provisions of the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise;
- (m) Enforcing obligations of the Owners and taking such other actions as shall be deemed necessary and proper for the sound management of the Association;
- (n) Levying fines against appropriate Owners for violations of the Rules and Regulations established by the Association to govern the conduct of such Owner;
- (o) Purchasing or leasing Living Units for use by resident superintendents and other similar persons;
- (p) Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of the Properties or the acquisition of property, and granting mortgages on, and/or security interests in, property owned by the Association; provided, however, that the consent of the Owners of a least a majority of the Living Units represented at a meeting at which a quorum is present in accordance with the provisions of these By-Laws shall be required for the borrowing of any sum in excess of One Hundred thousand Dollars (\$100, 000. 00) ; provided, however, that the Association shall take no action authorized in this paragraph without the prior written consent of the Developer so long as the Developer owns at least one Living Unit;
- (q) Contracting for the management and maintenance of the Properties and authorizing a management agent (who may be an affiliate of Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules, and maintenance, repair, and replacement of the Properties, with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Declaration, Articles and these By-Laws, including, but not limited to, the making of Assessments, promulgation of Rules and execution of contracts on behalf of the Association;
- (r) At its discretion, authorizing Owners or other persons to use portions of the Common Areas for private parties and gathering and imposing reasonable charges for such private use;
- (s) Exercising (i) all powers specifically set forth in the Declaration, the Articles, these By-Laws, and in the Florida Not-For-Profit Corporation Act, (ii) all powers incidental thereto, and (iii) all other powers of a Florida corporation not-for-profit;
- (t) Suspending the right of any Owner to vote or to use the Common Areas as long as such owner is delinquent in the payment of Assessments or is otherwise in violation of the Declaration or any exhibits thereto or applicable Rules and Regulations;
- (u) Imposing a lawful fee in connection with the transfer, lease, or sale of Living Units;

(v) Granting easements on or through the Common Areas, or any portion thereof;

(w) Contracting with and creating or joining in the creation of special taxing districts, joint councils and the like.

Section 19. Actions of Board After Turnover: Upon the termination of the Class "B" Membership, the Developer shall have a veto power over all actions of the Board and its committees, as is more fully provided in this Section 19. This power shall expire when the Developer no longer owns any portion of The Properties or January 1, 2015, whichever occurs first, unless earlier surrendered. This veto power shall be exercisable only by the Developer, and its successors and assigns who specifically take this power in a recorded instrument. The veto power shall be as follows:

No action authorized by the Board of Directors or any of its committees shall become effective, nor shall any action, policy, or program be implemented, until and unless:

(a) The Developer shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, and which notice otherwise complies as to the Board of Directors meetings with this Article IV as to regular and special meetings of the Directors, and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Developer shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board, any committee, or the Association. The Developer and its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee and/or the Board. The Developer shall have and is hereby granted a veto power over any such action, policy, or program authorized by any committee or the Board or the Association or any individual Member of the Association, if Board, committee, or Association approval is necessary for said action. This veto may be exercised by the Developer, its representatives, or agents, at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. The effect of such veto, if any, is to nullify and make ineffective any such action, policy or program. Any veto shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board, or the Association.

ARTICLE V

OFFICERS

Section 1. Elected Officers: The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected annually by a majority vote of the Board of Directors at the organizational meeting of the Board of Directors.

Section 2. Appointive Officers: The Board of Directors may appoint Assistant Vice Presidents, Assistant Secretaries, Assistant Treasurers, and such other officers as the Board of Directors deems necessary to administer the business and affairs of the Association.

Section 3. Terms and Qualifications of Officers: The President of the Association shall be elected from among the Directors serving on the Board of Directors. Officers other than the President may be elected from among the Members. Each Officer of the Association shall serve as an Officer until his successor has been duly elected and qualified, or until he resigns, is disqualified or is removed from office as provided in these by-laws. Officers are not required to be Owners or residents of the Living Units.

Section 4. Resignations: Any Officer of the Association may resign from office at any time by giving written notice to the Board of Directors. Such resignation shall take effect upon receipt thereof by the Chairman of the Board of Directors or at any later time specified in the written notice; provided however, that in the event of the President's resignation, such resignation shall take effect upon receipt thereof by any other Director.

Section 5. Removal: Any Officer may be removed for or without cause from office at any time by the Board of Directors. Any Officer who is to be removed from office shall be entitled to at least five (5) days' prior written notice of the meeting of the Board of Directors at which such removal shall be considered by the Board of Directors, and shall be entitled to appear before and be heard by the Board of Directors at such meeting.

Section 6. Vacancies: In the event any office of the Association becomes vacant by reason of an officer's death, resignation, removal, disqualification or otherwise, the Board of Directors may elect an officer to fill such vacancy at any regular meeting of the Board of Directors or at a special meeting of the Board of Directors called for that purpose. Any Officer so elected shall serve as an officer of the Association for the un-expired portion of the term of office he was elected to fill.

Section 7. President: The President of the Association shall be elected from among the members of the Board of Directors and shall continue to serve as a Director throughout his service as President of the Association. The President shall preside as chairman at all meetings of Members and of the Board of Directors. The President shall be responsible for general supervision over the business and affairs of the Association, shall administer the enforcement of all resolutions, orders and policies of the Board of Directors, and shall perform such other duties and functions as may be delegated to him or required of him by the Board of Directors. The President shall sign, in the name of the Association, any and all contracts, mortgages, notes, deeds, leases and other written instruments authorized by the Board of Directors or Members as required by the Declaration, Articles or these By-Laws.

Section 8. Vice President: Unless otherwise provided in these By-Laws, the Vice President shall exercise all of the powers and perform all of the duties of the President in the event of the President's absence or inability or refusal to act. The Vice President shall also generally assist the President in the supervision of the business and affairs of the Association, and shall exercise such other powers and perform such other duties as may be delegated to him by the President or required of him, by the Board of Directors.

Section 9. Secretary: The Secretary of the Association shall attend all annual and special meetings of the Members, and shall record the minutes of all such meetings. The Secretary shall be responsible for the preparation and maintenance of a ledger containing the names and addresses of all Members who have been designated to vote on behalf of any Living Unit in accordance with the terms and provisions of Article III of these By-Laws. The Secretary shall issue and distribute notices of all meetings of the Board of Directors and all meetings of Members when such notices are required by these By-Laws or the Declaration, and when requested by the Board of Directors or the President. The Secretary shall have charge and custody of the books and records of the Association, except those kept by the Treasurer. The Secretary shall have charge and custody of the corporate seal of the Association and shall, when duly authorized and directed by the President or by the Board of Directors, affix the seal to any and all instruments requiring it. The Secretary shall perform such other duties as may be delegated to him by the President or as may be required of him by the Board of Directors.

Section 10. Treasurer: The Treasurer shall have charge and custody of the Association's funds, securities and evidences of indebtedness and shall keep complete and accurate accounts of all receipts and disbursements by him on behalf of the Association. The Treasurer shall deposit all of the Association's funds in the depository and to the credit of the Association. The Treasurer shall disburse the funds of the Association as the Board of Directors may authorize in accordance with the terms and provisions of the Articles, Declaration and these By-Laws and shall make proper vouchers for each disbursement. The Treasurer shall be responsible for the preparation and maintenance of an assessments ledger, and for the issuance of certificates regarding the status of Assessments with regard to any Living Unit, in accordance with the provisions of the Declaration. The Treasurer shall account to the Board of Directors and the President whenever they may so require with respect to the transactions handled by the Treasurer on behalf of the Association and the financial condition of the Association. The Treasurer shall perform such other duties as may be delegated to him by the President or as may be required of him by the Board of Directors.

Section 11. Other Officers: In the event the Board of Directors appoints other officers to serve the Association, such Officers shall perform such duties and have such authority as may be determined by the Board of Directors. Any Assistant Vice President, Assistant Secretary or Assistant Treasurer shall perform duties of the Vice President, Secretary and Treasurer, respectively, when such Officers are absent or when they are not able or refuse to act.

Section 12. Compensation and Expenses: Officers shall not receive any compensation for their service as Officers of the Association. The Board of Directors may, in its discretion, reimburse any Officer for actual expenses incurred in the performance of that Officer's duties, and contract with and compensate an Officer for the rendition of unusual or exceptional services to the Association in an amount appropriate in light of the value of such services. The fact that any Director is an Officer shall not preclude that Director from voting in favor of such contract and compensation or from receiving such compensation.

ARTICLE VI

EXECUTIVE AND ADVISORY COMMITTEES

Section 1. Designation of Executive and Advisory Committees: The Board of Directors may, in its discretion, designate one or more executive or advisory committees for the purpose of effecting any of the business and affairs of the Association as may be authorized and delegated by the Board of Directors, or for the purpose of conducting studies and making reports to, and for consideration by, the Board of Directors with regard to any particular business matter or affair of the Association. Any such executive or advisory committee shall have a chairman and two or more committee Members, who must be appointed by the Board of Directors, who need not be Members of the Association, and who may be Directors. Notwithstanding the foregoing provisions of this Section 1, Members of committees which do not exercise Board powers may be appointed by the President, without approval of the Board.

Section 2. Standing Committees: The standing committees of the Association shall be the Architectural Control Committee and such other committees as the Board of Directors may establish to serve the best interests of the Association. The Architectural control committee shall have the powers, duties and functions set forth in the Declaration.

Section 3. Committee Rules and Regulations: Each committee may adopt rules and regulations for its own government; provided, however, that such rules and regulations are not inconsistent with the terms of the resolution of the Board of Directors designating the committee, with these By-Laws or with the terms and provisions of the Articles and the Declaration.

Section 4. Compensation and Expenses: The persons serving on any executive or advisory committee shall not receive any compensation for their services as committee members. The Board of Directors may, in its discretion, reimburse any such person for actual expenses incurred in the performance of his duties, and contract with and compensate any such person for the rendition of unusual or exceptional services to the Association in an amount that is appropriate in light of the value of the services. The fact that any Director is an Officer of the Association or a member of any executive or advisory committee shall not preclude that Director from voting in favor of such contract and compensation or from receiving such compensation. The Board of Directors may, in its discretion, authorize such committees to expend a specific amount of funds for a specific purpose, to the extent such funds and purpose are deemed necessary by the Board of Directors to enable the committee to fulfill its duties to the Association and to the Board of Directors. The Board of Directors may reimburse, in whole or in part, any committee for funds expended by the committee, when such funds were necessary for the committee's exercise of its authorized duties.

ARTICLE VII**FINANCE**

Section 1. Fiscal Year: The fiscal year of the Association shall be determined by the Board of Directors.

Section 2. Depositories: The depository of the Association shall be any such bank, banking institution, or savings and loan association as the Board of Directors shall from time to time designate. All funds, securities and evidences of indebtedness shall be deposited with such depository in the name of the Association. Withdrawal of funds from any such depository shall be only on checks signed by officers or other persons authorized by the Board of Directors to be signatories with respect to any such account and upon resolution of the Board of directors.

Section 3. Assessments, Application of Payments and Commingling of Funds: The Board of Directors shall prepare an Annual Operating Budget and shall establish Annual and Special Assessments in accordance with the terms and provisions of the Declaration. The obligation for the payment of all Assessments shall be governed by the terms and provisions of the Declaration. All Assessments collected by the Association may be kept in one or more accounts as shall be determined by the Board of Directors. The making and collecting of Assessments shall be administered according to the terms and provisions of the Articles, the Declaration or these By-Laws in such manner and amounts as the Board of Directors shall determine. All Assessments by the Association shall be secured by a continuing lien upon the Living Unit against which the Assessment is made. Any Assessments that are not paid when due shall be delinquent. In addition to those remedies granted in the Declaration, in the event of nonpayment of Assessments when due, the Association may bring an action at law against the Owner who is personally obligated to pay the Assessments, and/or foreclose the lien on the Living Unit against which the Assessment was made. The owner shall be liable for all interest, costs, late charges and reasonable attorneys' fees (both on the lower and appellate levels and irrespective whether suit is brought) incurred by the Association in connection with collection, all of which shall be added to the amount of such Assessment. No Owner may waive or otherwise avoid liability for Assessments provided for herein by non-use of the Common Areas, or by abandonment of his unit.

Section 4. Accounts and Reports: The following financial 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 to generally accepted accounting principles;
- (c) cash accounts of the Association shall not be commingled with any other accounts;
- (d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commission, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;
- (e) any financial or other interest which the managing agent or any Member may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors; and
- (f) commencing at the end of the month in which the first Living Unit is sold and closed, at least quarterly financial reports shall be prepared for the Association containing:
 - (i) an Income Statement reflecting all income and expense activity for the preceding period on an accrual basis;
 - (ii) an Account Activity Statement reflecting all receipt and disbursement activity for the preceding period on an accrual basis;

(iii) an Account Status Report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a Balance Sheet as of a date which is the last day of the month closest in time to three (3) months from the date of closing of the first sale of a Living Unit in the project, and quarterly thereafter, and an operating Statement for the period from the date of the first closing to the said Balance Sheet date, and quarterly thereafter, which shall be made available to Members within sixty (60) days after the Balance Sheet date;

(v) an Annual Report as of the end of the fiscal year consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a Balance Sheet; (2) an operating (income) Statement; and (3) a Statement of Changes in Financial Position for the fiscal year. An independent certified public accountant shall conduct a review for any fiscal year in which the gross income of the Association exceed seventy-five Thousand Dollars (\$75,000.00). If said Report is not reviewed by an independent certified public accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without review or audit from the books and records of the Association.

ARTICLE VIII

AMENDMENTS

These By-Laws may be amended by a vote of not less than sixty percent (60%) of the Members entitled to vote in person or by proxy at any annual or special meeting of Members at which a quorum is present; provided, however, (i) that a full statement of the proposed amendment is set forth in the notice of such meeting; (ii) that so long as the Developer owns any part of the Properties, the Developer's written consent to any amendment must first be obtained; and (iii) that no amendment shall be made which shall conflict with the Articles or the Declaration. Notwithstanding any provision to the contrary contained in these By-Laws: (i) no amendment shall affect or impair the right of any Institutional Mortgagee that owns and holds a mortgage on any portion of the Properties without the prior written consent of such Institutional Mortgagee; (ii) as long as Class "B" Membership exists and the Veterans Administration (V.A.) or the Federal Housing Administration (F.H.A.) insures or guarantees any outstanding loan on a Living Unit, the Developer, F.H.A. or the V.A. shall have the right to veto any amendment to these By-Laws; and (iii) so long as the Developer owns title to any portion of the Properties and the amendment has no material adverse effect on any Member or an Institutional Mortgagee, the Developer may unilaterally amend these By-Laws. This Article VIII may not be amended.

ARTICLE IX

RULES AND REGULATIONS

The Developer may, until the Developer transfers control of the Association to the Owner, establish, modify, suspend or cancel Rules and Regulations for the use and occupancy of the Properties in accordance with the terms and provisions of the Declaration.

ARTICLE X

DISSOLUTION

The Association may be dissolved by a vote of eighty percent (80%) of the Members entitled to vote at any regular or special meeting; provided, however, that the proposed dissolution is specifically set forth in the notice of any such meeting, and that so long as Developer owns at least one Living Unit, Developer's prior written consent to the dissolution of the Association must be obtained. Provided, further, so long as there is Class B Membership and the Veterans Administration (V.A.) or the Federal Housing Administration (F.H.A.) insures or guarantees an outstanding loan on a Living Unit, the prior written consent of the Developer, V.A. or the F.H.A. must be received prior to dissolution of the Association. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to

be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XI

MISCELLANEOUS

Section 1. Captions and Headings: The captions and headings pertaining to the Articles and sections of these By-Laws are solely for ease of reference and in no way shall such captions or headings define, limit or in any way affect the substance of any provisions contained in these By-Laws.

Section 2. Severability: In the event any of the terms or provisions contained in these By-Laws shall be deemed invalid by a court of competent jurisdiction, such terms or provisions shall be severable from these By-Laws, and the invalidity or unenforceability of any such term or provision shall not affect or impair any other term or provision contained in these By-Laws.

Section 3. Number and Gender: Whenever used in these By-Laws, the singular number shall include the plural, the plural shall include the singular, and the use of any one gender shall be applicable to all genders.

Section 4. Conflicting Provisions: In the event there is any conflict between the Articles and these By-Laws, the terms and provisions of the Articles shall control; and in the event there is any conflict between the Declaration and these By-Laws, the terms and provisions of the Declaration shall control.

Section 5. Governing Law: The terms and provisions contained in these By-Laws shall be construed in accordance with and governed by the laws of the State of Florida.

Section 6. No Waiver: Any forbearance by the Association in exercising any rights or remedies contained in the Land Use Documents shall not be a waiver of or preclude the exercise of any right or remedy.

Section 7. Parliamentary Rules: Except as maybe modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Florida law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 8. Notices: Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first-class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary, or, if no such address has been designated, at the address of the Living Unit of such Member; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

IN WITNESS WHEREOF, the undersigned Officer of Riverwalk Homeowners Association, Inc., has executed these By-Laws this 22nd day of April, 1999.

RIVERWALK HOMEOWNERS ASSOCIATION, INC.

a Florida corporation not-for-profit

BY: 

HUMBERTO DEL VALLE, PRESIDENT

CERTIFICATION

I CERTIFY that I am the duly appointed and acting secretary of Riverwalk Homeowners Association, Inc., a not-for-profit Florida corporation (the "Association"), and that the foregoing By-Laws constitute the By-Laws which were properly approved by the Board of Directors of the Association.

IN WITNESS WHEREOF, I have subscribed my name and affixed the seal of the Association this 22nd day of April, 1999.

Riverwalk Homeowners Association, Inc.
a Florida corporation not-for-profit

BY: 

Humberto Del Valle, Secretary